



## Executive

**Wednesday, 17 August 2011 at 7.00 pm**  
Committee Rooms 1, 2 and 3, Brent Town Hall, Forty Lane, Wembley, HA9 9HD

### Membership:

#### Lead Member Councillors:

#### Portfolio

|                   |  |
|-------------------|--|
| John (Chair)      | Leader/Lead Member for Corporate Strategy and Policy Co-ordination |
| Butt (Vice-Chair) | Deputy Leader/Lead Member for Resources                            |
| Arnold            | Lead Member for Children and Families                              |
| Beswick           | Lead Member for Crime and Public Safety                            |
| Crane             | Lead Member for Regeneration and Major Projects                    |
| Jones             | Lead Member for Customers and Citizens                             |
| Long              | Lead Member for Housing  |
| J Moher           | Lead Member for Highways and Transportation                        |
| R Moher           | Lead Member for Adults and Health                                  |
| Powney            | Lead Member for Environment and Neighbourhoods                     |

**For further information contact:** Anne Reid, Principal Democratic Services Officer  
020 8937 1359, [anne.reid@brent.gov.uk](mailto:anne.reid@brent.gov.uk)

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**The press and public are welcome to attend this meeting**

# Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

**Item** **Page**

**1 Declarations of personal and prejudicial interests**

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

**2 Minutes of the previous meeting** 1 - 14

**3 Matters arising (if any)**

**4 Deputations (if any)**

## Children and Families reports

**5 Schools cleaning contract - pre tender amendment** 15 - 18

Following a report seeking authority to invite tenders for a Cleaning Framework Agreement to commence on 2<sup>nd</sup> January 2012 at the May 2011 Executive, this report seeks an amendment to the pre-tender considerations contained in that report as required by Contract Standing Orders 88 and 89.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Arnold  
**Contact Officer:** David Furse, Procurement  
Tel: 020 8937 1170 david.furse@brent.gov.uk

## Environment and Neighbourhood Services reports

**6 Removal and replacement of contaminated soil from St Raphael's and Brentfield estates** 19 - 28

Following an Executive decision on 26 July 2010 sixty one properties in St Raphael's and Brentfield estates have been formally determined as contaminated and a remediation statement has been written setting out how the remediation will be undertaken and by when. An award of grant to cover the costs of the remediation works has been made by the Environment Agency which requires the works to be completed by 31 March 2012. This report informs the Executive of the procurement process proposed and of an exemption to Standing Orders approved on the grounds of extreme urgency to allow tenders to be invited to meet the demanding timetable and avoid potential loss of grant.

**Ward Affected:**  
Stonebridge;

**Lead Member:** Councillor Powney  
**Contact Officer:** Yogini Patel, Environmental Health  
Tel: 020 8937 5262 [yogini.patel@brent.gov.uk](mailto:yogini.patel@brent.gov.uk)

**7 Authority to establish a framework agreement for the provision of a leased maintained vehicle fleet and to establish call off arrangements** 29 - 48

This report requests authority to establish a single-supplier Framework Agreement for Brent Transport Services for the provision of vehicle maintenance services and for the supply and maintenance of new vehicles, as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering these requirements and, following the evaluation of the tenders, recommends which supplier should be appointed to the Framework Agreement. The report also advises Members of a short review presently being undertaken to confirm Brent's future requirement for the passenger transport services provided by Brent Transport Services (BTS).

*(Appendix also below)*

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Powney  
**Contact Officer:** David Shelley, Brent Transport Services  
Tel: 020 8937 6720 [david.shelley@brent.gov.uk](mailto:david.shelley@brent.gov.uk)

### Regeneration and Major Projects reports

**8 Strategy to Provide Primary School Places in Brent up to 2014-2015** 49 - 84

The Council is working closely with Brent schools to provide parents with a place for their children and endeavouring to offer choice and diversity of provision. This report sets out the options for dealing with the increased demand for places over both the short and medium term.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillors Arnold and Crane  
**Contact Officer:** Rajesh Sinha, Krutika Pau, Director of Children and Families  
Tel: 020 8937 3187, Tel: 020 8937 3126  
[rajesh.sinha@brent.gov.uk](mailto:rajesh.sinha@brent.gov.uk),  
[krutika.pau@brent.gov.uk](mailto:krutika.pau@brent.gov.uk)

### Central Reports

**9 Future Customer Services: delivering change to the council's customer services** *circulated separately*

This report sets out the changes that are proposed as part of the One Council Future Customer Services project. A key element of these

changes is the establishment of a new division, Corporate Customer Services, which will bring together the existing One Stop Service and Revenues and Benefits service. There will then be a phased transition of customer contact from within other service areas into Corporate Customer Services.

*(Appendix also below)*

**Ward Affected:**

All Wards;

**Lead Member:** Councillor John

**Contact Officer:** Phil Newby, Director of Strategy, Partnerships and Improvement

Tel: 020 8937 1032 phil.newby@brent.gov.uk

**10 Award of Framework Contracts - young people housing support services 85 - 114**

This report updates members on the outcome of the procurement process of two frameworks for young people housing support services and seeks approval to appoint organisations to the frameworks as required by Contract Standing Order 88. It requests authority to award call-off contracts from the two frameworks for young people housing support services as required by Contract Standing Order 88 and further requests authority to extend existing contracts for a period of three weeks to the 24<sup>th</sup> of October 2011 to ensure planned implementation for the new services.

*(Appendices also below)*

**Ward Affected:**

All Wards;

**Lead Member:** Councillor R Moher

**Contact Officer:** Alison Elliott, Director of Adult Social Services

Tel: 020 8937 4230 alison.elliott@brent.gov.uk

**11 Treasury annual report 2010/11 115 - 128**

The purpose of this report is to provide information to members on borrowing and investment activity, and performance compared to prudential indicators during 2010/11. As the Treasury Management Annual Report should be agreed by Full Council, the Executive is asked to recommend it to Full Council for approval. The report will also go to the Audit Committee as part of the scrutiny function required under the 2009 Treasury Management Code of Practice issued by CIPFA.

**Ward Affected:**

All Wards;

**Lead Member:** Councillor Butt

**Contact Officer:** Martin Spriggs, Exchequer and Investment

Tel: 020 8937 1472

martin.spriggs@brent.gov.uk

**12 Performance and Finance review 2010/11 Quarter 4 129 - 152**

The Council has refreshed its performance management framework and a

series of complementary initiatives have been introduced to enable improved performance monitoring. A set of departmental performance scorecards have been introduced to strengthen internal monitoring and a more flexible service planning framework has also been rolled out. As part of the refresh, the format of this report has changed to make it more accessible to members. In the future performance and finance information will be reported along departmental lines to guide lead members and facilitate a more holistic appraisal. In response to the abolition of the Local Area Agreement and changes to the national indicator set, the report will primarily focus on local priorities.

*Appendices circulated separately*

**Ward Affected:**

All Wards;

**Lead Member:** Councillor John

**Contact Officer:** Phil Newby, Director of Strategy, Partnerships and Improvement, Clive Heaphy, Director of Finance and Corporate Services

Tel: 020 8937 1032, Tel: 020 8937 1424

phil.newby@brent.gov.uk,

clive.heaphy@brent.gov.uk

**13 Reference of item considered by Call in Overview and Scrutiny Committee**

None.

**14 Exclusion of Press and Public**

The following items are not for publication as they relate to the following category of exempt information as specified in the Local Government Act 1972 namely:

**APPENDICES:**

**Vehicle Fleet replacement**

"information relating to the financial or business affairs of any particular person"

**Future Customer Services - delivering change to the council's customer services**

"Information relating to any individual."

**Award of framework contracts - young people housing support services**

"information relating to the financial or business affairs of any particular person"

*(reports above refer)*

**15 Any Other Urgent Business**

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the

meeting in accordance with Standing Order 64.

**Date of the next meeting: Monday, 19 September 2011**



- 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 EXECUTIVE Monday, 18 July 2011 at 7.00 pm

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

ALSO PRESENT: Councillors S Choudhary, Hashmi, Lorber, HB Patel and RS Patel

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

Councillor Beswick declared a personal and prejudicial interest in the item relating to the Church End Development, having a relative living in the vicinity, left the room and took no part in the discussion or decision thereon.

#### 2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 13 June 2011 be approved as an accurate record of the meeting.

#### 3. **Order of business**

The Executive agreed to change the order of business so as to take early in the meeting, those items for which members of the public were present.

#### 4. **Future funding of an events programme**

The report from the Director of Customer and Community Engagement outlined priorities underpinning the future delivery of an events programme and also options for funding within the current financial constraints. Members of the Hindu Council were present at the meeting but waived the right to speak. The Lead Member, Customers and Citizens, Councillor Jones, reminded the Executive of the outcome of the consultation exercise carried out earlier in the year, the concern that faith and cultural events were not seen to be inclusive and for the council to meet its obligations under the Equality Act 2010. Before members were proposals for a festivals and events programme from September 2011 and Councillor Jones recommended that this programme cease from April 2012. She recognised that some organisations relied on council funding but emphasised the need for the council to make legal and rational decisions. It was hoped that council officers would be able to give advice to organisations in making their own arrangements. The Chair, Councillor John, reiterated that funding for events would continue in the current year and set out the events that would receive council funding, acknowledging that some aspects of the programme in previous years may change.

Councillor Lorber (Leader of the Opposition) referred to the diverse nature of his ward and to the many festivals that had been celebrated over the years. He challenged the description of the events as religious and stated that they were inclusive, inviting the whole community and gave an opportunity to improve relations. Councillor Lorber asked for details of the equalities concerns referred to earlier in the meeting and questioned whether other events could also be affected such as Black History Month and Fireworks Night. He also felt that the matter should be raised at Full Council. Councillor HB Patel reminded the Executive that religious and cultural events had been celebrated for many years, that this was a diverse borough and that there was no clear evidence that they were not valued.

Councillor John in response referred to the new responsibilities placed on local authorities under the Equality Act, guidance on which was published in April this year and which required a new approach. She drew attention to the microsite and appendices to the report which contained the Equality Impact Assessment and audit carried out. Councillor John stated that it was recognised that some groups were relying on receiving funding in the current year and consequently it was being recommended that financial support be given for the interim and the funding cease with effect from April 2012. A realistic programme from September would be supported within the time and staffing resources available and Councillor John again listed the events that the council would help to fund which included Fireworks Night for health and safety reasons.

Councillor Powney (Lead Member, Environment and Neighbourhoods) also referred to the new responsibilities under the Equality Act which he felt were significantly different. He stated that some evidence from the consultation indicated that people did not view the religious events as inclusive but community specific. There was no suggestion that they cease but only to no longer be council funded. There was nothing to prevent members of the council from putting a motion to full council should they wish for further debate.

The Executive agreed the proposals as moved by Councillor John.

RESOLVED:-

- (i) that in the light of the council's equalities responsibilities, delivery of any cultural/faith based events cease from April 2012 and a reduced programme be delivered;
- (ii) that during this transition year 2011/12 officers look to support the delivery of a realistic programme of work within the budget available to include:
  - Festival of Light celebration combined with Fireworks Night on 5 November
  - Eid
  - Navratri grant
  - Festive Lights (tree dressing)
  - Chanukah
  - Holocaust Memorial Day
  - St Patrick's Day
  - St George's Day



- (iii) that it be noted that the delivery of certain major events would not be able to take place due to insufficient time to programme any large scale events and the necessary recruitment of specialist staff;
- (iv) that the commitment to providing advice and support for local community groups to stage a broad range of celebratory events be endorsed;
- (v) that the priorities underpinning any future delivery of an inclusive events programme be noted.

#### **5. Petition - Save Preston Library**

The Executive had before them a petition in support of the Save Preston Library Campaign which opposed the sale or redevelopment of the library site that did not include a Brent public library. The Chair, Councillor John, advised that a Judicial Review of the earlier decision to close a number of Brent libraries was due to commence the following day in the High Court and consequently it had been decided to defer consideration of the report from the Director of Regeneration of Major Projects on the library asset strategy. The petitioners were invited to present their petition this evening or at later date when the report was considered.

In response to questions from the petitioners on the reason for the withdrawal of the report at this late stage, Councillor John responded that it was considered that the pending Judicial Review would constrain what members would be able to say and, as such, hinder discussion on the report. Samantha Warrington on behalf of the petitioners, agreed to defer formal presentation of the petition.

#### **6. Asset Strategy for buildings to be vacated consequent to the outcome of the Library Transformation Programme**

RESOLVED:

that in the light of the Judicial Review hearing scheduled to commence the following day, consideration of the report on proposals for an asset strategy for vacated library buildings be deferred.

#### **7. The future of the housing stock: proposals for future ownership, investment and management**

The report from the Director of Regeneration and Major Projects considered two recent developments relating to the provision of housing services in Brent. Firstly, the reform arrangements for the Housing Revenue Account system as proposed by central government, which would see a transfer of responsibility from the current national subsidy system to a locally managed, self-financing arrangement. The report set out the implications of the proposed settlement and in the light of this made recommendations for the future of the housing stock. Secondly, the Council had recently completed an independent review of the housing management arrangements for its housing stock. The management agreement between the Council and Brent Housing Partnership (BHP), an Arms Length Management Organisation (ALMO) was due to expire in August 2012 and the review considered

a range of options in order to test the most effective and efficient arrangements for the future delivery of the housing management service.

Councillor Long (Lead Member, Housing) in introducing the report referred to the government's reform of the Housing Revenue Account system which would have the effect of reducing the HRA debt considerably and resulting in the full range of stock ownership, investment and management options being financially viable over the medium term. On housing management, Councillor Long stated that housing stock transfer as a result of the South Kilburn regeneration programme would eventually mean that the total housing stock within the HRA would reduce to only 7,000 properties. A number of options had been considered including partnership management, outsourcing a directly managed housing management service and she outlined the reasons why these had been discounted. The recommended options were either direct management in-house by the council or an 'optimised ALMO'. Councillor Long indicated that it was felt that a transfer back to the council would not be popular and would have financial implications. An optimised ALMO was proposed and she referred members to the advantages. Consultation would take place with tenants.

The Chair Councillor John paid tribute to valuable work of Brent Housing Partnership (BHP), welcomed Gerry Doherty (BHP, interim Chief Executive) and Kathy Ellison (Chair, BHP Board) to the meeting and stated she looked forward to the future.

RESOLVED:-

- (i) that in the light of the recent Housing Revenue Account settlement, the council retain ownership of its existing housing stock;
- (ii) that in the light of the recent Independent Review of Housing Management, the council consults tenants and residents on a preferred option to manage the housing stock through Brent Housing Partnership, as an Optimised Arms Length Management Organisation focusing strongly on housing management;
- (iii) that a new management agreement between the council and Brent Housing Partnership be drafted, with full heads of terms to be completed by October 2011;
- (iv) that in considering how best to optimise BHP, a full review be undertaken of the following functions (to be completed by October 2011), with a view to delivering improvements and efficiencies:
  - human resources
  - finance processing
  - communications
  - legal
  - procurement
  - contract alignment
  - rent accounting
  - rent collection
  - aids and adaptations

- (v) that a joint governance review be undertaken between the council and Brent Housing Partnership (to be completed by October 2011), which would review both the BHP Board structure and the relationship between the council and BHP, with a view to ensuring that BHP was fit for purpose for the duration of the proposed new management agreement;
- (vi) that following the outcome of the consultation as set out in paragraph (ii) above and after the reviews set out in paragraphs (iv) and (v) above have been carried out, a report be presented to the Executive in early 2012 regarding a final decision on the future role of BHP and the management of the Council's housing stock after the current BHP Management Agreement expires in September 2012.

## **8. Arts Development Strategy**

The report from the Director of Environment and Neighbourhood Services outlined the Arts Development Strategy (Appendix 1 to the report) for the council which had been developed following the recent consultation. It also proposed the council's delivery of an Arts Development Programme for the borough within the current financial constraints. Councillor Powney (Lead Member, Environment and Neighbourhoods) referred to the improvements outlined in the strategy and acknowledged the reduction in grant to the Tricycle Theatre. There would be a focus on the new Civic Centre and Willesden Green Library.

RESOLVED:-

- (i) that the Arts Development Strategy attached as Appendix 1 to the report from the Director of Environment and Neighbourhood Services be approved;
- (ii) that approval be given to the proposals in paragraph 7.0 of the Director's report. This would deliver an arts programme against the four key priorities and reduce the grant to the Tricycle Theatre by £20k per annum;
- (iii) that the council's commitment to the future development of arts and cultural activities in the borough at the new Civic Centre and a new cultural hub in Willesden, conditional on the proposed redevelopment progressing be endorsed.

## **9. Authority to Invite Tenders for the Parking Enforcement and Notice Processing Contracts**

The Lead Member, Highways and Transportation, Councillor J Moher, introduced the report which sought authority to invite tenders for the Parking Enforcement and Notice Processing contracts to commence 4 July 2012, as required by Contract Standing Orders 88 and 89.

RESOLVED:-

- (i) that approval be given to the pre-tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 4.1 of the report from the Director of Environment and Neighbourhood Services;

- (ii) that approval be given to officers inviting expressions of interest, agreeing shortlists, inviting tenders for the Parking Enforcement and Notice Processing contracts and their evaluation in accordance with the approved evaluation criteria referred to in (i) above.

#### 10. **Additional street cleansing savings**

The 2011-12 budget making process made some explicit decisions about reduction in service levels in street cleaning. There were also further savings built into the budget which required negotiation with Veolia as to how they could be achieved. The report from the Director of Environment and Neighbourhood Services recommended the approval of further variations in the council's waste services contract in order to meet agreed budget reductions and Councillor J Moher (Lead Member, Highways and Transportation) referred members to the specific changes proposed in the report.

The Executive also had before them an appendix to the report which was not for publication as it contained the following categories of exempt information as specified in Schedule 12 of the Local Government (Access to Information Act) 1972:

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

RESOLVED:-

- (i) that the requirement to achieve further reductions in the cost of the Council's Waste Services Contract and the progress of negotiations relating to those reductions set out in paragraphs 3.3 to 3.7 of the report from the Director of Environment and Neighbourhood Services be noted;
- (ii) that agreement be given the package of changes to street cleaning services set out in paragraph 3.10 of the report from the Director of Environment and Neighbourhood Services;
- (iii) that the intention to seek further cost reductions from the waste services contractor in relation to the agreed changes be noted and authority delegated to the Director of Environment and Neighbourhood Services and the Director of Finance and Corporate Services to conclude those negotiations.

#### 11. **South Kilburn update report**

The report from the Director of Regeneration and Major Projects summarised the progress made on the regeneration of South Kilburn which, as the Lead Member Councillor Crane pointed out, had been in discussion for more than a decade and was now taking shape. The regeneration programme was one of the largest in London, with four sites, three of which already had planning permission, the final

one to be agreed in 2012. Councillor Crane drew attention to the various aspects of the project as set out in the report which required approval. The former Albert Road Day Centre site presented a further opportunity for development.

Finally Councillor Crane was pleased to be able to recommend rent levels that were affordable and commended the work of officers in achieving this outcome.

The Executive agreed the report.

RESOLVED:-

- (i) that the Executive note the progress made on the South Kilburn Regeneration project as set out in the report;
- (ii) that agreement be given to progress with Phase 2 of the regeneration proposals in line with the overall phasing strategy, including the redevelopment of Bronte and Fielding Houses, the Queens Park Station area (Zone 18) and 4-26 Stuart Road;
- (iii) that officers be authorised to take preparatory steps with a view to procuring an EU compliant contract with a prospective energy suppliers to bring forward a decentralised energy solution for South Kilburn;
- (iv) that the appointment of Alison Brooks Architects from the LDA Architecture, Landscape and Urban Design Framework Agreement to lead the design team through to full planning application (RIBA Stage C or D) for the Bronte and Fielding site be noted;
- (v) that the appointment of Maccreanor Lavington Architects from the LDA Architecture, Landscape and Urban Design Framework Agreement to lead the design team through to full planning application (RIBA Stage C or D) for the Queens Park Station Area (Zone 18) be noted;
- (vi) that agreement be given to set rent levels for the affordable units within Phase 1b sites, including Wells Court, Cambridge Court, Ely Court, Bond House and Hicks Bolton House once completed, at a rent equivalent to Homes and Community Agencies Target Rent Levels and to adopt this rent level for other affordable development in South Kilburn until borough wide rent levels are reviewed later in the year;
- (vii) that the Director of Regeneration and Major Projects' intention to undertake a mini-competition under the South Kilburn Developer Framework to identify a developer partner for the disposal of Phase 1b sites, including Wells Court, Cambridge Court, Ely Court, Bond House and Hicks Bolton House be noted;
- (viii) that the Director of Regeneration and Major Projects be authorised to seek the Secretary of State's consent to the disposal and redevelopment of phase 2 sites including Cullen House, Site 11B and 4-26 Stuart Road on the estate for the purposes of ground 10A of Schedule 2 to the Housing Act 1985, to enable the Council to apply for a court order to obtain vacant possession of residential dwellings let under secure tenancies, Section 32 of the Housing Act 1985 to dispose of housing land, Section 19 of the Housing Act for

appropriation of land for planning purposes and under the necessary Act (if applicable) to dispose of non housing land;

- (ix) that approval be given to the making of compulsory purchase orders (CPOs) to acquire (a) all interests and rights in the properties listed in Appendix 1 and comprising the land shown edged red on the plans in Appendix 1 (the CPO Land) and (b) any new rights in the CPO Land which may be required under section 13 of the Local Government (Miscellaneous Provisions) Act 1976, notably the Argo Business Centre, Post Office and 4-26 Stuart Road, Site 18 comprising the Queen's Park Station Area and Site 11B comprising the Albert Road Daycare Centre (ARDC) and the British Legion;
- (x) that the Director of Regeneration and Major Projects be authorised to stop long term lettings on Cullen House and 4-26 Stuart Road and continue to prioritise all new development site lettings in South Kilburn to tenants within sites on the next phase of development;
- (xi) that the Director of Regeneration and Major Projects' intention to undertake a mini-competition under the South Kilburn Developer Framework to identify a developer partner for the disposal of the 4-26 Stuart Road site and to secure any other affordable housing on the Argo and Post Office sites for that partner in pursuit of decant units for South Kilburn be noted;
- (xii) that Director of Regeneration and Major Projects' intention to take steps to secure the Albert Road site (11B) for disposal on the open market be noted;
- (xiii) that approval be given to the submissions of the CPOs, once made, to the Secretary of State for confirmation whilst at the same time seeking to acquire the land by private negotiated treaty on such terms as may be agreed by the Director of Finance and Corporate Services;
- (xiv) that approval be given to the service of demolition notices and the suspension of tenants' Rights to Buy in relation to secure tenancies at 4-26 Stuart Road and Cullen House, which are all on the South Kilburn estate, and authorise the Director of Regeneration and Major Projects to issue all and any notices required to be issued in connection with such demolition;
- (xv) that approval be given to the following:
  - 1) Director of Regeneration and Major Projects to enter into agreements and make undertakings on behalf of the Council with the holders of interests in the CPO Land or parties otherwise affected by the Scheme setting out the terms for the withdrawal of their objections to the confirmation of the CPOs and including the offering back of any part of the CPO Land not required by the Council after the completion of the development or the acquisition of rights over the CPO Land in place of freehold acquisition, where such agreements are appropriate;
  - 2) Making of one or more general vesting declarations or service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the

Compulsory Purchase Act 1965 respectively should the CPOs be confirmed by the Secretary of State;

- 3) Service of all requisite notices on the holders of the CPO Land relating to the making and confirmation of the CPOs;
- 4) Director of Regeneration and Major Projects to remove from the CPOs any plot (or interest therein) no longer required to be acquired compulsorily for the scheme to proceed and to amend the interests scheduled in the CPOs (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised);
- 5) Director of Regeneration and Major Projects within the defined boundary of the CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or following the confirmation of compulsory powers by the Secretary of State;
- 6) Director of Regeneration and Major Projects, if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the limits of the CPO Land for which a blight notice has been validly served.

## 12. **Alperton Masterplan SPD**

The report from the Director of Regeneration and Major Projects set out the consultation process carried out and the representations made on the draft Alperton Masterplan Supplementary Planning Document ("the draft SPD") attached as Appendix A to the report. The report also set out the proposed officer responses to the consultation representations and proposed changes to the draft SPD as a consequence. The Lead Member (Regeneration and Major Projects) drew attention to the potential for 1,600 new homes and the hope for private sector investment. He asked the Executive to agree to changes to the draft masterplan SPD and thereafter formerly adopt the Alperton Masterplan SPD to the council's Local Development Framework Core Strategy.

RESOLVED:-

- (i) that the proposed responses to the consultation representations and amendments to the draft masterplan SPD as outlined in section 4.0 of the report from the Director of Regeneration and Major Projects and detailed in Appendix 3 of the report be approved;
- (ii) that Alperton Masterplan be adopted as a Supplementary Planning Document to the Council's Local Development Framework (LDF) Core Strategy;
- (iii) that authority to make any minor changes to the final publication draft be delegated to the Director of Regeneration and Major Projects.

## 13. **Church End redevelopment**

Councillor Crane (Lead Member, Regeneration and Major Projects) introduced the report which sought member approval to the disposal of the council's remaining freehold interest in Church End Car Park to Catalyst Housing Group Limited (CHGL). The report also sought approval to initiate compulsory purchase of all interests (inclusive of freehold interests) other than that already owned by the housing association in this area. These actions would enable CHGL to bring forward the regeneration of this area in line with council objectives.

The Executive also had before them an appendix to the report which was not for publication as it contained the following category of exempt information as specified in Schedule 12 of the Local Government (Access to Information Act) 1972:

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

RESOLVED:-

- (i) that approval be given to the disposal of its freehold interest to Catalyst Housing Group Limited (CHGL) in accordance with the terms set out in the report from the Director of Regeneration and Major Projects and as outlined in the appendix to that report;
- (ii) that approval be given to:
  - (a) the making of compulsory purchase orders (the CPOs) to acquire all interests and rights in the properties listed in paragraph 3.5 to the Director's report and shown as the land hatched in black on the plan attached in the Appendix 2 together with properties referred to in paragraph 3.7 (which properties are referred to hereafter as "the CPO Land") under section 226 (1)(a) of the Town and Country Planning Act 1990 and any new rights in the CPO Land which may be required under section 13 of the Local Government (Miscellaneous Provisions) Act 1976;
  - (b) the Director of Regeneration and Major Projects in consultation with the Director of Legal and Procurement to include in the Compulsory Purchase Order authorised by this Executive meeting such other additional interests and rights as are disclosed during the land referencing exercise which the Director of Regeneration and Major Projects in consultation with the Director of Legal and Procurement deem it necessary to facilitate the delivery of the Church End Growth Area;
  - (c) include authority to the appropriation of land for planning purposes where applicable;
- (iii) that approval be given to the submission of the CPOs, once made, to the Secretary of State for confirmation whilst at the same time seeking to acquire the land by private negotiated treaty on such terms as may be agreed by the Director of Regeneration and Major Projects;



(iv) that the following be authorised:

- 1) the Director of Regeneration and Major Projects to enter into agreements and make undertakings on behalf of the Council with the holders of interests in the CPO Land or parties otherwise affected by the scheme setting out the terms for the withdrawal of their objections to the confirmation of the CPOs and including the offering back of any part of the CPO Land not required by the Council after the completion of the development or the acquisition of rights over the CPO Land in place of freehold acquisition, where such agreements are appropriate;
- 2) the making of one or more general vesting declarations or service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 respectively should the CPO be confirmed by the Secretary of State;
- 3) the service of all requisite notices on the holders of the CPO Land including rights in the CPO Land relating to the making and confirmation of the CPO;
- 4) to remove from the CPO any plot (or interest therein) no longer required to be acquired compulsorily for the scheme to proceed and to amend the interests scheduled in the CPO (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised);
- 5) within the defined boundary of the CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or following the confirmation of compulsory powers by the Secretary of State;
- 6) if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the limits of the CPO Land for which a blight notice has been validly served.

*Councillor Beswick declared a personal and prejudicial interest in this item, having a relative living in the vicinity, left the room and took no part in the discussion or decision thereon.*

#### **14. Quality House, 249 Willesden Lane, Willesden**

249 Willesden Lane was currently occupied by the Council's Brent and Harrow Trading Standards Unit. In accordance with the Council's strategy toward rationalising its office portfolio ahead of the move to the Civic Centre an opportunity has arisen to relocate staff into Brent House. The report from the Director of Regeneration and Major Projects report therefore recommended the disposal of the freehold interest in 249 Willesden Lane.

The Executive also had before them an appendix to the report which was not for publication as it contained the following category of exempt information as specified in Schedule 12 of the Local Government (Access to Information Act) 1972:

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

RESOLVED:-

- (i) that agreement be given to the sale in accordance with the terms set out in the Appendix to the report from the Director of Regeneration and Major Projects at paragraphs 5.1 and 5.2;
- (ii) that the Assistant Director, Property and Asset Management be authorised to conduct further negotiations and secure a sale in the best financial interests of the council in the event that any preferred parties fail to conduct the transaction with due diligence.

**15. Disposal of 58 and 86 The Avenue, Kilburn**

The Executive considered a report which sought approval for the open market disposal of two council owned residential properties situated at 58 The Avenue, Brondesbury, London, NW6 7NP, and 86 The Avenue.

RESOLVED:-

- (i) that approval be given to the open market disposal of the Council's freehold interest of the buildings comprising dilapidated and vacant residential units 58 The Avenue, Brondesbury, London, NW6 7NP, and 86 The Avenue, Brondesbury, London NW6 7NN;
- (ii) that the Assistant Director of Regeneration and Major Projects (Property and Asset Management) instruct marketing agents so as to ensure that the best price was achieved on sale of the freehold and to instruct Legal in the matter of the disposal.

**16. Budget Strategy 2012/13 to 2015/16**

The report before members from the Director of Finance and Corporate Services set out the financial prospects for the council for the next four years. Councillor Butt (Lead Member, Resources) advised that approval was sought to the overall budget strategy addressing the budget gap, achieving savings through the One Council Programme and the delivery of the Borough Plan.

RESOLVED:-

- (i) that the latest forecast for the Council's revenue budget for 2012/13 to 2015/16 at Appendix A and the assumptions used to derive this be noted;
- (ii) that the overall budget process set out in the report be endorsed;
- (iii) that the proposed budget timetable be noted.

**17. Reference of item considered by Call in Overview and Scrutiny Committee**

None.

18. **Any Other Urgent Business**

None.

The meeting ended at 7.45 pm

A JOHN  
Chair

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**Executive  
17 August 2011**

**Report from the  
Director of Children and Families**

Wards Affected:  
ALL

## **Authority to invite tenders for a framework agreement for the provision of cleaning services to Brent schools**

### **1.0 Summary**

- 1.1 Following a report seeking authority to invite tenders for a Cleaning Framework Agreement to commence on 2<sup>nd</sup> January 2012 at the May 2011 Executive, this report seeks an amendment to the pre-tender considerations contained in that report as required by Contract Standing Orders 88 and 89.

### **2.0 Recommendations**

- 2.1 That the Executive gives approval to amend the pre-tender considerations so that multiple providers suppliers can be appointed to the framework rather than the previous report which recommended a single supplier.

### **3.0 Detail**

- 3.1 In the report to the Executive in May 2011, Officers requested authority to tender a framework agreement for the supply of cleaning services to be made available to all schools within Brent. At this time, the report requested that a single provider be appointed to the framework, however after due consideration Officers believe that a single provider would not offer the best route.
- 3.2 There are currently 77 maintained schools in Brent made up of 59 primary, 4 nursery, 10 secondary and 4 special schools. Presently two schools have expressed an interest in participating in any new framework; however it is envisaged that many more would participate after the award of the framework. Given the likely value of two schools is circa £500k per annum, it is considered that a framework open to all Brent schools would restrict all but the largest providers bidding for the work.

3.3 Allowing for multiple providers will also ensure that smaller and local providers are not excluded from the tender process as not having capacity to provide services to all Brent schools, although any provider submitting a Pre-Qualification Questionnaire will still need to meet the council's pre-determined financial standards.

3.4 Officers have considered the number of providers that should be appointed to the framework and determined that the optimum number of providers is three.

#### **4.0 Pre Tender Considerations**

4.1 There are no new pre tender considerations to be considered except for the amendment to the number of providers to be appointed to the framework. Officers therefore seek authority to tender a multiple provider framework agreement of up to three providers for the provision of cleaning services to schools located within the Borough of Brent.

#### **5.0 Financial Implications**

5.1 The market testing carried out by Tribal Avail Consultancy on behalf of the Department for Education suggested that when both schools currently wishing to procure the framework agreement collaborated, cleaning service providers were likely to reduce their prices by up to 5%. The lowest price indication suggested that a combined contract could save the two schools £50k pa. Further Value For Money savings/efficiencies would be available to one school as direct management and supervision would be outsourced. The financial benefits would increase as more of Brent schools took advantage of the framework agreement.

5.2 Cleaning costs are met directly by schools from their delegated budgets and any savings achieved would potentially release funds that schools could then direct towards learning and teaching.

#### **6.0 Legal Implications**

6.1 The estimated value of the framework agreement for cleaning services over its lifetime is in excess of £500k and therefore the procurement and award of the framework agreement is subject to the Council's Contract Standing Orders and Financial Regulations in respect of High Value Contracts.

6.2 The estimated value of the framework agreement over its lifetime is higher than the EU threshold for Services under the Public Contracts Regulations 2006 ("the EU Regulations"). Cleaning services are classed as Part A Services under the EU Regulations and therefore the framework agreement must be procured fully in accordance with the EU Regulations, to include advertising the framework agreement in the Official Journal of the European Union. The EU Regulations also require that the duration of a framework is no more than 4 years save in exceptional circumstances.

- 6.3 Where more than one provider is appointed to a framework agreement, the framework agreement must set out details as to how call-off contracts are awarded between the providers on the framework. Officers will discuss such procedures with schools and it is likely that a procedure involving a mini-competition between providers will be required.
- 6.4 Once the tendering process is undertaken, Officers will report back to the Executive in accordance with Contracts Standing Orders, explaining the process undertaken in tendering the framework agreement and recommending award.

## **7.0 Diversity Implications**

- 7.1 Officers have screened the proposals set out in this Report and consider that there are no significant diversity implications.

## **8.0 Staffing/Accommodation Implications (if appropriate)**

- 8.1 If a provider is appointed to the framework and schools calling off from the framework are currently using a different provider, this may require staff to transfer pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 from the current contractor to the contractor appointed under the framework.
- 8.2 A subsequent report to the Executive seeking authority to award the framework agreement and call-off contract will advise further on any potential staffing or accommodation implications in the future.

## **Background Papers**

May 2011 Executive report.

### **Contact Officers:**

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**Krutika Pau**  
**Director of Children and Families**

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**Executive**  
17 August 2011

**Report from the Director of  
Environment and Neighbourhood  
Services**

Ward affected:  
Stonebridge

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

**Reason for urgency**

An award of grant to meet the costs of this remediation project was made by the Environment Agency on 26 July 2011. The award requires the remediation works to be completed by 31 March 2012. The timetable for the works leaves insufficient time to obtain Executive approval before commencing the tendering process.

**1.0 Summary**

- 1.1 Following an Executive decision on 26 July 2010 sixty one properties in St Raphael's and Brentfield estates have been formally determined as contaminated and a remediation statement has been written setting out how the remediation will be undertaken and by when.
- 1.2 An award of grant to cover the costs of the remediation works has been made by the Environment Agency which requires the works to be completed by 31 March 2012. This report informs the Executive of the procurement process proposed and of an exemption to Standing Orders approved on the grounds of extreme urgency to allow tenders to be invited to meet the demanding timetable and avoid potential loss of grant.

**2 Recommendations**

- 2.1 Members agree to proceed with the remediation work at St Raphael's and Brentfield Estates in accordance with the remediation design approved by the Environment Agency using the £1,422,525 grant monies allocated.
- 2.2 Members note that the grant funding will only cover the cost of basic re-instatement of fencing and turf, and that Brent Housing Partnership (BHP)

proposes to make a contribution from its capital budgets for necessary works outside the scope of the grant such as re-instatement of sheds etc.

- 2.3 Members note the timing issues relating to the works set out in paragraphs 3.11 – 3.16 and that, in view of the urgent requirement to ensure that works are completed by 31 March 2012, an exemption from Standing Orders has been sought and granted from the Director of Finance and Corporate Resources on grounds of extreme urgency pursuant to Standing Order 84(b) after consultation with the Director of Legal and Procurement, exempting the procurement from the requirement to seek Executive authority to go out to tender for remediation works and exempting the requirement to use a single stage or two stage tender process.
- 2.4 Members note the procurement process for remediation works being followed as set out in paragraphs 3.16 and 3.17 and authorise the Director of Environment and Neighbourhood Services to award the contract for remediation works following the identification of a preferred contractor.

### **3.0 Detail**

- 3.1 The Council has a statutory duty under Part II(A) of the Environmental Protection Act 1990 and the Contaminated Land (England) Regulations 2006 to inspect land in the Borough and identify potentially polluted land which could pose a risk to human health. Where such land is identified the council has a further duty to assess whether the pollution poses a significant possibility of significant harm to human health. Where it determines that it does so, the council must act to remove that risk of harm by securing the remediation of the land or otherwise.
- 3.2 A phased soil investigation was undertaken to look for contamination associated with the historic sewage works from October 2008 to June 2010 at St Raphael's and Brentfield Estates.
- 3.3 Benzo-a-pyrene levels that may pose a significant possibility of significant harm have been identified in three areas, two areas of St Raphael's Estate and one in Brentfield estate. Benzo-a-pyrene is a known carcinogen.
- 3.4 Members considered this issue on 26 July 2010 and agreed a number of recommendations including:
1. a safe determination value of 17 ppm for benzo-a pyrene
  2. that further assessment of 138 properties be undertaken in order to identify the exact number of properties which exceed the 17ppm determination value.
  3. the remediation method of replacing 0.6m of contaminated soil with 'clean' soil.

- 3.5 Results from further assessments identified a final total of 61 properties (54 owned and managed by BHP with seven leaseholders) that exceed the 17ppm determination level for benzo-a-pyrene.
- 3.6 In August 2010 all 61 properties were formally determined as contaminated. After consultation with BHP as well as the owners and occupiers of 61 properties, a remediation statement was drawn up by the Council stating the remediation required with an estimation of timescales to undertake this work.
- 3.7 In August 2010, Brent applied for further funding from Defra to undertake structural, utilities, topographical and ecological surveys of all 61 properties in order to estimate the cost of remediation.
- 3.8 In October 2010, Brent received funding from Defra for £50,875 for the survey work as well as remediation design, CDM co-ordinator and tender specification.
- 3.9 The survey and design specification works were completed in December 2010 in readiness for the funding window to open in November /December 2010. The cost of remediation works including contingencies was estimated at £1,422,525.
- 3.10 The anticipated opportunity to bid for funding in late 2010 did not arise because Defra and the Environment Agency did not open the window to bids until May 2011. At that point Brent applied to the Environment Agency for full funding of £1,422,525 for the remediation of all 61 properties.
- 3.11 On 26 July 2011, the Environment Agency allocated Brent Council £1,422,525 for undertaking full remediation works with a proviso that all the works must be completed by 31<sup>st</sup> March 2012.
- 3.12 The remediation works are estimated to take between 24-26 weeks with 33 weeks remaining of the financial year at grant award. Therefore there were limited options for the procurement of these works due to the tight deadlines imposed by the Environment Agency.
- 3.13 Given that the estimated value of works is less than the EU threshold for works of £3,927,260, the procurement is not subject to the full application of the Public Contracts Regulations 2006 ("the EU Regulations"). The EU Regulations do not therefore determine the procurement process to be followed although the overriding principles of EU law (equality of treatment, fairness and transparency in the award process) continue to apply in relation to the award. The procurement is however subject to the Council's own Contract Standing Orders and Financial Regulations.
- 3.14 Council Standing Orders require that works over £1 million are classed as High Value Contracts and as such require Executive authority to go out to tender. Tendering would generally either be by a single stage tender process or via a two stage tender process. Both processes require advertising in a local newspaper and in a trade journal. In view of the tight deadlines imposed by the Environment Agency for conclusion of remedial works, both seeking

Executive authority to tender and tendering using a traditional single stage or a two stage process were considered by Officers to cause difficulties. It was for example considered that there would be insufficient time to place adverts in a trade journal given they are published monthly.

- 3.15 Officers investigated whether there was an appropriate framework that could be used to minimise the time taken to procure a contractor to carry out remedial works but were unable to identify any relevant framework.
- 3.16 Given the tight deadlines to complete works, Officers sought an exemption from Standing Orders on grounds of extreme urgency pursuant to Standing Order 84(b) from the Director of Finance and Corporate Resources following consultation with the Director of Legal and Procurement. The exemption sought was to avoid the requirement to seek Executive authority to go out to tender in accordance with Contract Standing Order 88 and to avoid the requirement to seek tenders using a single stage tender process or a two stage tender process but instead only to seek tenders from a minimum of 5 selected contractors using a shortened procurement process. In view of the need to commence the procurement process as soon as possible and not jeopardise grant funding, the Director of Finance and Corporate Resources granted such exemption.
- 3.17 Following the Director of Finance and Corporate Resources granting an exemption from Standing Orders, Officers have invited at least 5 contractors who are specialist in soil remediation to tender for this work. Contractors have been asked to confirm as part of their tender that they guarantee completion of works by 31<sup>st</sup> March 2012. Members are asked to authorise the Director of Environment and Neighbourhood Services to award the contract for remediation works following the identification of a preferred contractor

#### **4.0 Financial Implications**

- 4.1 There is a risk that the works may not be completed in time in contravention of terms and conditions of the grant. If this were to arise the Council would only be able to claim the grant funding for the proportion of the remedial work which had been completed by 31 March 2012. The Council would then be liable to meet the costs of the proportion of the works which had not been covered by the grant. Officers would seek agreement from the Environment Agency for a further grant in 2012-13 to cover these costs but this cannot be guaranteed.
- 4.2 The grant funding will only cover the cost of basic re-instatement of grass and fencing. Brent Housing Partnership has advised that it proposes to make a contribution from its capital budgets for works outside the scope of the grant such as re-instatement of sheds and the replacement of some garden plants.
- 4.3 As the Council is classed as a Class 'B' appropriate person, it will still be liable to undertake the remediation works if the monies granted by the Environment Agency are not utilised to remediate the 61 contaminated properties.

## **5.0 Legal Implications**

- 5.1 The actions proposed in this report are in line with discharging the Council's legal obligations under Part II(A) of the Environmental Protection Act 1990 and the Contaminated Land (England) Regulations 2006.
- 5.2 The approach to the investigation is in line with the Councils Contaminated Land Inspection strategy published in 2002.
- 5.3 The detailed legal implications with regard to the procurement of a contractor to provide the remedial works are set out in the body of the report.
- 5.4 As detailed in paragraph 3.11, the Environment Agency requires full remediation works to be completed by 31 March 2012. The Minister of State for the Department for Environment, Food and Rural Affairs has the power under section 31 of the Local Government Act 2003 to award a local authority grant monies to assistance in the clean, up of contaminated sites within its area under the contaminated land regime.
- 5.5 Members attention is drawn to the terms and conditions of the Grant, appended to this report. Paragraph 17 therein places an obligation on the Council. to prepare a final report certified by the Director of Finance and Corporate Services which must be submitted to the Environment Agency within 3 months of completion of the works.
- 5.6 Members are advised that if in the event the Grant conditions are breached this would entitle the Environment Agency to seek recovery of the grant monies. Accordingly, strict compliance with the terms of the Grant is essential to avoid repayment.

## **6.0 Diversity Implications**

- 6.1 The proposals contained in this report have been examined and are not considered to have any equalities implications. Every household affected has been and will be contacted to ensure that they understand the nature and impact of the works and the reasons for it.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

- 7.1 None

### **Background Papers**

Executive Report dated 26<sup>th</sup> July 2010

### **Contact Officers**

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## Appendix 1

### GRANT CONDITIONS

#### Introduction

1. This document contains the conditions of a grant by the Environment Agency to a local authority under the Contaminated Land Grants Programme.
2. The Environment Agency reserves the right to refuse to make grant payments, or reclaim any amount paid as part of the grant, if a grant recipient fails to comply with these terms and conditions.

#### Payment arrangements

3. Subject to the scheme being carried out in a satisfactory manner in accordance with the provisions of the Grant Memorandum<sup>1</sup>, the Environment Agency will pay grant on the basis of the actual eligible expenditure during 2011-12 for the approved works.
4. The Environment Agency cannot give any commitment to pay grant for approved eligible works which are not completed by 31<sup>st</sup> March 2012.
5. Claims must be made on a Payment Claim Form (CL3) on completion of the approved works. The claim must be certified by the Authority's Chief Finance Officer. Claims for costs incurred in 2011-12 must be submitted on or before 31<sup>st</sup> March 2012.
6. Applications can be made for interim payments of grant to cover costs to date plus estimated expenditure up to three months in advance, provided these estimates are within the current financial year. Advances of grant will only be paid on written confirmation of works having started. Written includes post, fax or e-mail.

#### Progress Reports

7. The Environment Agency must be notified in writing how much grant is spent in each quarter of the financial year. This should reflect when elements of work are completed rather than when an invoice is paid. A form requesting this information will be issued to all grant recipients.

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<sup>1</sup> Environment Agency: Grant Memorandum 2011 for local authorities and internal drainage boards

8. Grant recipients must notify the Environment Agency of any grant underspend (or likely grant underspend) as soon as it is identified.

### **Amendments to approved projects**

9. The Environment Agency acknowledges that amendments to the approved project may be required. If during the course of the project additional works are considered necessary the grant recipient's Senior Project Manager must liaise with the Environment Agency Assessor. Any additional costs incurred that are not a result of agreed additional works on the approved project must be met by the grant recipient.
10. Where agreement is reached on the need for additional works which will increase the total project cost for 2011-12 beyond the maximum amount of grant to be paid, then the Environment Agency may consider an application for such costs.
11. The grant recipient's Senior Project Manager must notify the Environment Agency of any change to the forecasted project completion date as soon as it is identified.

### **Acknowledgement**

12. The Environment Agency as the source of the Grant shall be acknowledged on any construction signboards or permanent commemorative plaques or in announcements or briefings which the applicant or its contractors may make in connection with the approved project.

### **Appraisal, Monitoring and Financial Systems**

13. The authority must maintain reliable, accessible and up to date accounting records with an adequate audit trail for all expenditure funded by grant monies under this Determination.
14. The Environment Agency may audit a sample of grants paid through this programme. Grant Recipients will be expected to comply fully with such an audit and supply any documentation requested. Such audits will not commence less than 30 calendar days from issue of the notice of audit.
15. The Environment Agency reserves the right to commission an independent evaluation of activities relating to the Grant and the applicant shall assist with any such evaluation.



16. The applicant shall make available for inspection by, or on behalf of, the Environment Agency or the National Audit Office all accounting records referred to above or such other information relating to the administration of the approved project as they may, from time to time, reasonably require.

### **Final Report and Specified Documentation**


17. On completion of the approved project the grant recipient must complete a final report certified by the Authority's Chief Finance Officer. This must be submitted to the Environment Agency within three months of the completion date.

### **Breach of Conditions and Recovery of Grant**

18. The Environment Agency reserves the right to reclaim all or part of the grant payment if it identifies or receives notification of grant underspend or evidence that grant has not been spent on eligible costs on the specified project.
19. The Environment Agency reserves the right to reclaim all or part of the grant payment if the grant recipient does not submit a final report within three months of completion of the approved project.
20. If at any time after the award of a grant the grant recipient is able to reclaim all or part of the grant funded costs from a liable party the grant recipient must notify the Environment Agency to enable recovery of those costs.
21. The Environment Agency reserves the right to request receipts relating to the project up to 7 years from the cessation of the project. Grant recipients must ensure these are kept for this period.

***Environment Agency,  
July 2011***

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|   | <p style="text-align: center;"><b>Executive</b><br/>17 August 2011</p> <p style="text-align: center;"><b>Report from the Director of<br/>Environment and Neighbourhood<br/>Services</b></p> |
| For Action   | Wards Affected: ALL   |
| <p style="text-align: center;"><b>Authority to establish a framework agreement for the provision of a leased maintained vehicle fleet and to establish call off arrangements</b></p> |   |

**Appendix 3 of this report is not for publication**

## **1.0 Summary**

- 1.1 This report requests authority to establish a single-supplier Framework Agreement for Brent Transport Services for the provision of vehicle maintenance services and for the supply and maintenance of new vehicles, as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering these requirements and, following the evaluation of the tenders, recommends which supplier should be appointed to the Framework Agreement.
- 1.2 The report also advises Members of a short review presently being undertaken to confirm Brent's future requirement for the passenger transport services provided by Brent Transport Services (BTS).

## **2.0 Recommendations**

- 2.1 That the Executive agrees to the establishment of a four-year Framework Agreement with Translinc Ltd as sole supplier for (1) maintenance of existing fleet (2) supply and maintenance of new vehicles, which can also be accessed by other members of the West London Alliance group of local authorities.
- 2.2 That the Executive delegate to the Director of Finance and Corporate Services in consultation with the Director of Environment and Neighbourhood Services the decision to approve the award of a 4-year call-off contract for the maintenance of the existing Brent fleet to Translinc Limited in the estimated contract sum of £1.1million following completion of the review of future requirements described in paragraphs 3.39 – 3.41 of the report.
- 2.3 That the Executive delegate authority to the Director of Environment and

Neighbourhood Services to approve individual call-off contracts with Translinc Ltd for the supply and maintenance of new leased vehicles during the course of the framework agreement.

### **3.0 Detail**

#### ***Background***

- 3.1 Brent Transport Services (BTS) provides passenger transport services for children and young people with Special Educational Needs and for Adult Community Care clients. These services are provided using a mix of contracted and in-house transport services, procured and managed by BTS, with BTS also being responsible for the maintenance of the in-house fleet. In addition, BTS is responsible for the procurement, provision, fleet management and maintenance of vehicles used by various Council departments (eg Parks, Library Services, Highways etc).
- 3.2 All maintenance of BTS vehicles - including those loaned/leased to other Council departments is currently carried out at the BTS workshop at Hirst Hall by the BTS Workshop Manager and 3 fitters. The workshop outsources work which it cannot undertake within its own capability/resources.
- 3.3 Historically, new vehicles have been acquired by BTS through a variety of means, including outright purchase and leasing through prudential borrowing, according to the availability of funding at the time. However, this approach - whereby, typically, only 5 new vehicles were acquired each year - has not kept pace with the need to replace an average of 15 vehicles each year (allowing for an average service life of 10 years across a fleet of 150 vehicles). The BTS fleet currently comprises 144 vehicles of which 122 are owned outright and 22 leased. More than 40% of the fleet has exceeded its normal service life, being more than 10 years old, and is in urgent need of replacement. An additional 33 vehicles, outside the BTS fleet but used in various Council departments, were also included within the scope of this procurement exercise to provide an alternative supply and maintenance option for these departments in future if it proved advantageous.
- 3.4 61 of the current BTS fleet are not compliant with the London Emission Zone (LEZ) regulations that come into effect on 1 January 2012. The LEZ regulations will impose a cost penalty of £250 per day of operation for each non-compliant vehicle used on London's roads after 1 January 2012.
- 3.5 All non-compliant vehicles for which there is a continuing requirement must therefore either be replaced or modified at an estimated cost of £4,000 per vehicle, where this is possible. Clearly it would not be cost effective to modify vehicles that are at the end of their service life and which will have a residual value with the modification of less than £4,000 to meet this deadline only then to replace them shortly thereafter.

#### ***Options Appraisal***

- 3.6 Northgate Public Services (NPS) were appointed by the Council in July 2008 to implement the Modernising Transport project. In their initial review, NPS highlighted the need for a structured and informed vehicle replacement strategy adopting strategic sourcing methodology to ensure value for money. NPS recommended that a full Options Appraisal for the future provision and maintenance of the fleet should be undertaken. This Options Appraisal was carried out in 2009 and considered a range of options from outright purchase of new vehicles, to leasing and in-house maintenance, and leasing with outsourced maintenance. The Appraisal was completed in June 2009 and recommended that the fleet should be replaced progressively on a lease-with-maintenance basis (otherwise known as contract hire), with the maintenance of the existing fleet also being outsourced until the fleet was fully replaced under the new arrangements.
- 3.7 Analysis of the BTS in-house maintenance costs indicated that these were higher than could be expected if maintenance was outsourced to a lease provider. It was also noted that whilst the lease option was only marginally cheaper than outright purchase on a 10-year discounted cash flow basis, the leasing option would avoid the need for a large initial capital investment to replace the large number of vehicles that had already exceeded their service life. The appraisal concluded that it was essential to take a long-term strategic view of the management and replacement of the fleet to ensure that BTS could continue to meet its service obligations with a properly-funded, efficient, modern fleet. The lease-with-maintenance option was subsequently endorsed by the Strategic Steering Group for the Modernising Transport Project as the preferred procurement option and was agreed by the Executive on 14 December 2009.

### ***Authority to Tender***

- 3.8 In preparing a request to the Executive for Authority to Tender, consideration was given to making the proposed vehicle sourcing and maintenance arrangements available to other Borough members of the West London Alliance. It was decided that this could be achieved by seeking the establishment of a Framework Agreement in 2 Lots:

- Lot 1 - Maintenance of Existing Fleet
- Lot 2 - Supply and Maintenance of New Vehicles

This configuration would enable WLA members with an existing fleet to access both Lots to manage the transition from an existing fleet maintained in-house to a new contract hire fleet, as required in Brent, if they wished to do so. Alternatively, WLA members could access Lot 2 only where only contract hire was required. Unfortunately, it was not possible to configure the proposal to also allow for the supply of vehicles only without maintenance provision, although this was not a Brent requirement in any case. It was decided that both Lots should be provided by the same provider such that maintenance could be provided efficiently for both existing vehicles and those acquired under contract hire. Moreover, this arrangement would facilitate decisions about the optimal point at which to replace existing vehicles.

- 3.9 The need to seek a Framework Agreement to enable WLA members to access the terms offered dictated that the length of the Agreement could not exceed 4 years. However, this would not dictate the length of vehicle leases which would be optimised on a 'best value' basis and could be for periods ranging from 3 to 10 years. At the end of the 4-year period a new Framework or contract could be let for the ongoing maintenance of vehicles remaining from the existing fleet, for maintenance of vehicles supplied by the initial Framework provider, and for the supply and maintenance of new vehicles procured by BTS.
- 3.10 A report was presented to the Executive on 14 December 2009 seeking approval for the proposed Future Acquisition Strategy for the Brent Transport Services Fleet and Authority to Tender for Provision of a Leased Maintained Fleet, based on the arrangements described at paragraph 3.7 above. In addition, the report noted the following key points:
- a. Operating Leases. It would be essential to ensure that leasing terms proposed by tenderers passed the CIPFA/IFRS tests for consideration as operating leases rather than finance leases. This would ensure the fleet could be funded from revenue rather than being treated as assets in the Council's balance sheet.
  - b. TUPE. It would be likely that TUPE would apply in relation to the 4 Council staff employed in the BTS workshop as the proposed Framework Agreement would require the provider to carry out maintenance services for the existing fleet and for new vehicles on a contract hire basis.
  - c. Funding. It was noted that the indicative costs of the proposed leasing and maintenance of the BTS fleet would rise progressively over a 10-year period as the existing fleet was replaced by new vehicles and the legacy of failure to fund the regular replacement of the fleet in previous years was overcome.
  - d. Workshop Location. It was not intended to mandate the use of the existing BTS workshop at Hirst Hall by the contracted provider, although the operational benefit in having some or all of the required maintenance activity carried out on-site was recognised. Nevertheless, in considering where the maintenance activity would be conducted in future, tenderers would need to take account of the likely TUPE obligation with regard to the transfer of BTS workshop staff to the provider.
- 3.11 The recommendations of the report to the Executive were agreed and authority to proceed to tender was granted.

### ***Tender Requirements***

- 3.12 Tender documents were prepared by NPS and BTS in conjunction with the Council's Legal and Procurement departments to take account of the requirements described above.

- 3.13 Specification. A detailed Specification was prepared covering the requirements of both Lots, and taking into account the extensive operating knowledge of BTS drivers, passenger attendants and workshop fitters, and the broader experience contributed by NPS. Wherever possible the Specification was not prescriptive so as to enable and encourage tenderers to offer optimal best-value solutions. Other requirements such as the need to meet the latest current and known future emissions standards were mandated as considered necessary.
- 3.14 Vehicle Availability. The Specification stressed the importance of a high level of vehicle availability to the efficient operation of BTS' passenger services and placed the onus on the contractor to provide replacement vehicles as required to ensure this without additional cost to BTS, except where vehicles had to be withdrawn due to misuse, accidents etc. The Specification required the contractor to adhere to service levels contained in a schedule of Key Performance Indicators to be agreed at the pre-contract stage.
- 3.15 Lease Period. Tenderers were invited to recommend a lease period for vehicles that would offer optimum value for the Council in terms of monthly leasing charges within an allowable span of 3-10 years. The Specification and Evaluation Document also made it clear that tenders would be evaluated in terms of whole-life cost to the Council, taking into account excess mileage charges and early termination penalties, as well as the monthly leasing charge, maintenance charges and additional cost charges for unfair wear and tear.
- 3.16 Pricing. Tenderers were required to complete a number of pricing schedules as follows:
- a. Generic monthly maintenance prices for a range of common vehicle types. These prices were required to provide a basis for pricing maintenance of existing fleets in Brent and in other WLA member Boroughs if required.
  - b. Specific monthly maintenance prices and additional cost charges for the vehicles in the existing Brent fleet.
  - c. Monthly prices for contract hire of vehicles required by Brent using conventional diesel engines.
  - d. Monthly prices for contract hire of vehicles required by Brent using 'alternative' fuels (see para 3.17 below).
- 3.17 Environmental Considerations. Brent Council wishes to minimise the adverse impact of its activities on the Environment and to minimise its carbon emissions wherever it can. BTS has already contributed to this through more efficient use of its fleet by better routing and scheduling and increasing vehicle utilisation. However, the current fleet, particularly those vehicles at the end of their service life do not meet the latest standards for fuel efficiency or emissions. In considering the required Specification for replacement vehicles, a high-level review of current vehicle technologies was undertaken by BTS. This review

noted that improvements in what might be called 'conventional' diesel-powered light commercial vehicles – of the type comprising the majority of the BTS fleet - were being made continuously, driven by ever tighter EU and UK emissions standards. On the other hand, there remained significant comparative cost penalties in acquiring, operating and maintaining almost all light commercial vehicles powered by 'alternative' fuels – such as electricity, biogas, hydrogen, compressed natural gas etc - that were becoming increasingly available in the market place and developing at considerable pace. Moreover, it was also clear that whole-life operating cost comparisons between such competing technologies are highly sensitive to the prevailing subsidies and tax regimes that may be applied by Government. Therefore, the Specification required tenderers to offer 'conventional' vehicles to meet the Council's general requirements and that would meet the highest current and anticipated EU (Euro V) and local emissions standard and, in addition, to offer such 'alternative' vehicles that they considered to be viable solutions for the Council's requirements, albeit at possible additional cost. It was made clear that the Council would take tenderers' offers of 'alternative' vehicles into account in the evaluation of tenders, that it would reserve the right to request the supply of such alternatives in lieu of conventional vehicles if it wished to do so, and that it reserved the right to specify new 'alternative' vehicles that might become available in the market during the period of the Agreement, if it was advantageous to do so.

- 3.18 Use of BTS Workshop. Tenderers were offered the use of the BTS workshop at Hirst Hall on a sub-lease basis at a proportionate rent, this having been agreed with the site landlords. Additionally, tenderers were offered the use of equipment and tools in the workshop on a licence basis.

### ***The tender process***

- 3.19 It was originally proposed to tender for a 4-year Framework Agreement, commencing in July 2010, by using a two-stage restricted tendering process and in accordance with the provisions of the Council's Contract Standing orders, Financial Regulations, and the provisions of the EU Public Procurement Regulations.
- 3.20 Advertisements were placed in the Official Journal of the European Community (OJEU), the trade press and the local paper in January 2010 to seek initial expressions of interest. Pre-Qualification Questionnaires (PQQ) were sent out and 16 companies returned completed PQQs.
- 3.21 Eight companies were shortlisted in March 2010 to receive Invitations to Tender (ITT).
- 3.22 Issue of ITTs was then delayed by the need to consider options for the future provision of drivers and passenger attendants for BTS, taking account of the potential financial impact of implementation of the Agency Workers Regulations in October 2011. As one possible option was to consider outsourcing the entire provision of BTS services, it was not possible to proceed with the issue of ITTs for the fleet procurement until the way forward for future staffing of BTS was determined. It was later agreed to tender for a Managed Service Provider for



staff at BTS and this tender was awarded following Executive approval in May 2011. As a result of this and the later need to develop an acceptable approach to pricing and tender evaluation, the issue of ITTs was delayed until 3 December 2010 with a return date of 21 January 2011.

3.23 As required by Standing Order 89, the December 2009 Executive approved the headline evaluation criteria. As the procurement progressed it became necessary to supplement these in relation to lot 2 especially to ensure that sufficient detail was received. The tendering instructions stated that the Framework Agreement would be awarded on the basis of the most economically advantageous offer to the Council and that, in evaluating tenders, the Council would have regard to the following:

- Price - weighting 60%
- Quality - weighting 40%

These criteria were further sub-divided as follows:

Price:

- Repair & Maintenance Monthly Charge (Lots 1&2)
- Additional Cost Charge (Lots 1&2)
- Vehicle Lease Monthly Charge (Lot 2 only)
- Excess Mileage Charge (Lot 2 only)

Quality

- Service Levels
- Environmental Issues
- Clear Management Procedures
- Fleet Maintenance Procedures

The first table in appendix 1 shows the headline criteria together with the more detailed sub-criteria that were decided upon following the Executive meeting, and this table was communicated to tenderers within the Council's evaluation methodology document. The second table in appendix 1 show the sub-criteria as presented on the evaluation sheets used for marking the tenders, and again this was communicated to tenderers within the evaluation methodology.

3.24 For the quality evaluation, tenderers were required to submit vehicle specifications to meet the Council's requirements (including environmental alternatives) additional information providing details of their proposed arrangements for performing the services in the form of Method Statements covering:

- Inspection, Maintenance and Repair
- Workshop Staff Availability, Competence and Training
- Contract Management

The information within the method statements was then to be used to feed into each evaluation criterion listed above.

3.25 Tenderers were invited to visit BTS in the course of preparing their tenders for the specific purposes of viewing the BTS workshop and facilities and inspecting the current BTS fleet and associated vehicle documentation and service records.

### ***Evaluation process***

3.26 The tender evaluation was carried out by a panel of officers from the Council with representatives from Finance and Procurement as well as BTS and NPS.

3.27 All tenders had to be submitted no later than 21 January 2011. Tenders were opened on 21 January 2011 and 4 tenders were received. Copies of the tender submission were made available to each member of the evaluation panel. Each member of the panel evaluated the tenders using evaluation sheets (Appendix 1) to assess how well each of the award criteria was addressed.

3.28 During the course of the evaluation it was deemed necessary to seek written clarification from each of the tenderers regarding matters such as lease agreements, TUPE proposals and pension arrangements. In assessing the tenderers' responses it was decided by the panel that the tender submitted by one of the suppliers, was non-compliant and was not considered further. This was because the tenderer had not submitted a bid on the basis that TUPE applies.

3.29 Prices. Prices for Lot 1 were evaluated by summing the maintenance costs proposed by each tenderer over the period of the contract for each vehicle in the current BTS fleet until its due replacement date and scoring each total proportionately. Additionally, the proposed additional cost charges for each tenderer were scored proportionately. The scores for each price element in Lot 1 were then added according to a preagreed weighting. For Lot 2, prices were evaluated by summing the contract hire costs proposed by each tenderer for each vehicle that would be replaced during the life of the Agreement and scoring each total proportionately. The proposed additional cost charges for each tenderer were scored proportionately. Additionally, the excess mileage charges proposed by each tenderer were applied to historic mileage data for each vehicle to provide a relative indication of excess charges that was then scored proportionately. The scores for each price element in Lot 2 were then added according to an agreed weighting. Finally, the scores for each Lot were added in proportion to the anticipated contract value for each Lot to arrive at a single total score for each tenderer.

3.30 Quality. The panel met on 1 February 2011 and each submission was marked by the whole panel against the Quality criteria using the table shown at Appendix 1. For the purpose of the evaluation, the ratio of Lot 1 value to Lot 2 value was calculated on a ratio of 1:5.

3.31 Scores. The scores received by the tenderers are tabulated at Appendix 2. The scoring was carried out in accordance with the evaluation methodology communicated to tenderers

3.32 Workshop. During the course of the evaluation it was noted that all 3 compliant

tenderers proposed to use the BTS workshop to carry out maintenance activity.

3.33 Maintenance Costs. In addition to stating the monthly maintenance cost of maintaining Brent's existing vehicle fleet, tenderers were required to show the monthly cost of maintenance for replacement vehicles separately from the lease costs and to state the additional cost charge for unfair and wear tear repairs and maintenance. These maintenance costs were used to validate the recommendation of the previous Options Appraisal to seek an outsource solution for vehicle maintenance. The analysis showed that, whilst the initial cost of maintenance of the existing fleet undertaken by Translinc will only be slightly lower than the current maintenance costs in the first year of the Agreement, these costs will fall rapidly as the vehicle fleet is progressively replaced from mid-way through the first year of the contract. Over the life of the contract, the total outsourced maintenance costs are estimated to be 10-15% lower than the current in-house maintenance cost even when the more limited servicing and maintenance requirements of the newer vehicles are taken into account. Finally, it is considered that placing the maintenance responsibility with the lease provider has the added benefit that the contractor has a vested interest in maintaining the vehicles to a high standard to preserve the resale value when the leases expire. Taken together it is concluded that outsourcing the servicing and maintenance of the existing and replacement vehicles to the vehicle lease provider remains the preferred solution.

3.34 'Alternative' Vehicles. It was noted that two of the three compliant tenderers had not proposed any 'alternative' vehicles (see para 3.14 above) - one stating that their own market researches suggested that there were currently no such 'alternatives' that could be considered as viable alternatives for the Council's requirements. Translinc has offered a small number of electric vehicles as 'alternatives' to some smaller vehicles in the fleet. However, these vehicles carry monthly contract hire charges which are 4-5 times higher than the 'conventional' vehicle offered. Even allowing for minimal fuel costs for the electric vehicles, the total annual cost of operating such vehicles would still be 3-4 times higher than that of the 'conventional' alternative (typically, £14,000 versus £3,000 for a small estate car). Nevertheless, the options are available within the Framework if the Council wishes to bring such vehicles into use for environmental reasons. Moreover, the Framework Agreement allows the Council to opt for other 'alternative' vehicles that may become available at more advantageous rates during the life of the Agreement if it wishes to do so.

3.35 The Translinc Limited tender scored highest in the quality assessment; the submission demonstrated advantages as follows:

- Early Termination Policy and Excess Mileage Charges: Translinc Limited offered the most flexible solution which represented the best value for money to the Council in regard to early termination of the vehicle leases and excess mileage charges.
- Inspection and Repair: Translinc's proposal detailed how they would meet all Legal requirements as well as manufactures recommendations on servicing. Additionally vehicle spot checks would be carried out to identify

misuse/neglect of vehicles at an early stage to prevent further damage. .

- Competence/continuity of workshop staff. Translinc Limited provided details of additional training and qualifications for existing staff if required in order to meet the service standards; skills gaps will be identified during induction process and staff will be required to achieve NVQ L3.
- 90 minute breakdown policy: Translinc Limited guarantee a 90 minute response time for breakdown recovery's, utilising a combination of workshop resources during usual business hours, RAC provision on a 24/7, 365 days basis or for larger or more specialised vehicles, a specialised 3<sup>rd</sup> party contractor.

3.36 Accordingly the Executive is requested to approve the appointment of Translinc Ltd (Supplier B) to the Framework Agreement for the supply and maintenance of vehicles.

3.37 The framework will commence in September 2011 subject to the Council's observation of the requirements of the mandatory standstill period.

3.38 In relation to the Council calling off from the framework for its own requirements, the Executive are being requested to approve a call-off contract for the maintenance of the existing Brent fleet, to start at the same time as the framework. This will run for 4 years so as to be co-terminous with the framework. In relation to lot 2, for supply and maintenance of new vehicles, there will be a number of call-offs over the life of the framework. If any of those individual call-offs exceed £500,000 in value, then Executive approval would normally be required. However it is proposed that such approvals are delegated to the Director of Environment and Neighbourhood Services.

### ***Independent Review***

3.39 The options appraisal for this project was undertaken in 2009 and approved by the Executive on 14 December 2009. The work undertaken during the tender appraisal process has validated the conclusions reached during the options appraisal and has concluded that the lease with maintenance option was the best choice for the Council (paragraph 3.33 refers).

3.40 In view of the time that has elapsed since the agreement of the options appraisal, the potential for change in market circumstances including West London Alliance initiatives, and potential changes in demand as a result of initiatives such as personalisation and independent travel, it has been considered prudent to commission a short review of the council's current plans to ensure that the present proposals remain the best option, and to forecast future demand for passenger transport so that no unnecessary vehicles are ordered through the proposed contract.

3.41 The time pressures associated with the introduction of the LEZ together with ordering deadlines for the coach built vehicles in the fleet require a decision on contract award before the September Executive. Members are therefore

recommended to agree to delegate the decision on award of a four year call off contract for the maintenance of the existing Brent fleet to the Director of Finance and Corporate Services on the basis that he should be satisfied that the award represents value for money and is in the best interests of the council before the award is made. That confirmation should be based on the conclusions of the independent review.

#### **4.0 Financial Implications**

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.
- 4.2 The estimated value of this contract is £4.3M (comprising £3.7M lease and maintenance costs during the 4-year life of the Framework plus £0.6M ongoing lease only costs beyond the end of the Framework (assuming all vehicles retained until the end of their lease period)).
- 4.3 Adding in the costs of maintaining existing vehicles until they are replaced, the total costs would exceed the currently available budget. However, in practice not all of the vehicles included in the leasing schedule would be required, due to a review in the usage of vehicles for day care and community centres, which is expected to lead to a reduction of about 20 in the number of vehicles required. Taking this in to account, the contract will be affordable within the current budget, and officers will ensure that this is the case, by continually reviewing the actual requirement for vehicles over the period of the contract.
- 4.3 A representative of Brent Financial Services attended the evaluation panel.
- 4.4 The cost of the contract will be funded by the existing BTS budget. The following profile of vehicle reduction has been proposed to fit in with the expected future of BTS and its customers and to ensure the fleet procurement is affordable; shown over a ten year period. This profile will be reviewed by the independent review.
  - Year 1 – 3 : Reduction of 10 vehicles
  - Year 3 – 7 : Further reduction of 13 vehicles
  - Year 7 – 10 : Further reduction of 9 vehicles

The reduction in vehicles demonstrated, is a reflection of the presently expected future service requirement of BTS customers. The anticipated reduction in the fleet size will be driven by a number of Council changes and initiatives, some of which will include:

- a) Combining and simplifying transport to Adult Day Centres – Stonebridge DC and Albert Rd DC to close, John Billam site to open June 2012
- b) Flexible Operation Times – Aligning School and Day Centre operating times, increased utilisation of current fleet as vehicles can be shared,

- c) Transport Eligibility Policies – Greater focus on requirement of transport and formal assessments,
- d) Independent Travel Programme – Train, develop and support existing and new users to travel independently,
- e) Cross Border Route Sharing – Collaboration with neighbouring authorities, increased vehicle utilisation, fleet reduction,
- f) West London Alliance – Potential for LB Brent to share routes, back office functions, workshops, vehicles, etc with members of the WLA.

## **5.0 Legal Implications**

5.1 The estimated value of this contract over its lifetime is higher than the EU threshold for Supplies and the award of the contracts therefore is governed by the Public Procurement Regulations. The award is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.

5.2 As advised in the Executive Report requesting authority to tender this contract in December 2009, the Council must observe the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period **before** the framework can be awarded.

Therefore once the Executive has determined which tenderer should be appointed to the framework, all tenderers will be issued with written notification of the Executive's award decision together with the scores and characteristics of the successful tender. A minimum 10 calendar day standstill period will then be observed before the framework is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the regulations.

As soon as possible after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the framework and lot 1 call-off contract can commence.

5.3 In considering the recommendations for this report, Members need to be satisfied that the framework appointment are being made to the tenderer who submitted the most economically advantageous tender. It will need to be made clear to the successful tenderer on appointment to the framework that there is no guarantee of the volumes of call-off to be made, in view of the fact that the Council will not be ready to call-off any services until the conclusion of the independent review described in the report.

## **6.0 Diversity Implications**

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

## **7.0 Staff Implications**

7.1 As anticipated in the Options Appraisal and in the previous report to the Executive seeking approval to tender this requirement, outsourcing the maintenance of the existing and replacement vehicle fleets to the lease provider represents the most cost effective solution. It follows that the 4 existing Council employees in the BTS workshop will transfer to the contractor under the TUPE provisions. Staff and the trade unions will be consulted on the transfer arrangements. In accordance with Council policy, the successful tenderer will be seeking admission to the Council's pension fund in order to secure on-going pension provision for the transferring employees.

## **8.0 Accommodation Implications**

8.1 Translinc has indicated that it would wish to take a sub-lease on the BTS workshop on the terms indicated in the draft sub-lease provided with the Invitation to Tender documents. Although the BTS lease on its premises at East Lane expires in 2013, it is likely that the lease, and the sub-lease, can be renewed. However, if it is decided to relocate BTS on the expiry of the lease, then it will be necessary to re-provide appropriate workshop facilities to enable the contractor to discharge its responsibilities under the Framework.

## **9.0 Background Papers**

9.1 Executive Report - Future Acquisition Strategy for the Brent Transport Services Fleet and Authority to Tender for Provision of a Leased Maintained Fleet - 14 December 2009.

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**EVALUATION CRITERIA**

Tenders will be evaluated on the basis of the most economically advantageous proposal using the following criteria and sub-criteria for each Lot, respectively. Each criterion has been assigned a weighting to reflect the relative importance of such criterion to the Evaluation Panel members.

| No    | Evaluation Heading | Evaluation Criterion         | Evaluation Sub-Criterion                                      | Lot 1 Weighting | Lot 2 Weighting |
|-------|--------------------|------------------------------|---|-----------------|-----------------|
| 1     | Price              | Price                        | Fleet Prices (Monthly Charges) & Hourly Rates                 | 60%             | 60%             |
| 2     | Quality            | Service Levels               | Compliance with Vehicle Specification (including lease terms) | -               | 12%             |
| 3     | Quality            | Service Levels               | Alternative Offers of Vehicles                                | -               | 4%              |
| 4     | Quality            | Service Levels               | Breakdown/Recovery Arrangements                               | 4%              | 2%              |
| 5     | Quality            | Service Levels               | Early Termination   | -               | 2%              |
| 6     | Quality            | Environmental Issues         | Impact on Environment   | -               | 4%              |
| 7     | Quality            | Clear Management Procedures  | Contract Management Arrangements                              | 8%              | 3%              |
| 8     | Quality            | Fleet Maintenance Procedures | Inspection, Repair & Maintenance Arrangements                 | 20%             | 10%             |
| 9     | Quality            | Fleet Maintenance Procedures | Competence/Continuity of Workshop Staff                       | 8%              | 3%              |
| Total |                    |                              |   | 100%            | 100%            |



## **TENDER EVALUATION SHEET**

Scores will be awarded for each Lot against each criterion using the following general marking regime and taking into account the considerations described in the commentary for each criterion:

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

### **LOT 1**

| Criterion                                       | Evaluation   | Score | Weighting | Weighted Score |
|---|--|-------|-----------|----------------|
| Inspection, repair and maintenance arrangements | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A) |       | 50        |                |
| Breakdown/recovery arrangements                 | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A) |       | 10        |                |
| Competence/continuity of workshop staff         | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section B) |       | 20        |                |
| Contract management arrangements                | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section C) |       | 20        |                |

**LOT 2**

| Criterion   | Evaluation  | Score | Weighting | Weighted Score |
|---|---|-------|-----------|----------------|
| Compliance with vehicle specification (including lease terms)   | Compliance with all requirements of the Specification for 'conventional' vehicles as evidenced in supporting manufacturer's literature/brochure for each vehicle offered, and including evaluation of lease terms offered |       | 30        |                |
| Impact on Environment (from the Conventional vehicles offered). | Compliance with all requirements of the Specification as evidenced in supporting manufacturer's literature/brochure for each vehicle offered with regard to emissions standards   |       | 10        |                |
| Alternative Offers <sup>1</sup> for vehicles - ie not diesel    | Assessment of the range/viability of alternatives offered - not price.  |       | 10        |                |
| Inspection repair and maintenance arrangements                  | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A)  |       | 25        |                |
| Breakdown/recovery arrangements                                 | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A)  |       | 5         |                |
| Competence/continuity of workshop staff                         | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section B)  |       | 7.5       |                |
| Contract management   | Compliance with all requirements of the Specification as evidenced in the Method Statement (Section C)  |       | 7.5       |                |
| Early termination   | Assessment of early return terms including fees and charges and the likely impact on service should early termination be deemed necessary.  |       | 5         |                |

QUALITY SCORES

| LOT 1                        |   | Supplier A  | Supplier B  | Supplier C  |                        |
|------------------------------|---|-------------|-------------|-------------|------------------------|
| Headline criteria            | Sub-criteria                                    |             |             |             |                        |
| Service Levels               | Compliance with Vehicle Specifications          |             |             |             | Not assessed for lot 1 |
| Service Levels               | Alternative Offers of Vehicles                  |             |             |             | Not assessed for lot 1 |
| Service Levels               | Early Termination                               |             |             |             | Not assessed for lot 1 |
| Service Levels               | Breakdown/recovery arrangements                 | 20.0        | 35.0        | 30.0        |                        |
| Environmental Issues         | Impact on Environment                           |             |             |             | Not assessed for lot 1 |
| Fleet Maintenance Procedures | Inspection, repair and maintenance arrangements | 125.0       | 200.0       | 150.0       |                        |
| Fleet Maintenance Procedures | Competence/continuity of workshop staff         | 50.0        | 70.0        | 50.0        |                        |
| Clear Management Procedures  | Contract management arrangements                | 60.0        | 70.0        | 70.0        |                        |
|                              | TOTAL SCORE                                     | 255.0       | 375.0       | 300.0       |                        |
|                              | <b>FINAL WEIGHTED SCORE</b>                     | <b>27.2</b> | <b>40.0</b> | <b>32.0</b> |                        |

| LOT2                         |   | Supplier A  | Supplier B  | Supplier C  |
|------------------------------|---|-------------|-------------|-------------|
| Headline criteria            | Sub-criteria  |             |             |             |
| Service Levels               | Compliance with vehicle specification (including lease terms)   | 90.0        | 90.0        | 90.0        |
| Service levels               | Alternative Offers of Vehicles                                  | 0.0         | 25.0        | 0.0         |
| Service levels               | Breakdown/recovery arrangements                                 | 10.0        | 17.5        | 15.0        |
| Service levels               | Early Termination   | 5.0         | 20.0        | 5.0         |
| Environmental Issues         | Impact on Environment (from the Conventional vehicles offered). | 30.0        | 30.0        | 30.0        |
| Clear Management procedures  | Contract Management Arrangements                                | 22.5        | 26.3        | 26.3        |
| Fleet Maintenance Procedures | Competence/continuity of workshop staff                         | 18.8        | 26.3        | 18.8        |
| Fleet Maintenance Procedures | Inspection repair and maintenance arrangements                  | 62.5        | 100.0       | 75.0        |
|                              | TOTAL SCORE   | 238.8       | 335.0       | 260.0       |
|                              | <b>FINAL WEIGHTED SCORE</b>                                     | <b>28.5</b> | <b>40.0</b> | <b>31.0</b> |

| COMBINED PRICE AND QUALITY SCORES |            | LOT 1       |               |             | LOT 2       |               |             | FINAL SCORE |        |
|-----------------------------------|------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|--------|
|                                   |            | SCORE PRICE | SCORE QUALITY | TOTAL SCORE | SCORE PRICE | SCORE QUALITY | TOTAL SCORE |             |        |
|                                   | Supplier A | 39.5        | 18.8          | 58.3        | 47.7        | 0.0           | 47.7        | 49.5        | THIRD  |
|                                   | Supplier B | 54          | 22.5          | 76.5        | 55.3        | 0.0           | 55.3        | 58.8        | FIRST  |
|                                   | Supplier C | 45.9        | 5.0           | 50.9        | 46.1        | 0.0           | 46.1        | 46.9        | SECOND |



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**Executive**  
17 August 2011

**Report from the Director of Regeneration  
and Major Projects and Director of  
Children and Families**

Wards Affected:  
All

**Strategy to Provide Primary School Places in Brent up to  
2014-15**

## 1 Summary

- 1.1 Demand for primary school places is forecast to exceed the supply of places over the next four years. As is the case across most London Authorities, Brent Council is experiencing a shortfall of primary school places, with a severe shortage in the reception, year 1 and year 2 cohorts. The shortage equates to an overall deficit of 15 forms of entry.
- 1.2 The Council has a limited budget which is not sufficient to meet the total demand for primary school places. The Council needs to act quickly to meet its statutory duty to provide sufficient school places up to 2014/15. Currently there are insufficient resources in the Council's capital programme to meet the demand, and whereas the government has announced to release an additional £500m, there is no guarantee that sufficient funding will be allocated to create new places in Brent. Members therefore have to decide upon the approach they wish to take in respect of meeting this short term demand.
- 1.3 The situation does not improve in the medium term; On the basis of the latest GLA projections, the upward trend in the demand for primary places is expected to continue beyond 2014-15. It could create a requirement for 4,224 reception places by 2020 leading to a shortage of 692 reception places (or 23 new forms of entry) over the entire period.
- 1.4 The Council is working closely with Brent schools to provide parents with a place for their children and endeavouring to offer choice and diversity of provision. This report sets out the options for dealing with the increased demand for places over both the short and medium term.

## 2 Recommendations

The Executive is requested to:

- 2.1 Note the on-going pressures on primary school places as set out in this report, in particular the requirement for an additional 15 forms of entry (equating to 105 classrooms) by 2014/15.
- 2.2 Note that at the time of writing the government has announced that it will be allocating an additional £500m to fund more new school places in areas of greatest need. However, the allocation model has not been decided as of now and it may not be sufficient to support meeting this on-going pressure.
- 2.3 Agree to undertake a robust and co-ordinated lobbying campaign to highlight to government the nature and scale of the challenge faced.
- 2.4 Note that a longer term approach to the school's portfolio is being considered as part of the current property strategy work, and will be reported to members in due course.
- 2.5 Agree the allocation of £13.770m from the Council's Main Capital Programme for providing additional primary school places across Brent schools from September 2012 onwards, as set out in the table under paragraph 9.15.
- 2.6 Agree the current and future allocation of £7.201m from the Section 106 Capital Receipts for providing additional primary school places across Brent schools from September 2012 onwards, as set out in the table under paragraph 9.15.
- 2.7 Note the shortfall in funding of £31.039m by 2014-15 necessary to provide additional primary school places across Brent schools from 2012-13 to 2014-15, as set out in the table under paragraph 9.15.
- 2.8 Agree the prioritisation of the recommended schemes for spending as set out in the table under paragraph 10.10 for providing additional primary school places.
- 2.9 Approve the preparation of feasibility studies for the short listed schools given under paragraph 10.10.
- 2.10 Endorse the allocation of £150k from the Council's Main Capital Programme for updating the information on school condition and cad database which will enable intelligent planning for new expansions and allow timely maintenance work to be scheduled for existing buildings.



### 3 Context

- 3.1 This report sets out the predicted acute shortfall of school places in Brent, and the measures that need to be put in place in order to address this shortfall.
- 3.2 The current capacity in Brent primary schools is clearly insufficient to meet the demand for places, as 388 pupils remain without a school place in the current academic year. Similarly, last year (2009-10) 133 pupils did not have a school place. Some of these pupils are being offered a school place but may have declined to accept it due to unavailability at their preferred school. However, the majority of children are just not able to get a school place due to a lack of provision.
- 3.3 Given the increasing scale of the deficit, the physical constraints of many existing school sites, and a lack of any confirmed government funding, the Council is faced with a real challenge to meet its statutory duty. This report proposes a three pronged approach:
- A robust lobbying campaign to central government, clearly demonstrating the size of the challenge the Council faces and the inadequacy of the available resources. At the time of writing the government has made no firm proposals or commitments to provide additional capital funding to support the provision of additional school places. The problems are particularly acute within London, and the Council should actively consider collaborative lobbying with other likeminded Boroughs. On 19 July 2011, the Secretary of State announced that the government will provide an additional £500m to fund more new school places for September 2012 in those areas of greatest need. It is Brent Council's priority to make its case towards this allocation as part of our lobbying efforts.
  - A medium term approach linked directly to the Council's emerging property strategy, which considers more radical ways of addressing the challenges associated by providing school places and delivering a 'fit for purpose' school portfolio. This will involve a review of the entire education portfolio and consideration of new models for schools, including five form entry primary schools, all through schools and 'urban' style schools. The Council's approach is in line with the government's latest announcement to conduct a full survey of the school estate for a fairer funding model. Such a strategy will take a number of years to come to fruition and will have little or no impact on the existing pressures. However, clearly the cycle of inadequate extensions and bulge classes needs to be broken at some point. The government has announced a new privately-financed school building programme to address the schools in the worst condition wherever they are in the country. The programme is expected to cover between 100 and 300 schools with the first of these open in September 2014 and is expected to be worth around £2 billion in up front construction costs.
  - A costed short term strategy to maximise the capacity of the existing school portfolio, involving a combination of extensions, expansions and bulge classes, in order to help meet immediate pressure for additional primary school places. This strategy is currently unfunded, and there is currently no government grant available for this. The report sets out the costs associated with the delivery of the short term strategy and suggests possible sources of finance in order to minimise the unsupported borrowing burden to the Council.

- 3.4 The Council has recently undertaken further consultation with Brent schools, in order to help inform decisions about the preferred nature of the future schools portfolio. Schools were invited to comment on different types of models for future education provision and make comments as to the relative educational strengths and weaknesses of a range of school typologies. The consultation closed on 1<sup>st</sup> July 2011, and a summary of the responses is contained within this report.
- 3.5 This report concentrates on proposals to expand the capacity of Brent's primary schools and SEN provision. There are a range of other pressures on the school portfolio, most notably in terms of stock condition and maintenance (across both primary and secondary schools) and in terms of the increased pressures on secondary school capacity from 2014/15, when the impact of year on year primary school expansions will begin to be felt at secondary level. All of these pressures will place further demand on the Council's capital programme in future years.

#### **4 Background**

- 4.1 In April 2011, the Executive approved the expansion of eight schools across the borough in order to provide additional 6.6 'bulge' classes (195 primary places) from September 2011. A budget of £1.5m has been created to deliver these expansion schemes, most of which are Reception classes.
- 4.2 Brent Council was allocated a £14.766m Basic Needs Safety Valve grant to provide permanent school places for the 2011-12 academic year. Four permanent expansion schemes are currently underway to provide 1050 primary places.
- 4.3 Over the last three years the Council has been struggling to keep pace with the significant increase in demand for primary school places in Brent. This has been the trend with most London Authorities. In a press release issued on 4th April 2011 London Councils has warned that the shortage of school places across the capital has become critical with a predicted shortfall of around 70,000 over the next four years. The shortage is largely concentrated in primary schools but begins to feed through into secondary schools in the 2014/15 school year. Births in London have increased by 24.1% since 2001. The percentage increase in Brent during the same period is 31%. This has been coupled with a high flow of inward migration into Brent. The rate of new arrivals into Brent of children of school age shows no sign of slowing down.
- 4.4 Temporary classes will offer a short term solution for the next academic year (2011-12). Along with the on-going permanent expansion projects, it will not provide sufficient school places for all primary year groups, nor will it meet the needs from 2012-13 onwards.
- 4.5 As of 18 July 2011, 70 Reception aged children and 102 Year 1 children remain without a school place for the current 2010-11 academic year. All schools in the borough are operating at full or near to full capacity in the lower year groups.

- 4.6 The table below provides a summary of the number of children in Brent without a school place in the current academic year:

**Table 1. Unplaced Children and Vacancies**

| <b>Year Groups</b> | <b>Unplaced Children<br/>2009-10<br/>19 Mar 2010</b> | <b>Unplaced Children<br/>2010-11<br/>26 Oct 2010</b> | <b>Vacancies<br/>2010-11<br/>26 Oct 2010</b> | <b>Unplaced Children<br/>2010-11<br/>18 July 2011</b> | <b>Vacancies<br/>2010-11<br/>18 July 2011</b> |
|--------------------|--|--|--|---|---|
| <b>Reception</b>   | 60   | 150  | 12   | 70  | 10  |
| <b>Year 1</b>      | 30   | 154  | 15   | 102   | 4   |
| <b>Year 2</b>      | 15   | 91   | 42   | 107   | 18  |
| <b>Year 3</b>      | 15   | 73   | 78   | 53  | 61  |
| <b>Year 4</b>      | 4  | 63   | 127  | 15  | 129   |
| <b>Year 5</b>      | 9  | 36   | 179  | 15  | 180   |
| <b>Year 6</b>      | 0  | 67   | 125  | 26  | 110   |
| <b>TOTAL</b>       | <b>133</b>   | <b>634</b>   | <b>578</b>                                   | <b>388</b>  | <b>512</b>                                    |

- 4.7 The number of unplaced children and vacancies in the system varies as children move into or out of the borough, and as new places are added in year but overall demand is exceeding supply in the lower year groups (Reception to Year 2), in correlation with the pattern of rising demand in the borough, and indeed across outer London.
- 4.8 Under sections 13 and 14 of the Education Act 1996, as amended by the Education and Inspections Act 2006, a local education authority has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area, but it is not obliged to provide a place in a particular or nearest school. In the case of pupils aged up to 8 years, 2 miles is the statutory maximum walking distance (3 miles for over 8s). The recommended journey time for primary age pupils is up to 45 minutes, but this is at the local authority's discretion.

## **5 Demand for Primary School Places**

- 5.1 3,330 'on time' applications were received from Brent residents for admission to Reception class in September 2010. This compares with 3617 applications for admission in September 2011. Since 15 January 2011 (deadline for application for admission in September 2011) we have already received 498 'late' applications for Reception from Brent residents. This surge in demand for school places has become a common factor in most outer London authorities.
- 5.2 Pupil forecasting is not an exact science; it takes into account several variable factors such as birth rates, school transfer rates, local house building and parental preferences. Brent participates in a pan London school places forecasting model operated by the Greater London Authority (GLA). The Council cannot rely entirely on the GLA analysis which underestimates local demand. Since 2007-08, the GLA projections have underestimated the real rise in demand for primary places in the lower year groups across most London authorities. GLA released its ten year projections in February 2011; however, due to an error it has recalculated the 10-year forecast again in May 2011. The revised GLA projections released in May 2011 have been used in this report. In July 2011, GLA has included the unmet demand (children without a school place) in their projection model; this data is currently under review by the Council.
- 5.3 There are approximately 10,500 private rented households in Brent receiving housing benefits. Central government's planned changes to housing benefits could impact the future demand for school places in Brent. However, the new rules will not have an immediate

impact; reassessment will only happen on the anniversary of the claim and once reassessed there will be a nine month transition for the implementation. Hence, it could be over 18 months before any impact could be measured. Brent Council will monitor the impact on roll projection once the corresponding data sets are available.

- 5.4 Brent has faced an extremely high level of applications for Reception and Year 1 places in recent years well in excess of the GLA projections. It is therefore prudent to include a local planning margin within projections. The projected figures with a planning margin in the range of 5% to 10% for Reception places over the next five years are shown in Appendix 3. Due to intense pressure to meet the demand for primary places, the projections do not include any surplus provision in order to provide for parental preference.
- 5.5 As reported in April 2011, the Council has been reviewing the GLA analysis in light of the large number of primary aged children that currently remain without a school place and the number of applications for admissions being received for the next academic year. On 23 May 2011, the GLA released revised projections due to an error in their base data. The Council has carried out a sensitivity analysis on the latest GLA projections to develop the best case projections. Based on this, a summary of the forecast deficit of primary school places over the next four years is listed in the Table below. The detailed forecast is provided in Appendix 3 of this report.

**Table 2. Summary of Forecast Deficit of Primary School Places 2011-12 to 2014-15**

| <b>Year</b>    | <b>Deficit No. of Reception Classes</b> | <b>Form of Entry based on Demand for Reception Classes</b> | <b>Total No. of R-Y6 classes Required</b> |
|----------------|---|--|---|
| <b>2011-12</b> | -2                                      | <b>2</b>   | 14  |
| <b>2012-13</b> | -12                                     | <b>12</b>  | 84  |
| <b>2013-14</b> | -14                                     | <b>14</b>  | 98  |
| <b>2014-15</b> | -15                                     | <b>15</b>  | 105                                       |

- 5.6 The Council is currently expanding four schools on a permanent basis and providing bulge' classes at eight schools, in total creating 1390 new primary school places from 2011-12.
- 5.7 It is anticipated that in 2011/12 the Council will be short by approximately 46 Reception places after taking into account the on-going permanent and temporary expansion schemes. However, as many as 513 Year 1 to Year 4 children are forecast to be without a school place. Years 5 and 6 have sufficient school places for the Council to meet its statutory obligation in 2011-12. Where the Council is able to meet its statutory obligation of offering school places, parents may not accept a place. This could be the case when the availability exists in a faith school other than that of the family's preference or where parents are unable to take small children to two different schools without being late for school and/or their work. The Council aims to provide education to as many children as possible by running special projects e.g. a mixed age provision at the Ashley Gardens Early Years Centre. Other options are also under review, including the utilisation of unused libraries, and providing home tuition.
- 5.8 Importantly, the forecast Numbers on Roll 2012-13 onwards are expected to rise dramatically. In contrast, the capacity will decline as the previous and new 'bulge' classes work their way up the system. This increases the gap between the rising demand and supply of school places. If nothing is done, by 2014-15 the demand for primary places is expected to create a record level shortage of 1778 school places (Appendix 3).
- 5.9 At initial glance of Appendix 3, it may appear that the number of classrooms required for different year groups varies considerably, adding to the level of complexity for providing

school places. However, if the Council were to provide sufficient school places i.e. Forms of Entry (FE) based on the Reception demand (Table 2) and shortfall, it is most likely that with the rising form, the demand for school places will be met for all year groups. Although, the forecast accuracy decreases over long periods of time; the adjusted GLA school roll projection for 2020-21 provides a continuation in the rising trend with a requirement for 4224 Reception places leading to a shortage of 692 Reception places (23 classes). This further reinforces the logic of basing the new permanent capacity on the demand for Reception places and meeting any fluctuations in demand for other year groups through temporary provision.

- 5.10 In planning for the demand for school places the programme of local house building is a major factor. Whenever house building is proposed which is suitable for families, there is additional pressure on school places within the borough. Predicting the number of new school places required depends on the type of housing which is being built. The provision of social housing tends to create a greater number of children than private housing. The Brent Core Strategy was adopted on 12 July 2010, which will shape new development in the borough. Future development in Brent will be focused in 5 Growth Areas, identified as key to regenerating the borough and affording substantial opportunities for redevelopment. The five areas are Wembley (largest of the growth areas), South Kilburn, Colindale/Burnt Oak, Church End and Alperton. An area map is located in Appendix 9 of this report.

## **6 SEN Demand**

- 6.1 The sharp increase in demand for primary school places is also significantly affecting the demand for SEN provision in mainstream and special schools. The incidence of children and young people with autism has risen very sharply. In 2006, there were 149 children with statements who were identified as being on the autistic spectrum. By 2010, this had risen to 273 children, accounting for over 20% of the total numbers of children with statements.
- 6.2 More young children with multiple and complex special educational needs are being identified due to improved diagnostics. The number of statutory assessments started for children under 5 following notification from the health authority have risen from 45 for children requiring school placement in September 2009 to 63 for children requiring school placement in September 2010.
- 6.3 The implication of this rise in demand is that there are an insufficient number of specialist places in Brent schools. Just over 250 children are placed in out-Borough special schools. Current planning assumptions are that we will need to increase the borough's capacity for specialist placements in Brent, either in special schools or additionally resourced mainstream schools, by approximately 175-200 specialist places by 2020 in order to meet increasing demands and reduce out-Borough non-maintained placements and associated costs over this period. It is projected that approximately 90 to 100 specialist places will be required over the next four years in response to the rising numbers of children with multiple and complex needs and with autism.
- 6.4 Additional capacity is being created through an expansion programme linked with the One Council Review of SEN. Additionally, 25 permanent places will be made available at the Village School from September 2013 when the rebuild has been completed. There are plans in place to increase inclusion of children with high level SEN into mainstream schools through the establishment of further additionally resourced mainstream provision and increased collaboration between mainstream and special schools. Plans to co-locate mainstream and special schools are also under consideration.

6.5 Further analysis work is currently underway to establish the entire demand for SEN provision which will inform the Council on the requirement for SEN in the primary year groups. The analysis is expected to be available by autumn 2011.

## **7 Medium Term Strategy for Delivering Primary School Places up to 2014-15**

7.1 Pressure on the council to provide new school places has increased over the past five years. Aging buildings at many schools are in need of repair and expansion of provision may involve rebuilding parts of or entire schools. The problem is compounded by very limited physical space in schools, the schools occupying small sites, a severe shortage of new sites and the high cost new land.

7.2 The Council aims to provide every parent a choice of a diverse range of good primary schools. However, the Council's resources are limited both in terms of suitable sites and capital funding. There is approximately £4.5 million per year available in the Council's school capital funding budget in 2012/13 and 2013/14. It is essential that the right balance between supply and demand is struck. Too many surplus places will create difficulties in the longer term and too few places will cause difficulties in providing parents with a primary school place within reasonable walking distance.

7.3 The Council's objective is to deliver sufficient high quality school places in areas where there is local demand for additional places. In delivering additional places, the Council aims to support children's educational progress through improvements to the physical environment. It is also intended that the expansion programme extends the range and quality of local special educational needs provision and supports the strategy for reducing out of Borough SEN placements and associated travel costs.

7.4 The law of diminishing returns is applicable in managing the supply of school places in Brent. Several primary school expansion projects over the last five years have been delivered in order to continue meeting the demand for school places. However, as the capacity in the existing schools is expanded, the limited resources (physical space and funding) at the Council's disposal continue to diminish, thereby creating a greater challenge for the Local Authority to provide new school places in the future. As per the law of diminishing returns, producing one more unit of school place will usually cost increasingly more due to the major amount of variable inputs (rebuilding a school to create a larger building, additional land via swap/purchase options, refurbishing existing building in order to expand the school, etc.) being used, to lesser effect on the same amount of fixed asset (land).

7.5 The table in Appendix 7 provides a list of the temporary and permanent school places added since 2006 as per the Planning Areas (PAs). It is evident that both temporary and permanent school places in recent years have been provided across the borough to ensure that the increase in local demand is met by an increase in the local provision of school places.

7.6 Planning Areas: PAs are notional boundaries which help the Council in planning school places in the area of local demand; however, often PAs are confused with the physical boundaries and it leads to a debate on why a certain school is being proposed for expansion when it falls in another Planning Area. For example, Preston Manor High School is currently expanding by providing a new 2FE primary provision. The school is located in Area 2 in close proximity to Area 3, which also has a high demand forecast. It is fair to conclude that some of the forecast demand for school places identified in Planning Area 3 is likely to be met by schools in Planning Area 2.

- 7.7 Since 2007, the surplus capacity that existed in Brent primary schools has reduced in size year on year. It is evident from Appendix 7 that the demand for primary school places has been increasing over the last five years. The Council has been providing additional school places across the borough to meet this rising demand.
- 7.8 The Map in Appendix 2 illustrates the demand pressure across the borough with a large number of primary aged children without a school place. The representation of various year groups on the map indicates the pressure areas; the dots ('smiley faces') do not represent a one to one relationship with the total number of children without a school place i.e. one 'smiley face' does not equal a child without a school place.
- 7.9 There is need for a clear process for prioritising potential schemes taking into account the limited capital budget. The proposed principles underlying decisions to provide additional school places are set out in the next section.

## **8 PRINCIPLES UNDERLYING THE PRIMARY SCHOOL PLACE STRATEGY**

- 8.1 In making decisions about the delivery of additional school places, the Council has established a set of planning principles. At the time of writing this report, the Council has just received the responses from the schools for the consultation on these planning principles for which the closing date was 1 July 2011. The proposed planning principles are set out below.
- 8.2 **Principle 1 – Sufficiency of demand**  
There must be clear evidence of demand for additional primary places in the local area based on projections of medium term and longer term need.
- 8.3 **Principle 2 – Improving learning outcomes**  
Schools which will be identified for expansion will need to be able to demonstrate that they will be able to provide a good quality of education. The Council will consider the progress and achievements of children currently at the school and the school's capacity for further improvement.
- 8.4 **Principle 3 – Efficient use of resources**  
There is a limited capital budget and a large projected shortfall in the number of primary school places. It is therefore essential that scarce resources are used most effectively in order to secure the maximum number of additional high quality school places within the available budget.
- 8.5 **Principle 4 – Improving local SEN provision**  
The demand for SEN placements is continuing to rise and there is a projected shortfall in specialist SEN provision in Brent, both in special schools and additionally resourced mainstream provision. In expanding primary provision, consideration also needs to be given to improving the range and quality of local SEN provision available in Brent.
- 8.6 **Principle 5 – Diversity of type of provision**  
The Council will consider different types of provision that will contribute to the overall objectives of providing high quality school places, cost effectively in areas of greatest need. These options will include:
- a) *Expansion of existing primary schools*  
This will involve providing additional forms of entry on existing primary school sites and is dependent on the potential of the site for expansion.

- b) *Establishment of all through schools*  
An all through school would be one school covering the primary and secondary phases, funded as a single institution. It would normally occupy a single site/campus at an existing secondary school.
- c) *Establishment of 5 FE primary schools*  
A 5 FE primary school would be a large school catering for approximately 1050 children. There is an increase in the number of 5 FE schools opening across the country, in response to pressure on school places.
- d) *Amalgamating schools*  
Amalgamating two or more schools can assist in providing additional school places by increasing capacity at single or multiple sites. Amalgamation would require the agreement of the schools concerned.
- e) *'Bulge' Classes*  
A 'bulge' class would be one extra class of children in a year group, over and above the school's Admission Number, who progress up the school to the end of Year 6.

- 8.7 There are potential advantages and disadvantages to each of these options; although not an exhaustive list, several are summarised in Appendix 4.
- 8.8 These are not either/or options. The Council will need to consider all possible options in order to address the projected shortfall in school places. However, we wish to ascertain the degree of support from schools for each of these options in order to inform future planning and prioritisation.
- 8.9 New build primary schools are currently not being considered as an option because the Council does not have sufficient funding nor the land to build upon. Similarly, Free Schools have been excluded from this consultation because such proposals are outside the decision making scope of the authority.
- 8.10 In order for the authority to provide sufficient schools places under its statutory duty the Council will need to adhere to a rolling plan. Forward planning will position the Council to identify sites for school expansion; identify funding requirement and budgets; link the increased provision to publication of admission places prior to the commencement of the corresponding academic year; allow for build time in readiness for the planned term. Partnership working with internal and external stakeholders is necessary to meet this on-going challenge.
- 8.11 The plan in Appendix 8 shows a three year cycle from the planning stage to the delivery of school places. Depending on the shortage of primary school places, the Council will need to determine an appropriate school place delivery strategy and review it periodically.
- 8.12 The timescale provided is a simplistic view based on a relatively problem free delivery per planning cycle. This may not always be the case, e.g. extended/delayed planning application periods for large or complex extensions; addressing objections arising from consultations.



## Consultation Outcomes

- 8.13 Overall, 29 responses were received on the consultation, of which five were from head teachers, nineteen from individual school governors and the remaining five responses were from others.
- 8.14 A majority of the respondents agreed with the principle of sufficiency of demand, improving outcomes and efficient use of resources.
- 8.15 Fourteen (48%) respondents selected the option to expand existing primary schools and four (13%) expressed a preference for all-through schools as their first choice. Seven (24%) respondents opted for creating 'bulge' provision and five (17%) respondents selected amalgamation as their second choice. Four respondents suggested that building a brand new school should have been an option and six suggested that the Gwenneth Rickus Building should be used as a primary school.
- 8.16 There were five expressions of interest for providing a 'bulge' class and an equal number opted for permanent expansion. One school expressed an interest to become an all-through provision. It must be noted that the majority of respondents are individual school governors and may not necessarily represent the voice of the entire school.

## Brent's Educational Infrastructure Vision – medium to long term

- 8.17 The Council has carefully considered the responses from the consultation alongside its own assessment of the challenges in delivering new primary school places over the medium to long-term.
- 8.18 A traditional expansion programme aiming to expand existing primary schools by one form of entry each, usually delivered over a period of two to three years is neither sufficient nor desirable to meet the shortage of places. The current shortage of primary school places will most likely create a shortage of places in Brent secondary schools over the next four to five years.
- 8.19 The council is developing its strategic approach to reviewing the infrastructure of school provision in the medium to long term. This strategic approach is informed not only by the need for expansion but also to promote high education standards and to support the aspiration for all Brent schools to be at least 'good'. It is proposed that the primary expansion strategy is based on the following criteria:
- Diversity in the size of primary schools in Brent ranging from 2 FE to 5FE. In future, the minimum size of primary schools in Brent should be 2FE.
  - Continue the move away from separate infant and junior schools and support the amalgamation of existing infant and junior schools.
  - Develop all through primary/secondary schools as an option within a diverse range of provision but maintain the primary ethos and character within all through provision.
  - Support the co-location of special schools and mainstream schools.
  - Within the overall system, maintain the flexibility to commission or decommission school places in response to fluctuations in demand.
- 8.20 The principles of sufficiency of demand, improving learning outcomes and efficient use of resources should underpin all decisions on the delivery of additional primary school places. All proposed schemes will be evaluated against each principle and this will constitute the

main basis for decision-making about delivery of additional places. Schemes meeting the Council's SEN Strategy will be prioritised above those which do not have a SEN element. No single model of additional places is likely to be sufficient or desirable in meeting the shortage of school places.

- 8.21 Temporary expansions (bulge classes) may be required as a short-term measure and to deal with fluctuations in demand. However, the majority of additional places should be delivered through permanent expansions.

## 9 Resources within the Capital Programme

- 9.1 In order to meet the projected demand for 15FE primary provision by 2014-15 as stated in Section 5 of this report, the Council requires significantly more resources than are available in its current budget. The long-term forecast suggests that the demand for primary school places will continue to rise beyond 2014-15. However, the current allocation of capital in the Council's main capital programme is limited.
- 9.2 The Executive report in April 2011 'Temporary Expansion of Brent Schools: 2011-12' identified a budget of £13.356m under the School's Capital Programme between 2010/11 and 2013/14, which could be used for primary school expansion projects. These monies consisted as follows:

Table 3. Council's Main Capital Programme (April 2011)

| Capital Programme Allocation      | 2010/11<br>Budget<br>£'000 | 2011/12<br>Budget<br>£'000 | 2012/13<br>Budget<br>£'000 | 2013/14<br>Budget<br>£'000 | Total<br>Budget<br>£'000 |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Provision for School Expansion    | 1,300                      | 2,876                      | 4,590                      | 4,590                      | 13,356                   |
| Hut Replacement Programme         | 0                          | 0                          | 0                          | 0                          | 0                        |
| <b>Total Available Allocation</b> | <b>1,300</b>               | <b>2,876</b>               | <b>4,590</b>               | <b>4,590</b>               | <b>13,356</b>            |

- 9.3 In April 2011, the Executive approved £1.5m spend on the temporary expansion of schools for the 2011-12 academic year.
- 9.4 The capital budgets have been updated after taking consideration of the spending on the on-going school expansion projects and re-profiling expenditure for improving the Council's compliance with funding criteria. The table below provides a summary of the capital available to spend on new school places:

Table 4. Council's Main Capital Programme (July 2011)

| Capital Programme Allocation   | 2010/11<br>Budget<br>£'000 | 2011/12<br>Budget<br>£'000 | 2012/13<br>Budget<br>£'000 | 2013/14<br>Budget<br>£'000 | 2014/15<br>Budget<br>£'000 | Total<br>Budget<br>£'000 |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Provision for School Expansion | n/a                        | n/a                        | 4,590                      | 4,590                      | 4,590                      | 13,770                   |

- 9.5 The budget for 2011/12 is currently earmarked against on-going permanent and temporary expansion schemes. The balance is secured as contingency and will be released after the projects complete significant milestones leading to a significantly diminished risk to capital.

- 9.6 In addition to the above capital allocations, the Council has the following unallocated budgets in its Main Capital Programme:

**Table 5. Council's Main Capital Programme – Unallocated Budget (July 2011)**

| Capital Programme Allocation | 2010/11<br>Budget<br>£'000 | 2011/12<br>Budget<br>£'000 | 2012/13<br>Budget<br>£'000 | 2013/14<br>Budget<br>£'000 | 2014/15<br>Budget<br>£'000 | Total<br>Budget<br>£'000 |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| <b>Surplus Capital Grant</b> | n/a                        | 3,532                      | 6,142                      | 6,142                      | 6,142                      | <b>21,958</b>            |

- 9.7 These unallocated budgets are reserve funds based on prudent accounting principles. The unallocated amounts are linked to the risk-weights applied to existing capital projects to ensure that the Council does not over-commit available monies. It is possible that once the risk profile of on-going capital schemes is reduced, an allocation from the unallocated budgets could be made for new school expansion projects. However there are risks attached to this approach – for example, committing this budget would severely limit the Council's ability to deal with unforeseen or emergency maintenance requirements – and there may well be competing demands for the expenditure.
- 9.8 If this budget was assumed to be available, in theory an additional amount of up to £3.532m from 2011/12 could be allocated to new projects on commencement of the next financial year. Similarly, £18.426m (£6.142m over next 3 years) for 2012/13, 2013/14 and 2014/15 could be allocated for new school expansion projects. It is important to note that whilst, the unallocated budget (£3.532m) for 2011/12 is confirmed and available, 2012/13, 2013/14 and 2014/15 budget figures are dependent upon the respective allocations from the government for these years and as such, it cannot be allocated until these amounts have been confirmed. This means that it is a possibility that by 2014/15 a further amount of £18.426m could be allocated for providing new school places. For the purpose of this report, the unallocated budgets are not being requested at this point of time but instead it suggested as a possible solution to meet part of the budget deficit illustrated under table 10 below.
- 9.9 The Council is also due to receive Section 106 monies as per the following table:

**Table 6. Section 106 contribution (July 2011)**

|   | 2011/12<br>Budget<br>£'000 | 2012/13<br>Budget<br>£'000 | 2013/14<br>Budget<br>£'000 | 2014/15<br>Budget<br>£'000 | Total<br>Budget<br>£'000 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| <b>S106 Allocation up to April 2011</b> | 292                        | 0                          | 0                          | 0                          | 292                      |
| <b>S106 new Allocation May 2011</b>     | 679                        | 0                          | 0                          | 0                          | 679                      |
| <b>S106 future Allocation</b>           | 0                          | 0                          | 3115                       | 3115                       | 6230                     |
| <b>Total Available Allocation</b>       | <b>971</b>                 | <b>0</b>                   | <b>3115</b>                | <b>3115</b>                | <b>7201</b>              |

- 9.10 £971k of Section 106 (S106) monies is currently available to spend on capital schemes. As part of further S106 allocation, the Council is entitled to receive Capital Receipts currently valued at approximately £6.23m by 2014-15 and a piece of land in the Wembley area to build a new primary school by 2018-19. The S106 Agreement to support this position is in the process of being finalised; the total amount of £6.23 (index linked) has been agreed but the number of instalments and any geographic limitations have not been finalised as yet.

9.11 The uncommitted main capital allocation available to spend by end of 2014-15 on new school places is £13.770m and the Section 106 contribution by end of 2014/15 will equal to £7.201m. Total combined capital available for school places is expected to be £20.971m. This excludes the unallocated budgets identified under table 5. Whilst this will contribute towards meeting the demand in 2012-13; it is not sufficient to provide all the school places that the Council will need to provide over the next three to four years.

9.12 The cost to provide new primary school places based on the current projects for expanding Brent schools are as follows:

Table 7. **Capital Requirement from 2011-12 to 2014-15**

|                                  | Mainstream Provision              |   |   | SEN Provision      |   |                         |
|----------------------------------|-----------------------------------|---|---|--------------------|---|-------------------------|
|                                  | Existing Primary School Expansion | New Primary Provision at a Secondary School | 'Bulge' Class in an existing primary school** | New Special School | Additionally Resourced Provisions in Mainstream Schools | Temporary SEN Provision |
| <b>Unit Cost per Pupil Place</b> | £17,200                           | £20,500                                     | £7,660  | £103,400           | £24,000   | £37,400                 |
| <b>Cost per FE*</b>              | £3,612,000                        | £4,305,000                                  | £1,610,000                                    | n/a                | n/a   | n/a                     |

\*FE (7 classes) based on class of 30 pupils. \*\*'Bulge' Class based on class of 30 pupils for a period of 7 years.

9.13 The above estimates are based on current capital projects, which do not include the option to buy new land and special cost e.g. feasibility studies & legal cost. The estimate has been calculated on today's value of money and does not take into account inflation and contingency.

9.14 There are several advantages in providing permanent school places yet temporary provision will be required to provide classes quickly where there is sudden increase in demand for school places or to mitigate the risk of reduction in demand, if any, in the oncoming years.

9.15 In order to achieve a balance between future expenditure and the need to meet the demand for school places, the officers are recommending an approximate 70:30 split between permanent and temporary school places to meet the future demand. The cost model is as follows:

Table 8. **Cost Model for meeting demand for primary school places up to 2014-15**

| <b>Mainstream Provision:</b> |  |  |  |                                 |
|------------------------------|--|--|--|---------------------------------|
| Forms of Entry               | Existing Primary School Expansion<br>£'000 | New Primary Provision at a Secondary School<br>£'000 | 'Bulge' Class in an existing primary school<br>£'000 | Total Capital Required<br>£'000 |
| 5                            | 18,060                                     |  |  |                                 |
| 6                            |  | 25,830   |  |                                 |
| 4 (28 classes)               |  |  | 6,440  |                                 |
| 15                           | 18,060                                     | 25,830   | 6,440  | 50,330                          |

| <b>SEN Provision:</b>                                  |                                 |  |                                      |               |
|--|---------------------------------|--|--------------------------------------|---------------|
| <b>No. of Places Required</b>                          | <b>New Special School £'000</b> | <b>Additionally Resourced Provisions in Mainstream Schools £'000</b> | <b>Temporary SEN Provision £'000</b> |               |
| n/a  | 0                               |  |                                      |               |
| 70   |                                 | 1,680  |                                      |               |
| n/a  |                                 |  | 0                                    |               |
| 70   | 0                               | 1,680  | 0                                    | 1,680         |
| <b>Total Capital Required for Provision by 2014-15</b> |                                 |  |                                      | <b>52,010</b> |
| <b>Less: Main Capital Programme Allocation</b>         |                                 |  | 13,770                               |               |
| <b>Less: S106 Capital Receipts Allocation</b>          |                                 |  | 7,201                                |               |
| <b>Less: SEN Capital Budget by 2014-15</b>             |                                 |  | n/a                                  |               |
| <b>Total Capital</b>                                   |                                 |  | <b>20,971</b>                        |               |
| <b>Net Capital Deficit</b>                             |                                 |  |                                      | <b>31,039</b> |

9.16 In total, the Council will require £52.010m based on the current cost of school expansion projects for meeting the demand up to 2014-15. With the total available budget of £20.971m, will still leave a net capital deficit of £31.039m. The Council may need to borrow money to meet this shortfall. The time value of the capital required by end of 2014-15 and the corresponding debt repayment charge is illustrated in the table below.

Table 9. **Cash flow and Debt Repayment (based on maximum prudential borrowing)**

| <b>Annual Cash flow Model</b> | <b>Present Value of Total Capital Required £'000</b> | <b>Future Value of Total Capital Required* £'000</b> | <b>Prudential Borrowing to meet the Net Deficit £'000</b> | <b>Annual Debt Repayment for 40 years** £'000</b> |
|-------------------------------|--|--|---|---|
| 2011-12                       | n/a  | n/a  | n/a   | n/a   |
| 2012-13                       | 14,741   | 15,507   | n/a   | n/a   |
| 2013-14                       | 18,635   | 20,623   | 17,175  | 1,141   |
| 2014-15                       | 18,634   | 21,695   | 18,069  | 1,201   |
| <b>Total</b>                  | <b>52,010</b>  | <b>57,825</b>  | <b>35,244</b>   | <b>2,342</b>                                      |

\*Future value (time value of money) based on current inflation 5.2% Retail Price Index.

\*\*Derived from the future value of capital, based on a 6% external interest charge.

9.17 In the table above, it has been assumed that the current budget allocations will be spent prior to future prudential borrowings. Due to a long gestation period in such capital schemes, it is most likely that the cash flow will be higher in the later parts of the expansion projects, which has been reflected in the requirement. Bringing the funding forward within the Capital Programme to meet expenditure will incur increased levels of unsupported borrowing in the earlier years. This would mean that there would be increased debt charges falling upon the general fund revenue account in earlier years, which are not included in the above table.

## Additional Government Capital Funding

- 9.18 On 19 July 2011, the Secretary of State announced that further to the capital allocations to local authorities for providing school places, the government will allocate an additional £500m to fund more new school places in those areas of greatest need. Funds are expected to be allocated this financial year to the Local Authorities with the greatest demographic pressures so they can provide enough places, focusing especially on primary schools, in September 2012. Details of those allocations will be provided over the summer and finalised in the autumn.
- 9.19 It is difficult to predict from this announcement if the allocation to Brent will be sufficient, especially since it is focused on the need for September 2012. Whilst, it is Brent Council's priority to make its case to the government for allocation of these funds, if the government allocations and our lobby campaign proves unsuccessful then the Council will have little option but to consider additional unsupported borrowing. This is unattractive because of the impact on debt finance charges which would mean an additional £2.342 million of savings (based on a net deficit of £31.039m by 2014-15) being found across the Council in order to be affordable. Presently the Council is in the process of streamlining its services and the additional savings may come at the cost of reducing other critical services; however, this view must be taken in balance with the equally high risk for the Council for not being able to meet its statutory duty to provide sufficient school places year on year.
- 9.20 The Council is requesting Executive approval to petition central government to provide additional funding to meet the acute shortage of primary school places over the next five to ten years. Whilst this report is focusing on the requirement for primary places, it is expected that by end of the next four year period, secondary school places will be in short supply as the primary demand continues to feed into Brent secondary schools and the new classes being added at the Crest Academies and previously at Ark Academy get fully utilised. The Council is now undertaking a detailed analysis of the demand for places in the secondary sector to ensure it is able to prepare for future demand pressures.

## Alternative to Prudential Borrowing

- 9.21 It would be possible to reduce the need for prudential borrowing by allocating the current surplus capital amounts (£21.958m) listed under table 5. As explained above, the unallocated budget could gradually be made available for new school expansion projects once the risk levels significantly diminish to a satisfactory level and on confirmation of the future years' allocation by the central government. The net effect of this contribution to the primary school expansion programme is modelled below:

Table 10. **Cash flow and Debt Repayment (based on reduced prudential borrowing)**

| Annual Cash flow Model | Present Value of Total Capital Required<br>£'000 | Future Value of Total Capital Required*<br>£'000 | Potential Allocation of Unallocated Surplus<br>£'000 | Prudential Borrowing to meet the Net Deficit<br>£'000 | Annual Debt Repayment for 40 years**<br>£'000 |
|------------------------|--|--|--|---|---|
| 2011-12                | n/a  | n/a  | n/a  | n/a   | n/a   |
| 2012-13                | 14,741   | 15,507   | 3,532  | n/a   | n/a   |
| 2013-14                | 18,635   | 20,623   | 6,142  | £11,033   | £733  |
| 2014-15                | 18,634   | 21,695   | 12,284   | £5,784  | £384  |
| <b>Total</b>           | <b>52,010</b>                                    | <b>57,825</b>                                    | <b>£21,958</b>                                       | <b>£16,818</b>  | <b>£1,117</b>                                 |

\*Future value (time value of money) based on current inflation 5.2% Retail Price Index.

\*\*Derived from the future value of capital, based on a 6% external interest charge.

9.22 Based on the above model, the need for prudential borrowing would reduce from £35.244m to £16.818m and the corresponding annual debt charge will reduce from £2.342m to £1.117m. In any event, prudential borrowing would be the last resort for the Council, well after the Council exhausts other avenues including lobbying with the DfE and other government agencies to provide additional funding.

## 10 Programme to deliver new school places up to 2014-15

10.1 The Brent Executive has previously agreed the proposals for expansion of Preston Manor High School, Newfield Primary School, Brentfield Primary School and Park Lane Primary School. In April 2011, the Executive agreed to provide 'bulge' classes at eight schools, in total creating 1390 new primary school places from 2011-12 in the following year groups:

**Table 11. New Primary Places being delivered from September 2011**

| <b>Year Groups</b> | <b>Permanent</b> | <b>Temporary</b> | <b>Total Places*</b> | <b>No. of Classes</b> |
|--------------------|------------------|------------------|----------------------|-----------------------|
| <b>Reception</b>   | 160              | 150              | 310                  | 10                    |
| <b>Year 1</b>      | 160              | 30               | 190                  | 6                     |
| <b>Year 2</b>      | 160              | 60               | 220                  | 7                     |
| <b>Year 3</b>      | 160              | 0                | 160                  | 5                     |
| <b>Year 4</b>      | 160              | 0                | 160                  | 5                     |
| <b>Year 5</b>      | 160              | 30               | 190                  | 6                     |
| <b>Year 6</b>      | 160              | 0                | 160                  | 5                     |
| <b>Total</b>       | <b>1120</b>      | <b>270</b>       | <b>1390</b>          | <b>46</b>             |

\*1390 is the total school places to be delivered but not all permanent places will be utilised from September 2011; classes will be occupied by the rising form of entry.

10.2 The Council is currently considering schemes for providing new school places in Brent from 2012-13 onwards. This is based on a rolling programme to provide school places over the next several years since demand for school places is expected to continue increasing beyond 2014-15.

10.3 The Council appointed consultants in 2010 to complete feasibility studies and options appraisal for selecting a set of school expansion schemes that could be completed in compliance with the requirement of the Basic Need Safety Valve funding criteria.

10.4 In 2008, another study had been commissioned by the Council as a desk top exercise based on a review of site plans. This study included 57 existing community primary schools as part of the Primary Capital Programme.

10.5 Based on the output from these studies and the principles listed in section 8 above, a long list of schools being considered for expansion have been considered below. This includes schools which have expressed an interest to the Council for undertaking an expansion.

10.6 The Council has consulted all the schools in Brent on the principles which should underpin the Council's strategy for the planning additional primary school places. The consultation outcomes have been taken into consideration to inform the programme.

## Map 1. Long List of Schools being considered for expansion:



10.7 A short list of schools (Appendix 6) based on the local area of demand has been derived from the long list of schools based on the following criteria:

- shortage of school places in a local area;
- physical expansion of a school on a permanent basis deemed to be feasible;
- risk associated with the expansion of the specific schools including likelihood of planning consent;
- availability of funding to expand the school.

10.8 The short list provides a priority ranking of schools which are most likely candidates for being selected for a school expansion project. It is not guaranteed that the priority order will remain the same, which will be influenced by several factors, such as reaching an agreement with the schools, associated risks, such as cost of the schemes and timeframe for delivery will need to be considered.



10.9 There is a shortfall of capital and revenue funding to refurbish and renovate some of the most dilapidated schools in Brent, which are posing a severe health and safety hazard to the pupils and local community, e.g. Copland Community School, Alperton Community School and Braintcroft Primary School. The Council commissioned a feasibility study in June 2011 to review if Braintcroft Primary school can expand to a 4/5FE provision; however, this is largely dependent upon a self-finance proposal that may be realised from the proceeds of a portion of the existing large site. The Planning department has issued a health warning that disposal of school land may not win various government agency support. The Council will also review such schemes in accordance with the government's recent announcement to a new privately-financed school building programme to address the schools in the worst condition.

10.10 Schools in the shortlist (Appendix 6) considered most suitable for permanent expansion by September 2012 are listed below. These schemes are initial proposals and will need to go through a planning process as listed under paragraph 10.12. Temporary expansion schemes for 2012-13 will be considered after the next academic year commences in September 2011.

Table 12. Schools shortlisted to be permanently expanded by September 2012

| Sr. No. |  | Furness Primary        | Mitchell Brook Primary | Fryent Primary | Barham Primary |
|---------|--|------------------------|------------------------|----------------|----------------|
|         | <b>Planning Area</b>                                 | Area 5<br>(sub-area 2) | Area 4                 | Area 1         | Area 3         |
|         | <b>Additional Provision</b>                          | 1FE                    | 1FE                    | 1FE            | 1FE            |
| 1.      | <b>Principle 1</b> – Sufficiency of demand           | ✓                      | ✓                      | ✓              | ✓              |
| 2.      | <b>Principle 2</b> – Improving learning outcomes     | ✓                      | ✓                      | ✓              | ✓              |
| 3.      | <b>Principle 3</b> – Efficient use of resources      | ✓                      | ✓                      | ✓              | ✓              |
| 4.      | <b>Principle 4</b> – Improving local SEN provision   | TBC                    | TBC                    | TBC            | TBC            |
| 5.      | <b>Principle 5</b> – Diversity of type of provision: |                        |                        |                |                |
| a)      | Expansion of existing primary schools                | ✓                      | ✓                      | ✓              | ✓              |
| b)      | Establishment of all through schools                 |                        |                        |                |                |
| c)      | Establishment of 5 FE primary schools                |                        |                        |                |                |
| d)      | Amalgamating schools                                 |                        |                        |                |                |
| e)      | 'Bulge' Classes                                      |                        |                        |                |                |
|         | <b>Estimated Cost</b>                                | <b>TBC</b>             | <b>£3.612m</b>         | <b>£3.612m</b> | <b>£3.612m</b> |

- 10.11 Up to four schemes from the above table will be selected for expansion. It may be possible to expand all four existing primary schools, subject to availability of budget, which will in turn provide 4FE for approximately the same cost as developing an all through school. Within a limited budget, expanding 3 to 4 existing primary schools will provide provision in a wider area, whereas an all-through option will provide a concentrated increase in capacity. The recommended schemes are subject to agreement with the governing bodies.
- 10.12 If the Executive were to approve this report, the Council will undertake detailed feasibility studies to progress the above recommended schemes. This process will involve:
- Seeking an agreement from the governing body
  - Commissioning a site study
  - Analysing scheme cost against budget, timescale and risk
  - Final selection of schemes to fit within the Council's Capital Programme budget for 2012-13 (£14.741m)
  - Seek Executive approval to proceed with the selected schemes for 2012-13 by October 2011.
- 10.13 The recommended expansion proposals are based on the principles listed in section 8. It may be necessary to change the preferred schemes with new proposals. Schools may also be selected for expansion in areas of demand where contributions from other sources can be obtained, e.g. Voluntary Aided schools including St. Robert Southwell Primary School. The Council is also in early stage discussion with Ealing Council to expand schools in partnership which are located close to the borough boundary. Feasibility studies for each and every school may not be possible during the early stages of planning due to budget limitation. If additional funding is provided by the government, it may be possible to increase the number of schemes to provide new school places.
- 10.14 It may not be possible to deliver the new buildings by September 2012 due to a short timeline. The above shortlist of schools will at most provide 3 to 4 FE, which will be insufficient to meet the demand for September 2012 for 35 R-Y6 classes (12 Reception classes). It will be necessary to provide approximately 15 to 'bulge' classes as an interim measure in addition to the permanent expansion schemes.
- 10.15 The Council also needs to improve the accuracy and reliability of its database on school condition and sufficiency data. Such information is crucially required in planning the right amount of school places in the area of demand and maintaining existing school buildings to ensure the current capacity is not reduced due to lack of health & safety issues. £150k will be required to update the database which is currently not being maintained to standards.

## **11 Sebastian James Report: Review of Education Capital**

- 11.1 The independent "Review of Education Capital", led by Sebastian James was published by the Department for Education (DfE) on 8 April 2011. It reviewed the Department's previous capital expenditure and makes recommendations on future delivery models for capital investment for 2011-12 onwards; to ensure that future capital investment represents good value for money and strongly supports the Government's ambitions to reduce the deficit, raise standards and tackle disadvantage; and to consider how all Department for Education capital expenditure within any spending constraint and PFI policy could be distributed more effectively over the next Spending Review period (2011-

12 to 2014-15). Summary of the recommendations from the James review is provided in Appendix 10 of this report.

- 11.2 The government is in the process of consulting on recommendations of the James review. Whilst it has announced additional £500m funding will be available to local authorities in the areas of greatest need for September 2012, it has not yet provided the details on how this capital will be allocated. Brent Council will respond accordingly to the consultation by the deadline of 11 October 2012.
- 11.3 Whilst the Council is in the process of taking measures to streamline, standardise and shorten the thinking and delivery time for capital education projects, there are inherent challenges to overcome:
- It will take most local authorities some time to review and update the entire education portfolio in order to build good quality condition data that the government is demanding. Furthermore, a rolling programme for maintaining the quality of data on a regular basis requires on-going spend but the government has not made any commitment to provide funding towards it. Brent council has begun this onerous process as part of its strategic planning.
  - The relationship between strategic planning of school places in Brent will need to be aligned to the government's capital allocation model. This requires a holistic overview and diligence in planning to align the demand for school places with the type of school provision. The process will need to take into account the existing school landscape consisting of academies, community, foundation, voluntary aided and the newly created Free Schools.
  - The review is suggesting that the Local Authorities should be empowered fully to decide how best to reconcile national and local policy priorities in their own local contexts; however, it is not clear at this stage how the funding allocation will be delivered and the impact of other demand-led programmes such as Free Schools which will be centrally funded.
  - The government is currently reviewing the proportions by which it can cut the revenue funding given to local authorities where it is already funding Government Academies. The effects of these future revenue and capital considerations will need to be analysed by the Council in order for it to understand how it will shape its strategies.
  - Following Sebastian James's proposals for a new system for managing capital expenditure and the wider reform of arm's length bodies, on 7 June 2011 the Secretary of State, Department for Education announced that Partnerships for Schools (PfS) will be wound up and its functions transferred to the Department for Education policy directorates and the new Education Funding Agency (EFA), an executive agency of the Department. The approximate timeframe for this transition is in April 2012. The EFA will take over responsibility from the Young People's Learning Agency for the funding of young people's education and training - including the increasing number of Academies. There may a lag period in communication from the new agency to the local authority's delivery programme. There is a need to clearly understand the newly proposed structures to ensure that the Council is able to align its strategic plans with this transformation.

## **12 Financial Implications**

- 12.1 The budget estimates included within the report are subject to further work on design and evaluation of the schemes. Funding for the schemes will be provided via the Provision for Schools Expansion capital budget allocation approved by Full Council on 28 February 2011 and the capital receipt of Section 106 monies.
- 12.2 Utilisation of the council capital programme funding will require re-profiling of the budget allocations to meet the scheme timelines. This will require bringing funding forward to meet expenditure and as such will be necessary to incur increased levels of unsupported borrowing in the earlier years of the Councils overall capital programme and reduced amounts in later years with a nil net impact overall. This would mean that there would be increased debt charges falling upon the general fund revenue account in earlier years, which are not included under the tables 9 and 10. The requirement for additional unsupported borrowing in the short term could be nullified if there is sufficient level of re-phasing to schemes elsewhere in the Council's capital programme. This will need to be monitored and the Executive will be notified of the position via the quarterly PFR monitoring reports.
- 12.3 The amounts given under prudential borrowing will only be required after utilising the budget available to the Council under the Capital Programme, Section 106 receipts and any other future capital source e.g. central government grant.

## **13 Legal Implications**

- 13.1 Under sections 13 and 14 of the Education Act 1996, as amended by the Education and Inspections Act 2006, a local education authority has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area. Local Authority must promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. They must also ensure that there are sufficient schools in their area and promote diversity and increase parental choice. To discharge this duty the Local Authority has to undertake a planning function to ensure that the supply of school places balances the demand for them.

## **14 Diversity Implications**

- 14.1 In 2008, the Council consulted widely on schools strategy in Brent, receiving over 800 responses. Brent residents were in favour of the Council's strategy for school places and believed that the LA should play a major role in managing and running schools (89% agree). Parent groups were the next most frequently identified (73% agree). Only four in ten participants felt that charities (38%), faith groups (37%) or private sponsors (36%) should have such involvement in Brent schools.
- 14.2 'Ensuring equal access to school places in Brent': Over two thirds of participants did not feel they were disadvantaged in obtaining a school place for their children due to any of the main diversity strands. Over, 90% did not feel they were disadvantaged due to their gender. This was also true for 85% of participants in relation to disability; 77% in relation to ethnicity; and 66% in relation to their faith.

- 14.3 The Council has consulted all the schools in Brent on the principles which should underpin the Council's strategy for the planning additional primary school places. The outcomes have been used to inform the programme.
- 14.4 The schools proposed for expansion have a diverse ethnic representation of children. Expanding the schools listed in this report would enable the Council to provide additional new places required for Brent's growing pupil population. The expansion of the recommended schools will improve choice and diversity.

## **15 Staffing/Accommodation Implications**

- 15.1 There are no implications for the immediate purpose of this report.

### **Background Papers**

- GLA Forecast for Brent May 2011
- 15 April 2011 Executive Report and supporting documents
- James Review Report
- Previous Feasibility Studies (2008 and 2010)

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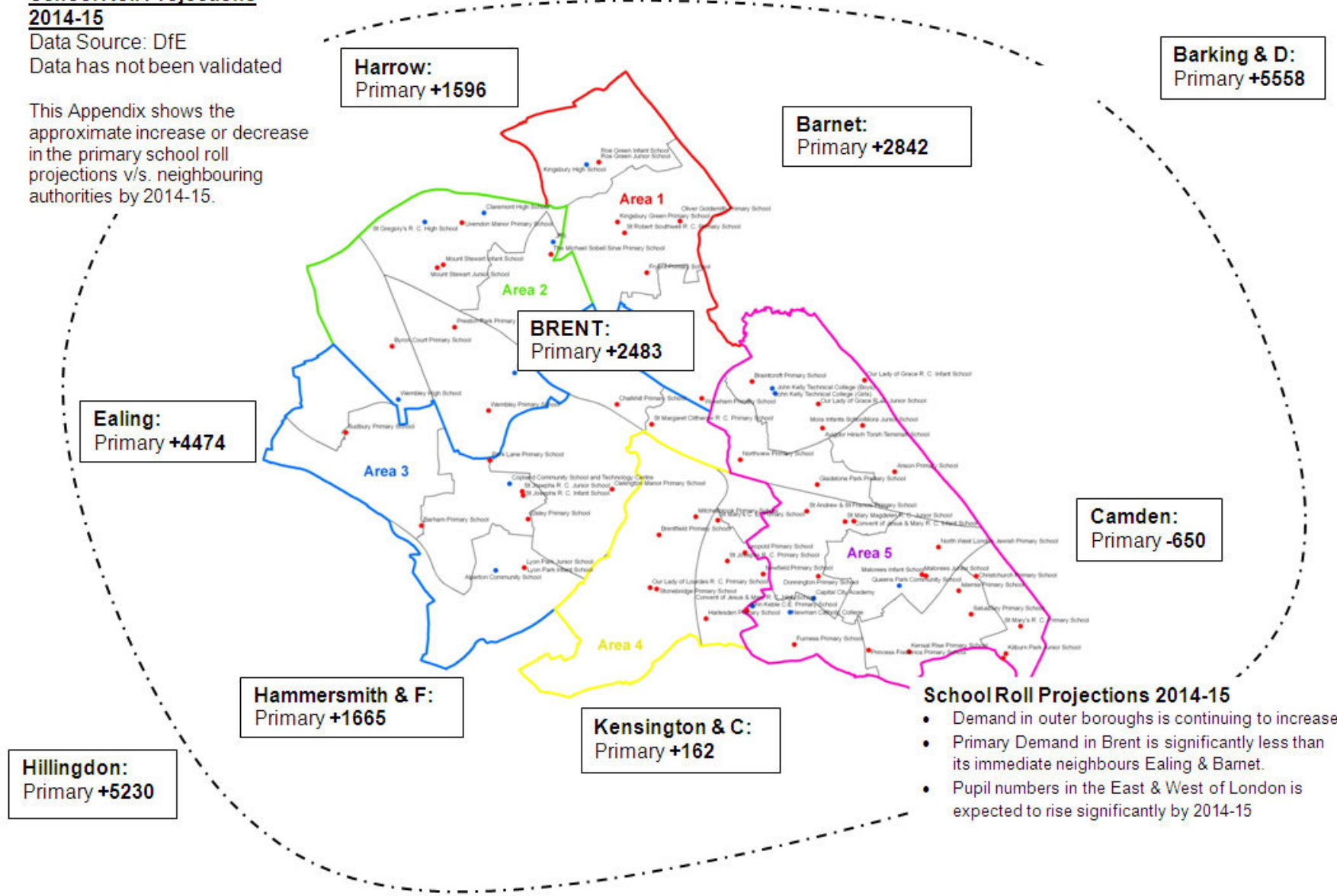
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**School Roll Projections  
2014-15**

Data Source: DfE  
Data has not been validated

This Appendix shows the approximate increase or decrease in the primary school roll projections v/s. neighbouring authorities by 2014-15.

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- School Roll Projections 2014-15**
- Demand in outer boroughs is continuing to increase
  - Primary Demand in Brent is significantly less than its immediate neighbours Ealing & Barnet.
  - Pupil numbers in the East & West of London is expected to rise significantly by 2014-15

**Demand for Primary Places in Brent**



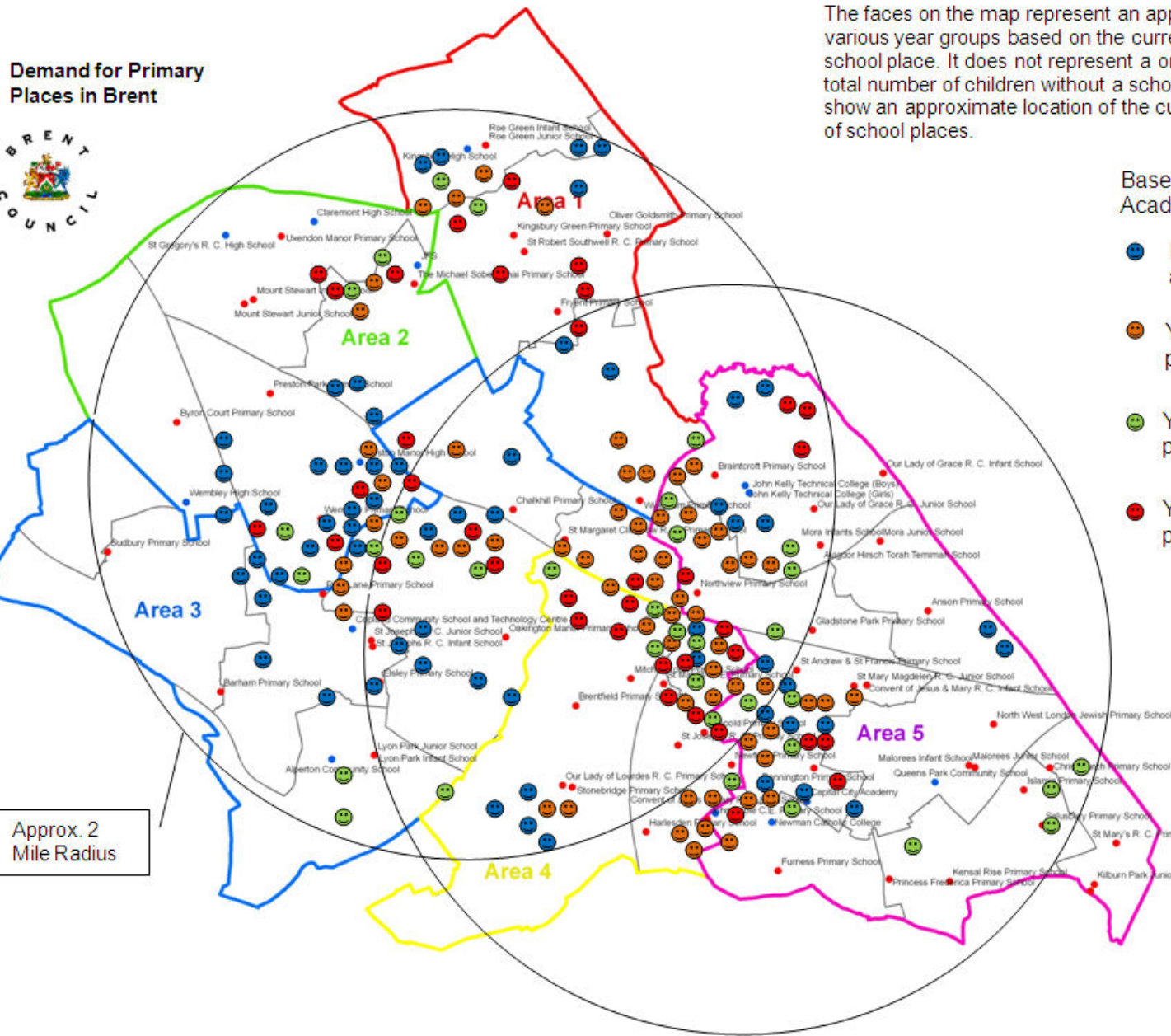
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Approx. 2 Mile Radius

The faces on the map represent an approximate area of demand for various year groups based on the current data of children without a school place. It does not represent a one to one relationship with the total number of children without a school place. The purpose is to show an approximate location of the current and next year's shortage of school places.

Based on 2010-11 Academic Year:

- Reception children without a school place
- Y1 children without a school place
- Y2 children without a school place
- Y3 children without a school place



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London Borough of Brent, 100025260, 2010.

15.1.1 The shortfall (Column E) in primary places is forecast as follows:

Table 13. Shortage of Primary School Places 2011-12 to 2014-15

| Year                        | Year Group | Capacity (A) | GLA projections for Jan 2011 (B) | Adjusted GLA projections 5%-10% margin (C) | Most Likely Projection (D) | Surplus +/- Shortfall Places A-D (E) | No. of Classes Required (F) |
|-----------------------------|------------|--------------|----------------------------------|--|----------------------------|--------------------------------------|-----------------------------|
| 2011-2012                   | R          | 3752         | 3617                             | 3798 to 3979                               | 3798                       | -46                                  | -2                          |
|                             | Y1         | 3647         | 3646                             | 3828 to 4011                               | 3828                       | -181                                 | -6                          |
|                             | Y2         | 3483         | 3351                             | 3519 to 3686                               | 3552                       | -69                                  | -2                          |
|                             | Y3         | 3452         | 3411                             | 3582 to 3752                               | 3582                       | -130                                 | -4                          |
|                             | Y4         | 3355         | 3322                             | 3488 to 3654                               | 3488                       | -133                                 | -4                          |
|                             | Y5         | 3255         | 3045                             | 3197 to 3350                               | 3197                       | 58                                   | 2                           |
|                             | Y6         | 3235         | 3055                             | 3208 to 3361                               | 3208                       | 27                                   | 0                           |
| <b>Total Shortfall R-Y6</b> |            |              |                                  |  |                            | <b>-559</b>                          | <b>-18</b>                  |
| 2012-2013                   | R          | 3532         | 3696                             | 3881 to 4066                               | 3881                       | -349                                 | -12                         |
|                             | Y1         | 3732         | 3701                             | 3886 to 4071                               | 3886                       | -154                                 | -5                          |
|                             | Y2         | 3647         | 3549                             | 3726 to 3904                               | 3833                       | -186                                 | -6                          |
|                             | Y3         | 3483         | 3332                             | 3499 to 3665                               | 3565                       | -82                                  | -3                          |
|                             | Y4         | 3452         | 3439                             | 3611 to 3783                               | 3611                       | -159                                 | -5                          |
|                             | Y5         | 3355         | 3303                             | 3468 to 3633                               | 3468                       | -113                                 | -4                          |
|                             | Y6         | 3255         | 3093                             | 3248 to 3402                               | 3248                       | 7                                    | 0                           |
| <b>Total Shortfall R-Y6</b> |            |              |                                  |  |                            | <b>-1043</b>                         | <b>-35</b>                  |
| 2013-2014                   | R          | 3532         | 3769                             | 3957 to 4146                               | 3957                       | -425                                 | -14                         |
|                             | Y1         | 3532         | 3778                             | 3967 to 4156                               | 3967                       | -435                                 | -15                         |
|                             | Y2         | 3747         | 3610                             | 3791 to 3971                               | 3827                       | -80                                  | -3                          |
|                             | Y3         | 3632         | 3507                             | 3682 to 3858                               | 3788                       | -156                                 | -5                          |
|                             | Y4         | 3483         | 3364                             | 3532 to 3700                               | 3566                       | -83                                  | -3                          |
|                             | Y5         | 3452         | 3391                             | 3561 to 3730                               | 3561                       | -109                                 | -4                          |
|                             | Y6         | 3355         | 3331                             | 3498 to 3664                               | 3498                       | -143                                 | -5                          |
| <b>Total Shortfall R-Y6</b> |            |              |                                  |  |                            | <b>-1429</b>                         | <b>-48</b>                  |
| 2014-2015                   | R          | 3532         | 3804                             | 3994 to 4184                               | 3994                       | -462                                 | -15                         |
|                             | Y1         | 3532         | 3857                             | 4050 to 4243                               | 4050                       | -518                                 | -17                         |
|                             | Y2         | 3532         | 3699                             | 3884 to 4069                               | 3921                       | -389                                 | -13                         |
|                             | Y3         | 3747         | 3583                             | 3762 to 3941                               | 3798                       | -51                                  | -2                          |
|                             | Y4         | 3632         | 3516                             | 3692 to 3868                               | 3762                       | -130                                 | -4                          |
|                             | Y5         | 3483         | 3348                             | 3515 to 3683                               | 3582                       | -99                                  | -3                          |
|                             | Y6         | 3452         | 3410                             | 3581 to 3751                               | 3581                       | -129                                 | -4                          |
| <b>Total Shortfall R-Y6</b> |            |              |                                  |  |                            | <b>-1778</b>                         | <b>-59</b>                  |



Table 14. Potential advantages and disadvantages of style of schools

| OPTION |  | POTENTIAL ADVANTAGES   | POTENTIAL DISADVANTAGES  |
|--------|--|--|--|
| a)     | Expansion of existing primary schools.                         | <ul style="list-style-type: none"> <li>Builds on current expertise and experience in primary schools</li> <li>May support improved learning outcomes particularly in smaller schools</li> </ul>  | <ul style="list-style-type: none"> <li>Limited remaining scope for expansion in Brent primary schools</li> </ul>   |
| b)     | Establishing all through schools at existing secondary schools | <ul style="list-style-type: none"> <li>Increasing opportunities for personalised learning through access for older primary pupils to the secondary curriculum</li> <li>Smoother transition between primary and secondary phases, reducing performance dips that can occur on transfer</li> <li>Sharing of resources and expertise across phases</li> </ul> | <ul style="list-style-type: none"> <li>Primary schools may find it difficult to compete with larger all through schools in terms of resources and popularity</li> <li>All through schools usually require a newly built facility with a</li> </ul> |
| c)     | Establishing 5 FE primary schools                              | <ul style="list-style-type: none"> <li>Provide many more school places than conventional 2 FE or 3FE primary schools, where site allows</li> <li>Large school budget which would support wider curricular and specialist provision and a wider range of staff expertise</li> </ul>   | <ul style="list-style-type: none"> <li>Parents may be concerned about young children attending a large school and potential impact on relationships between children and with teachers</li> </ul>  |
| d)     | Amalgamating schools   | <ul style="list-style-type: none"> <li>Support continuity and progression between Key Stage 1 and Key Stage 2 where placed separate infant and junior schools</li> <li>Improve deployment of teaching and non-teaching resources</li> </ul>  | <ul style="list-style-type: none"> <li>Amalgamation will not automatically provide an opportunity to increase overall capacity</li> <li>May be difficult and complex to achieve in some circumstances</li> </ul>                                   |
| e)     | 'Bulge' Classes  | <ul style="list-style-type: none"> <li>Ability to provide school places quickly when there is insufficient permanent provision</li> <li>Allows reduction of provision when the demand for school places falls</li> </ul>   | <ul style="list-style-type: none"> <li>Physical space constraints in existing schools may not allow for 'Bulge' classes</li> <li>Parents may prefer a permanent school environment for their children.</li> </ul>                                  |

Table 15. Long List\* of Schools being considered for expansion:

| Sr. No. | School Name                                     | Planning Area | Type of School        | Current FE / Admission No. | Proposed FE / Admission No. |
|---------|---|---------------|-----------------------|----------------------------|-----------------------------|
| 1.      | St. Robert Southwell Primary School             | Area 1        | Voluntary Aided       | 1.5FE / 45                 | 2FE / 60                    |
| 2.      | Wykeham Primary School                          | Area 1        | Community             | 2FE / 60                   | 3FE / 90                    |
| 3.      | Roe Green Infant + Junior                       | Area 1        | Community             | 4FE                        | 5FE                         |
| 4.      | Fryent Primary School                           | Area 1        | Community             | 2FE / 60                   | 3FE / 90                    |
| 5.      | Uxendon Manor Primary School                    | Area 2        | Community             | 2FE / 60                   | 3FE / 90                    |
| 6.      | Wembley High School                             | Area 2        | Community             | 0FE / 0                    | 2-3FE / 60-90               |
| 7.      | Byron Court                                     | Area 2        | Community             | 3FE / 90                   | 3-4FE / 90-120              |
| 8.      | Preston Park                                    | Area 2        | Community             | 3FE                        | 4FE                         |
| 9.      | Alperton Community School                       | Area 3        | Foundation            | 0FE / 0                    | 2-3FE / 60-90               |
| 10.     | Barham Primary School                           | Area 3        | Community             | 3FE / 90                   | 4FE / 120                   |
| 11.     | Chalkhill Primary School                        | Area 3        | Community             | 1FE / 30                   | 2FE / 60                    |
| 12.     | Elsley Primary School                           | Area 3        | Community             | 2FE / 60                   | 3FE / 90                    |
| 13.     | Oakington Primary School                        | Area 3        | Foundation            | 3FE / 90                   | 4FE / 120                   |
| 14.     | Lyon Park Infant + Junior                       | Area 3        | Community             | 4FE                        | 5FE                         |
| 15.     | Mitchell Brook Primary School                   | Area 4        | Community             | 2FE / 60                   | 3FE / 90                    |
| 16.     | Our Lady of Lourdes                             | Area 4        | Voluntary Aided       | 1FE / 30                   | 2FE / 60                    |
| 17.     | St Joseph RC Primary School                     | Area 4        | Voluntary Aided       | 2FE / 60                   | 3FE / 90                    |
| 18.     | Leopold Primary                                 | Area 4        | Community             | 2FE / 60                   | 3FE / 90                    |
| 19.     | Braintcroft Primary School                      | Area 5        | Community             | 3FE / 90                   | 5FE / 130                   |
| 20.     | Capital City Academy                            | Area 5        | Academy               | 0FE / 0                    | 2-3FE / 60-90               |
| 21.     | Carlton Vale Infant + Kilburn Park Junior       | Area 5        | Community+ Foundation | 2FE / 60<br>2FE/ 60        | 3FE / 90                    |
| 22.     | Furness Primary School                          | Area 5        | Community             | 2FE / 60                   | 3FE / 90                    |
| 23.     | Malorees Infant School + Malorees Junior School | Area 5        | Foundation            | 2FE / 60                   | 3FE / 90                    |
| 24.     | Queens Park Community School                    | Area 5        | Foundation            | 0FE / 0                    | 2-3FE / 60-90               |
| 25.     | St. Andrews & St. Francis Primary School        | Area 5        | Voluntary Aided       | 2FE / 60                   | 3FE / 90                    |
| 26.     | Northview Primary School                        | Area 5        | Community             | 1FE / 30                   | 2FE / 30                    |

\*The long list will be periodically reviewed and updated.

Table 16. Short List of Schools being considered for expansion (2014-15):

| <b>Area 1</b>   |  |                 |  |
|-----------------|--|-----------------|--|
| <b>Priority</b> | <b>School</b>                              | <b>Proposal</b> | <b>Comments</b>  |
| 1               | <b>Wykeham Primary School</b>              | 2FE to 3FE      | High level of demand in the area, and a popular school. Originally a 3FE school, which could be converted back to 3FE provision.   |
| 2               | <b>Fryent Primary School</b>               | 2FE to 3FE      | High level of demand in the area, a popular and oversubscribed school.   |
| 3               | <b>St. Robert Southwell Primary School</b> | 1.5FE to 2FE    | Increasing demand for places for Catholic children, particularly in this area of Brent. A popular and oversubscribed school. Expansion of Catholic schools would likely be supported by the Westminster Diocese. |

| <b>Area 2</b>   |                                  |                 |   |
|-----------------|----------------------------------|-----------------|---|
| <b>Priority</b> | <b>School</b>                    | <b>Proposal</b> | <b>Comments</b>   |
| 1               | <b>Wembley High School</b>       | New 2/3FE       | Wembley High School is a very popular and highly oversubscribed school, within an area of high demand. The Head teacher has expressed an interest in developing all through provision.      |
| 2               | <b>Byron Court</b>               | 3FE to 4FE      | Byron Court is a popular and oversubscribed school, within an area of high demand. The school site is big enough to be a 4FE school and the Head teacher is likely to support an expansion. |
| 3               | <b>Preston Park</b>              | 3FE to 4FE      | Preston park is a very popular and oversubscribed school within an area of high demand. There may be site limitations.  |
| 4               | <b>Roe Green Infant + Junior</b> | 4FE to 5FE      | This is a very popular and highly oversubscribed school in an area of high demand. However the site may not be large enough to accommodate 5FE  |

| <b>Area 3</b>   |                                  |                 |   |
|-----------------|----------------------------------|-----------------|---|
| <b>Priority</b> | <b>School</b>                    | <b>Proposal</b> | <b>Comments</b>   |
| 1               | <b>Lyon Park Infant + Junior</b> | 4FE to 5FE      | This school is in an area where demand is rising significantly due to housing developments and inward migration. The school is very popular with parents and the local community, and is oversubscribed. It is currently in special measures but making satisfactory progress and is likely to be removed from special measures by September 2011. A 2-stage approach is being proposed, expanding the Infant's provision by Sep 2012 and Junior provision by Sep 2014. |
| 1               | <b>Barham Primary School</b>     | 3FE to 5FE      | This school is in an area where demand is rising significantly due to housing developments and inward migration. The school is very popular with parents and the local community, and is oversubscribed.  |
| 2               | <b>Elsley Primary School</b>     | 2FE to 3FE      | This is a very popular and oversubscribed school, in an area of high demand for places.   |
| 3               | <b>Alperton Community School</b> | New 2/3FE       | This is a very popular secondary school in an area of very high primary demand. The school has received an outstanding grade in its recent Ofsted inspection.   |
| 4               | <b>Chalkhill Primary School</b>  | 2FE to 3FE      | This school is in an area of high demand, is growing in popularity and is oversubscribed in most year groups. Head teacher and Governors have expressed interest in expansion.  |

| <b>Area 4</b>   |                                      |                 |   |
|-----------------|--------------------------------------|-----------------|---|
| <b>Priority</b> | <b>School</b>                        | <b>Proposal</b> | <b>Comments</b>   |
| 1               | <b>Mitchell Brook Primary School</b> | 2FE to 3FE      | A popular and oversubscribed school in an area of high demand.  |
| 2               | <b>Our Lady of Lourdes</b>           | 1FE to 2FE      | A popular and oversubscribed school in an area of high demand. There is growing demand for Catholic places, and expansions in Catholic schools would be supported by the diocese.   |
| 3               | <b>Leopold Primary</b>               | 2FE to 3FE      | An extremely popular and oversubscribed school in an area of high demand. The footprint of the site would not be large enough for ground level expansion; an alternative would be to add an additional floor to the building. |

| <b>Area 5 (Sub Area 1)</b> |  |                 |  |
|----------------------------|--|-----------------|--|
| <b>Priority</b>            | <b>School</b>  | <b>Proposal</b> | <b>Comments</b>  |
| 1                          | <b>Malorees Infant School + Malorees Junior School</b> | 2FE to 3FE      | Two of the most oversubscribed primary schools in Brent, highly popular with parents and the local community. In an area of high demand. |
| 2                          | <b>St. Andrews &amp; St. Francis Primary School</b>    | 2FE to 3FE      | High level of demand in the area, school is very popular and oversubscribed, Head teacher has expressed interest in expansion.           |

| <b>Area 5 (Sub Area 2)</b> |                               |                 |  |
|----------------------------|-------------------------------|-----------------|--|
| <b>Priority</b>            | <b>School</b>                 | <b>Proposal</b> | <b>Comments</b>  |
| 1                          | <b>Furness Primary School</b> | 2FE to 3FE      | High level of demand in the area, and a school growing in popularity. Originally a 3FE school, which could be converted back to 3FE relatively easily. |
| 1                          | <b>Capital City Academy</b>   | New 2/3FE       | High level of demand in the area, the secondary school is popular and oversubscribed.  |

| <b>Area 5 (Sub Area 3)</b> |                                   |                 |  |
|----------------------------|-----------------------------------|-----------------|--|
| <b>Priority</b>            | <b>School</b>                     | <b>Proposal</b> | <b>Comments</b>  |
| 1                          | <b>Braintcroft Primary School</b> | 3FE to 5FE      | This school is in an area of very high demand, and with a growing popularity with parents and the local community. The school is heavily oversubscribed. It has a large site and the Council has commissioned a feasibility study in June 2011 to review if the school can expand to a 4/5FE provision. The Head teacher and Governors have expressed interest in expansion. |

Table 17. Expansion of primary schools over 5 years

| Sr. No. | Year                             | Planning Area | Sept 2006            | Sep 2007            | Sep 2008                     | Sep 2009         | Sep 2010                                    | Sep 2011   |
|---------|----------------------------------|---------------|----------------------|---------------------|------------------------------|------------------|---|--|
| 1.      | Kingsbury Green Primary          | 1             | Permanent 2FE to 3FE |                     |                              |                  |   |  |
| 2.      | St Robert Southwell              | 1             |                      |                     |                              |                  | 15 R bulge class 2010                       |  |
| 3.      | Wykeham Primary                  | 1             |                      |                     |                              |                  | 30 R bulge class 2010                       |  |
| 4.      | Preston Park                     | 2             |                      | 30 R bulge class    | 30 R bulge class             |                  | 20 Y4 bulge April 2011                      |  |
| 5.      | Wembley Primary                  | 2             |                      |                     | Permanent 3FE to 4FE         |                  |   |  |
| 6.      | Ashley Gardens                   | 2             |                      |                     |                              |                  | 60 R bulge classes                          | Move to Preston Manor  |
| 7.      | Preston Manor High               | 2             |                      |                     |                              |                  |   | Permanent 2FE  |
| 8.      | Byron Court                      | 2             |                      |                     |                              |                  |   | 10 Permanent places in each year Group, R-Y6                       |
| 9.      | Park Lane Primary                | 3             |                      | 30 R bulge class    | 30 R bulge class             | 30R bulge class  | Permanent 1FE to 2FE                        |  |
| 10.     | Sudbury Primary                  | 3             |                      | 30 R bulge class    | Permanent 3FE to 4FE         |                  |   |  |
| 11.     | Ark Academy                      | 3             |                      |                     | Permanent 0FE to 2FE Primary |                  | Permanent 0FE to 6FE Secondary              |  |
| 12.     | Chalkhill Primary                | 3             |                      |                     |                              |                  |   | 30 R bulge class   |
| 13.     | Stonebridge Primary              | 4             |                      | 30R bulge class     | Permanent 1FE to 2FE         |                  |   |  |
| 14.     | Curzon Crescent Nursery          | 4             |                      |                     |                              |                  | 30 R bulge class.                           | 2010 class moved to Y1 at Newfield Primary<br>New 30 R bulge class |
| 15.     | Newfield Primary                 | 4             |                      |                     |                              | 30 R bulge class | See Curzon Crescent                         | Permanent 1FE to 2FE   |
| 16.     | Brentfield Primary               | 4             |                      |                     |                              |                  | 30 R bulge class                            | Permanent 2FE to 3FE   |
| 17.     | St Joseph's RC Primary           | 4             |                      |                     |                              |                  |   | 20 R bulge class   |
| 18.     | Mitchell Brook Primary           | 4             |                      |                     |                              |                  |   | 30 R bulge class   |
| 19.     | Gladstone Park Primary           | 5             |                      | 7 bulge places in R | 7 new places in Y1-Y6        |                  |   |  |
| 20.     | AV H Torah Temimah Primary       | 5             |                      |                     |                              | 1R bulge place   |   |  |
| 21.     | Anson Primary                    | 5             |                      |                     |                              | 7R bulge places  |   |  |
| 22.     | Islamia Primary                  | 5             |                      |                     |                              |                  | 30 R bulge class                            | Permanent  |
| 23.     | Braintcroft Primary              | 5             |                      |                     |                              |                  | 30 R bulge class,<br>30 Y1 bulge April 2011 | Potentially 30R bulge  |
| 24.     | College Green Nursery            | 5             |                      |                     |                              |                  | 8 R bulge class 2010                        | 8 R bulge class 2011   |
| 25.     | Granville Plus Children's Centre | 5             |                      |                     |                              |                  | 12 R bulge class 2010                       |  |
| 26.     | North West London Jewish School  | 5             |                      |                     |                              |                  |   | 20 R bulge places  |
| 27.     | Furness Primary                  | 5             |                      |                     |                              |                  |   | 30 R bulge class,<br>30 Y1 bulge class                             |

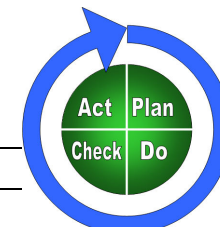


Table 18. Forward Plan

| 3-Year Draft Forward Plan |   |                                       | Year 1*                             |       |       |       | Year 2*   |       |       |       | Year 3*   |       |       |       |
|---------------------------|---|---------------------------------------|-------------------------------------|-------|-------|-------|-----------|-------|-------|-------|-----------|-------|-------|-------|
|                           |   |                                       | 2010-11                             |       |       |       | 2011-12   |       |       |       | 2012-13   |       |       |       |
| #                         | Task Name   |                                       | Qtr 1                               | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1     | Qtr 2 | Qtr 3 | Qtr 4 | Qtr 1     | Qtr 2 | Qtr 3 | Qtr 4 |
| 1                         | Census Information  |                                       | 1st Cycle                           |       |       |       | New Cycle |       |       |       | New Cycle |       |       |       |
| 2                         | GLA Pupil Projections                                     |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 3                         | Brent Analysis acc. to Planning Areas                     | Demand Analysis for school Places     |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 4                         | Primary - Surplus/Deficit of Places                       |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 5                         | Primary - Surplus/Deficit of Places                       |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 6                         | Net Capacity Update                                       |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 7                         | Complete Surplus Returns                                  |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 8                         | Identify Risk of Surplus / Deficit                        |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 9                         | Finalise demand for school places established             |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 10                        | Circular to all schools for expansion of provision        |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 11                        | Identify potential new sites for school provision         |                                       | Capacity Analysis for school Places |       |       |       |           |       |       |       |           |       |       |       |
| 12                        | Meet with Head teachers / GBs to discuss school expansion |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 13                        | Cost & Plan expansion proposals                           |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 14                        | Select new sites/school expansion proposals               | Proposals & Reports                   |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 15                        | Informal Consultation (expand/reduce physical capacity)   |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 16                        | Statutory Consultation & Publishing Proposals             | Confirmation to external stakeholders |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 17                        | Prepare Admission Booklet                                 |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 18                        | Send Admission Booklet for printing                       |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 19                        | Admission Booklet published                               | Delivery of the agreed proposals      |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 20                        | Admission Booklet Distributed                             |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 21                        | Budget Confirmation Process                               |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 22                        | Design & Planning Application                             |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 23                        | Procurement   |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 24                        | Construction  |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 25                        | Additional Capacity Created for the New Academic Year     |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |
| 26                        |   |                                       |                                     |       |       |       |           |       |       |       |           |       |       |       |

\*Academic Year September 20xx to August 20xx

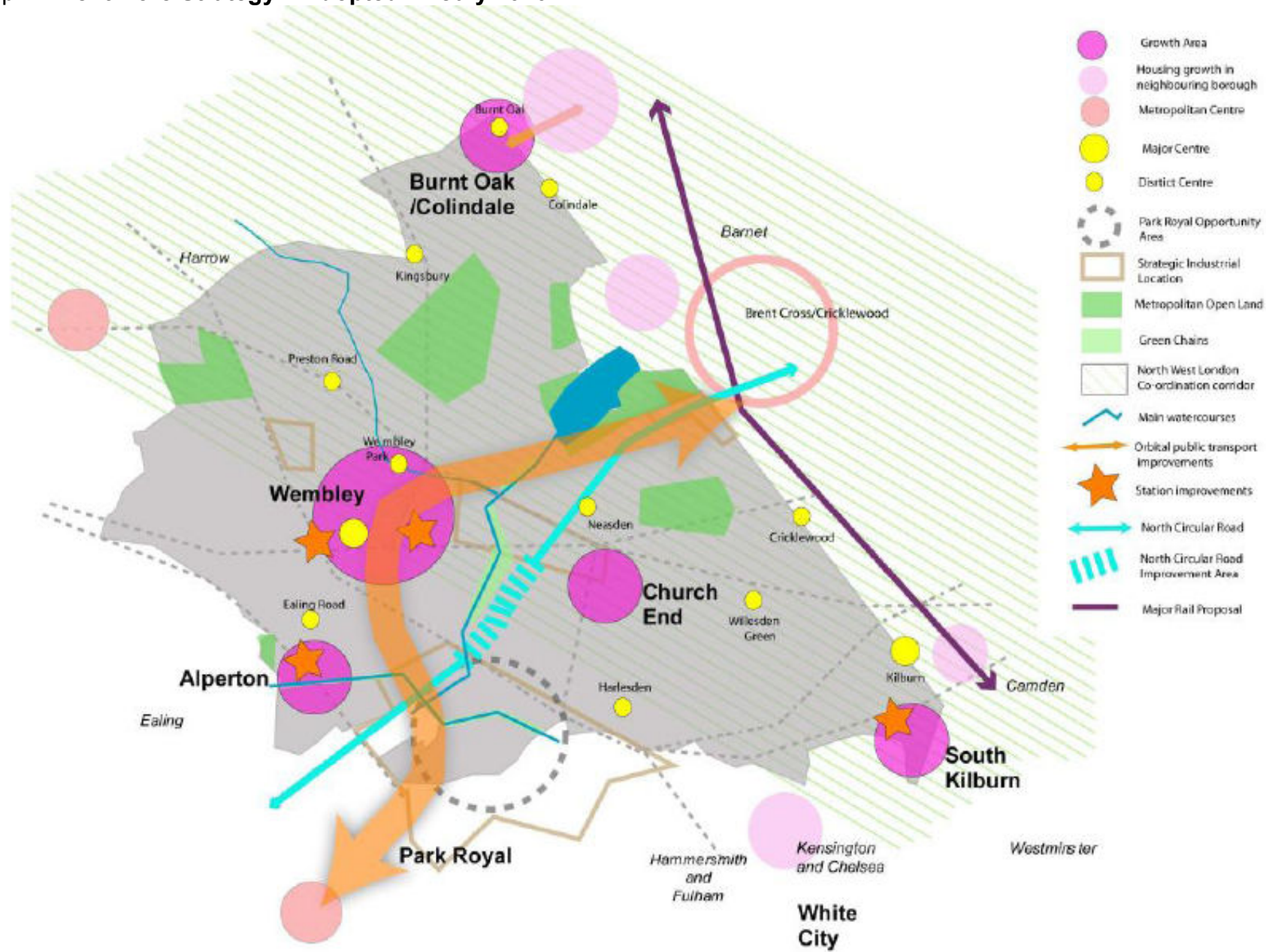





Table 19. Summary of Recommendations – James Review April 2011

| No. | Recommendations   |
|-----|---|
| 1   | Capital investment and apportionment should be based on objective facts and use clear, consistently-applied criteria. Allocation should focus on the need for high-quality school places and the condition of facilities.   |
| 2   | Demand-led programmes, such as Free Schools, are most sensibly funded from the centre and a centrally retained budget should be set aside for them.   |
| 3   | The Department should avoid multiple funding streams for investment that can and should be planned locally, and instead apportion the available capital as a single, flexible budget for each local area, with a mandate to include ministerial priorities in determining allocations.  |
| 4   | Notional budgets should be apportioned to Local Authority areas, empowering them fully to decide how best to reconcile national and local policy priorities in their own local contexts. A specific local process, involving all Responsible Bodies, and hosted by the Local Authority, should then prioritise how this notional budget should be used.   |
| 5   | The local prioritisation decisions should be captured in a short local investment plan. There should be light-touch central appraisal of all local plans before an allocated plan of work is developed so that themes can be identified on a national level and scale-benefits achieved. This must also allow for representations where parties believe the process has not assigned priorities fairly.   |
| 6   | Individual institutions should be allocated an amount of capital to support delivery of small capital works and ICT provision. Wherever possible, this should be aggregated up to Responsible Bodies according to the number of individual institutions they represent, for the Responsible Body then to use for appropriate maintenance across its estate, working in partnership with the institutions. |
| 7   | The Department ensures there is access to clear guidance on legal responsibilities in relation to maintenance of buildings, and on how revenue funding can be used for facility maintenance.  |
| 8   | That the Department: gathers all local condition data that currently exists.  |
| 9   | That the Department revises its school premises regulations and guidance to remove unnecessary burdens and ensure that a single, clear set of regulations apply to all schools. The Department should also seek to further reduce the bureaucracy and prescription surrounding BREEAM assessments.  |
| 10  | There should be a clear, consistent Departmental position on what fit-for-purpose facilities entail. A suite of drawings and specifications should be developed that can easily be applied across a wide range of educational facilities. These should be co-ordinated centrally to deliver best value.   |
| 11  | The standardised drawings and specifications must be continuously improved through learning from projects captured and co-ordinated centrally. Post occupancy evaluation will be a critical tool to capture this learning.  |
| 12  | As many projects as possible currently in the BSF and Academy pipeline should be able to benefit from the Review's findings to ensure more efficient procurement of high quality buildings. This should be an early priority to identify where this could be done.  |
| 13  | That the Central Body should put in place a small number of new national procurement contracts that will drive quality and value from the programme of building projects ahead.   |
| 14  | That the Department uses the coming spending review period to establish a central delivery body and procurement model, whereby the pipeline of major projects – to a scale determined by the Department – is procured and managed centrally with funding retained centrally for that purpose.   |
| 15  | The Department quickly takes steps to maximise the value for money delivered through maintenance and small projects and puts in place a simple and clear national contract to make this happen.   |
| 16  | That the Department revisit its 2004 Cap Gemini report and implement proposals where they are appropriate.  |

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|---|--|
|  <p>The logo of Brent Council, featuring a central coat of arms with a shield, a crown, and two lions, surrounded by the words 'BRENT' at the top and 'COUNCIL' at the bottom in a circular arrangement.</p> | <p><b>Executive</b><br/>17 August 2011</p> <p><b>Report from the Director of<br/>Adult Social Services</b></p> |
| <p>Wards Affected:<br/>ALL</p>  |  |
| <p><b>Award of Framework Contracts for the Procurement and<br/>Management of Young People Accommodation Based<br/>Services and Floating Support Services</b></p>  |  |

**Appendix 4 of this report is Not for Publication**

## **1.0 Summary**

- 1.1 This report updates members on the outcome of the procurement process of two frameworks for young people housing support services and seeks approval to appoint organisations to the frameworks as required by Contract Standing Order 88.
- 1.2 This report requests authority to award call-off contracts from the two frameworks for young people housing support services as required by Contract Standing Order 88.
- 1.3 This report further requests authority to extend existing contracts for a period of three weeks to the 24<sup>th</sup> of October 2011 to ensure planned implementation for the new services.

## **2.0 Recommendations**

- 2.1 That the Executive approve the appointment of the 3 organisations detailed at paragraph 3.15 of the Report to the Supporting People Young People Accommodation based Support Services Framework Agreement for a period of 3 years with an option to extend the framework for a further 2 years.
- 2.2 That the Executive award a call-off contract from the Supporting People Young People Accommodation based Support Services Framework Agreement to Coram (Thomas Coram Foundation for Children), in respect of Lot A (single sex accommodation based services for young people with complex needs across scattered accommodation) from 24<sup>th</sup> October 2011 for a period of 3 years with an option of extending for 2 years.

- 2.3 That the Executive award a call-off contract from the Supporting People Young People Accommodation based Support Services Framework Agreement to DePaul UK in respect of Lot B (mixed sex accommodation based services for young people across hostel, crash pad and move on units) from 24<sup>th</sup> October 2011 for a period of 3 years with an option to extend the framework for a further 2 years.
- 2.4 That the Executive approve the appointment of the 4 organisations detailed at paragraph 3.15 of the Report to the Supporting People Young People Floating Support Services Framework Agreement for a period of 3 years with an option to extend for a further 2 years.
- 2.5 That the Executive award a call-off contract from the Supporting People Young People Floating Support Services Framework Agreement to Coram (Thomas Coram Foundation for Children) from 24<sup>th</sup> October 2011 for a period of 3 years with an option to extend the framework for a further 2 years.
- 2.6 That the Executive approve a short extension of existing contracts for young people based accommodation services and floating support services with De Paul Trust, Catch 22, St Christopher's Fellowship, Coram Housing and Support Services, Brent Housing Partnership and Centre Point for the period from 1<sup>st</sup> October 2011 to 24<sup>th</sup> of October 2011 to ensure appropriate implementation of services.

### **3.0 Background and Detail**

- 3.1 The Executive on 15<sup>th</sup> June 2009 gave authority to tender framework agreements for young people and teenage parents. A subsequent report to the Executive on 15<sup>th</sup> November 2010 approved the recommendation to continue the procurement process for two young persons ("YP") framework agreements, the Supporting People Young People Accommodation based Support Services Framework Agreement ("Framework 1") and the Supporting People Young People Floating Support Services Framework Agreement ("Framework 2"). At that time, the Executive agreed not to proceed with the procurement of framework agreements for the provision of services to teenage parents which had originally been part of the same procurement.
- 3.2 As detailed in the report to the Executive dated 15<sup>th</sup> November 2010, whilst approval to tender for framework agreements was originally obtained in 2009, the procurement process was paused at the PQQ stage pending confirmation of future SP funding. Funding was confirmed and it was agreed that the original process would continue. This report therefore details the next stages within the process and recommends appointment of organisations to the framework agreements and the award of call-off of contracts from those frameworks.
- 3.3 For clarity, Officers outline briefly below the full procurement process including the PQQ stage that was carried out in September 2009.

#### **Preliminary stages of the Procurement process**

3.4 Advertisements were placed in the trade press, national, local newspapers and the Council's external website in July 2009 to seek initial expressions of interest. The Council's standard pre-qualifying questionnaire (PQQ), an information pack containing the outline service and tender approach were sent out to all organisations that expressed an interest in this framework.

3.5 The table below describes the services to be procured through the 2 frameworks agreements

| <b>Framework</b> | <b><u>Specification</u></b>  |
|------------------|--|
| Framework 1      | <u>Lot A</u><br>YP accommodation based scattered schemes with visiting staff                               |
|                  | <u>Lot B</u><br>YP accommodation based hostel with 24/7 staffing, crash pad, move-on and independent flats |
| Framework 2      | YP floating support service  |

3.6 The PQQ evaluation was carried out by panel members consisting of Finance, Health and Safety, and Officers from the Supporting People Team in Commissioning and Service Development Unit. The PQQ evaluation was conducted in accordance with the Evaluation Methodology issued with the PQQ documentation.

3.7 Short listing was carried out on the basis of the contractors' financial viability, probity, and technical ability which included a consideration of health and safety, quality assurance and equal opportunities and 14 organisations were assessed. Two organisations failed the PQQ evaluation. Following subsequent confirmation of Supporting People funding, 12 organisations were invited to tender on 4<sup>th</sup> February 2011, with a return date of 12 noon on 4<sup>th</sup> April 2011.

3.8 7 organisations submitted tenders in accordance with the Instruction to Tender ("ITT"). These were:

1. Brent Housing Partnership/Centrepoint
2. Catch 22
3. Coram
4. De Paul
5. Lookahead Housing and Care
6. Notting Hill Housing Trust
7. St Christopher's Fellowship

All 7 organisations tendered for Framework 2 but only 6 of these organisations (excluding Brent Housing Partnership / Centrepoint) tendered for Framework 1.

3.9 Organisations were informed that the tender evaluation would be conducted in accordance with the Evaluation Methodology issued to organisations in the ITT documentation. The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following criteria with weightings (weightings are detailed in brackets), for appointment to Framework Agreements:

| <b><u>Criteria</u></b>  | <b><u>Weighting</u></b>                                  |
|---|--|
| <b>Tendered Prices</b>  | <b>50%</b>   |
| <b>Quality</b>  | <b>50%</b>   |
| <b><i>Quality consists of -</i></b>   | Quality component weighting (% weighting, totalling 50%) |
| Method of service delivery in Brent   | 7%   |
| Service User involvement and choice including the service organisations ability to respond flexibly to service users and the ability to facilitate involvement of service users in shaping and delivery of services they receive. | 9%   |
| Methods for ensuring Quality performance and good outcomes including demonstration of how service standards will be maintained and monitored.   | 9%   |
| Approach to working with young people with a range of needs, including approach to delivering flexible solutions which are responsive to varying service user needs.  | 10%  |
| Added Value   | 6%   |
| Approach to partnership working with the Council and other agencies   | 9%   |
| <b>TOTAL</b>  | <b>100%</b>  |

Certain of the quality criteria detailed above were broken down further into sub-criteria. Organisations were advised in the ITT documentation of the sub-criteria and the weightings attributable to sub-criteria.

**The Tender Evaluation Process**

3.10 The tender evaluation was carried out by a panel of officers from Service Development and Commissioning Unit and an officer from the Procurement Unit also advised during the evaluation process.

3.11 The evaluation consisted of 3 stages:

Stage 1 - Preliminary Compliance Review. All seven (7) organisations' tenders passed the Preliminary Compliance Review and were subject to evaluation.

Stage 2 - All organisations that passed the Preliminary Compliance Review were subject to an evaluation. Method statement questions were scored using a range of between 0 and 4, as shown in the following table below:

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

A pricing evaluation of tenders was also conducted at Stage 2 using a standard deviation methodology

Stage 3 - Selection of Organisations to be appointed to the Framework Agreement; The Evaluation Methodology informed organisations that the top 5 ranked organisations that passed the full evaluation would be appointed to the Framework.

- 3.12 All 7 organisations were scored on the method statement questions which were presented in a tender evaluation matrix. Individual criteria and sub-criteria were scored out of a maximum of 4. This score was then weighted and individual weighted scores were totalled to arrive at a total Quality score..

#### **Quality and Price**

- 3.13 Quality consisted of 50% of the evaluation weightings. In carrying out the evaluation of quality, 3 organisations for both Frameworks 1 and 2 were found not to have completed the Method Statement correctly as required in the Tender Evaluation Methodology and were thus considered non-compliant. The scoring for each compliant tender is detailed in Appendices 2 and 3.
- 3.14 The Price consisted of 50% of the evaluation weightings. The pricing submitted by organisations were evaluated by using their hourly rate which ranged from approximately £15 to £25/hour as detailed in Appendix 4a). Prices were evaluated on the basis of non-TUPE pricing, using a Standard Deviation analysis method as demonstrated in Appendix 5a).
- 3.15 The Evaluation Panel calculated the final scores in accordance with the Tender Evaluation Methodology and recommends the 3 organisations detailed below for appointment to Framework 1 and 4 organisations for appointment to Framework 2: These organisations are ranked as follows:

| <b>Framework 1, Lots 1&amp;2 (accommodation based services)</b>                                     | <b>Framework 2</b>  |
|---|---|
| 1. Supplier G - Coram (Thomas Coram Foundation for Children) of 49 Mecklenburgh Square, London WC1N | 1. Supplier A – Lookahead Housing and Care of 1 Derry Street, London W8 5HY                         |
| 2. Supplier F – De Paul UK of 291-299 Borough High Street, London SE1 1JG                           | 2. Supplier G – Coram (Thomas Coram Foundation for Children) of 49 Mecklenburgh Square, London WC1N |
| 3. Supplier A – Lookahead Housing and Care of 1 Derry Street, London W8 5HY                         | 3. Supplier F – De Paul UK of 291-299 Borough High Street, London SE1 1JG                           |
|   | 4. Supplier C – Brent Housing Partnership of Chancel House, Neasden Lane, NW10                      |

3.16 The 3 organisations that were found not to have completed the Method Statements correctly are detailed in Appendix 1a).

**Call-off Contracts from Framework 1 and 2**

3.17 The ITT indicated a process for the award of call-off contracts from the Framework Agreements. The method of selecting an organisation for award of call-off contracts differs depending on whether Officers are calling-off a contract at the commencement of the Framework Agreements or after their commencement. Detailed below is the methodology used by Officers to identify which of the organisations appointed to Frameworks 1 and 2 should be awarded a call off contract

**Call-off Contract at the Commencement of Framework 1 in respect of Lots A and B**

3.18 Framework 1 is divided into two lots: Lot A being for single sex accommodation based services for young people with complex needs across scattered accommodation; and Lot B being for mixed sex accommodation based services for young people across hostel, crash pad and move on units. The Framework Agreement indicated Lot A and B would be evaluated to obtain the most economically advantageous tender for each Call-off Contract using the same criteria as for the evaluation of the Framework Agreements. Officers therefore used the Quality criteria and scoring applicable for the award of the Framework Agreement. As the Framework Agreement was evaluated on the basis of non-TUPE pricing however, there was a need for evaluation of the “Tendered Prices” on the basis of the TUPE pricing submitted by organisations. The evaluation of TUPE pricing is in accordance with the Tender Evaluation Methodology attached to the ITT.

3.19 Organisations were advised that the Council’s intention was not to award Lot A and B to the same organisation due to concerns regarding capacity. If, following evaluation of tenders, the same organisation was identified as the highest scoring organisation for both Lots A and B, it will be given the choice of



whether it is awarded Lot A or B. Once that decision has been made, the second highest scoring contractor will be awarded that other Lot.

- 3.20 Officers have carried out an evaluation in accordance with the methodology detailed in paragraphs 3.18 and 3.19 above and Members are referred to Appendices 1b), 4b) and 5b) for further information regarding the evaluation. As a result of this evaluation, approval is sought to award a call-off contract to Coram (Thomas Coram Foundation for Children) as the most economically advantageous tender for Lot A and to award a call-off contract to De Paul UK as the most economically advantageous tender for Lot B.

#### **Call-off Contract at the Commencement of Framework 2**

- 3.21 For Framework 2, Officers intention is that there will be an initial call-off at the time that the Framework commences. The Framework Agreement indicates that a call-off contract will be awarded to the organisation on the Framework submitting the most economically advantageous tender and using the same criteria as for the evaluation of Framework 2. The Council will use the Quality criteria and scoring applicable on the award of the Framework. As the Framework was evaluated on the basis of non-TUPE pricing however, there is a need for evaluation of the Tendered Prices on the basis of the TUPE pricing submitted by organisations to identify the most economically advantageous tender for the call-off contract. The evaluation of TUPE pricing is in accordance with the Tender Evaluation Methodology attached to the ITT.

- 3.22 Officers have carried out an evaluation in accordance with the methodology detailed in paragraph 3.21 above and Members are referred to Appendices 1b) 4B) and 5b) for further information regarding the outcome of the evaluation. As a result of this evaluation, approval is therefore sought to award a call-off contract to and Coram (Thomas Coram Foundation for Children) as the most economically advantageous tender at the commencement of Framework 2.

#### **Extension of Existing Young People Support Contracts**

- 3.23 Due to certain delays that have occurred in the procurement process and the fact that existing young people based accommodation services and floating support services contracts with De Paul Trust, Catch 22, St Christopher's Fellowship, Coram Housing and Support Services, Brent Housing Partnership and Centre Point are due to expire on 30 September, Officers seek approval to extend existing contracts from 1<sup>st</sup> October 2011 to 24<sup>th</sup> of October 2011 to ensure appropriate implementation of services under the proposed call-off contracts.

### **4.0 Financial Implications**

- 4.1 In Brent, the budget for the local Supporting People programme was £12.358m in 2010-11 and £11.022m in 2011/12. The budget in Brent is expected to have fallen by 19.5% by March 2013. The budget has been un-ring-fenced and incorporated into Formula Grant which can now be used more flexibly to pay for a range of services which help people stay living independently in the community. Any costs arising from the award of this contract will be contained within the Supporting People Programme budget for the relevant financial year.
- 4.2 At present over 3000 people per year benefit from c40 SP funded contracts with internal and external organisations, some people receiving services for a

short period, others over a long period and all the services are funded under contract between organisations and the council.

- 4.3 The Procurement Plan approved by Brent Council Executive in March 2011 sets out a timetable showing when existing SP services will be procured in future to ensure that new services are in place to replace contracts as they expire. One of the aims of the Brent SP Procurement Programme is to reduce SP expenditure in line with budget availability.
- 4.4 The evidence from earlier Framework Tenders undertaken in West London is that this can be achieved, with little reduction in overall service capacity, through economies of scale and subjecting services to competition.
- 4.5 The current spend on Young People floating support and accommodation based services is £744,794pa for 2010/11, and £687,201pa for 2011/12. This is less than the £819,000 mentioned in the June 2009 Exec report which gave authority for the tender to proceed.

Furthermore as Bidder G will be selected for two call off lots, they have offered a further 2% savings on their total costs.

| <b>Provider</b>                                      | <b>Framework/Call off</b> | <b>Indicative Annual Contract price from hours procured/£</b> |
|--|---------------------------|---|
| <b>Bidder G</b>                                      | Framework 1, call off A   | 260,520   |
| <b>Bidder F</b>                                      | Framework 1, call off B   | 295,672   |
| <b>Bidder G</b>                                      | Framework 2, call off A   | 96,587.40   |
| <b>TOTAL without 2% discount</b>                     | -                         | <b>£652,779.40</b>  |
| <b>TOTAL with 2% discount deducted from Bidder G</b> | -                         | <b>£639,723.82</b>  |

- 4.6 For the 700 hours purchased along with the 2% discounted cost, the indicative costs of all Framework amounts to **£639,723.82** per annum, further savings of £47,468.18 has been achieved.

A breakdown of the all tender prices is shown at Appendix 4 and the Standard deviation analysis at Appendix 5.

## **5.0 Legal Implications**

- 5.1 The estimated value of both the Framework 1 and 2 exceeds the Public Contracts Regulations 2006 (the "EU Regulations") threshold for Services. The provision of Supporting People Services are Part B Services for the purposes of the EU Regulations and as such are subject to partial application only of the EU Regulations; such as the requirement for non-discrimination in the technical specification and notification of the contract award to the EU

Publications Office. The EU Regulations do not therefore determine the procurement process to be followed although the overriding principles of EU law (equality of treatment, fairness and transparency in the award process) continue to apply in relation to the award of the Frameworks.

- 5.2 The estimated value of these Frameworks is above the Council's Standing Orders threshold for High Value Service Contracts (of £500,000), and the award of the frameworks is consequently subject to the Council's own Standing Orders and Financial Regulations in respect of High Value contracts. As a result, Executive approval is required for the appointment of organisations to the Frameworks.
- 5.3 In addition, there is an intention to call off two contracts from Framework 1 and one contract from Framework 2 at the commencement of the Frameworks. All three of the contracts individually have an estimated value above the Council's Standing Orders threshold for High Value Service Contracts, and the award of all three contracts therefore also require Executive approval for award.
- 5.4 The Transfer of Undertaking (Protection of Employment) Regulations 2006 ("TUPE") are likely to apply to the letting of call-off contracts under the Frameworks and further information regarding TUPE and related employment matters are dealt with in Section 7 below.

## **6.0 Diversity Implications**

- 6.1 The new contracts will require organisations providing housing support services to deliver services which are culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent. An Impact Equalities assessment has been carried out which suggests no adverse implications and is presented as Appendix 6.

6.2 In providing a range of training, employment, leisure and social activities the service will be open to all members of the surrounding community. Partnering arrangements with local community groups and specialist organisations will be encouraged as part of the contract terms for the service. The contracts will focus on providing specialist services for young people.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

- 7.1 There will be TUPE implications arising from the award of call-off contracts under the Framework Agreements. The assumption is that TUPE is likely to apply to those staff currently providing services that are included in the tender process. . As such, protection shall be afforded under the TUPE regulations to such staff where assigned to the service immediately prior to the contract start date and who do not object to transferring so that they will transfer to the organisation awarded the contract on their existing terms and conditions.
- 7.2 One of the current young people contracts is being delivered by Brent Housing Partnership and it is understood one staff member is liable to transfer pursuant to TUPE. The BHP staff member is a former Council member of staff and is entitled to access the LGPS. As a result, organisations were required to bid on the basis that should this BHP staff member transfer, they would either apply

for admission to the LGPS through an admission agreement with the Council or else provide broadly comparable pension provision. All organisations recommended for appointment to the Frameworks have stated that they will provide a broadly comparable pension scheme for the BHP staff member who is potentially affected.

### **Background Papers**

Executive report 9th October 2006 Title: Supporting People Contracts

Executive report 15<sup>th</sup> June 2009 Title: Authority to tender for young people and teenage parent supporting people accommodation based service and floating support services

Executive report 15<sup>th</sup> November 2010 Title: Young People and Teenage Parent Accommodation and Floating Support Services

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## Appendix 1-

### a) Organisations selected for appointment to the Frameworks 1 and 2

#### Framework 1

| Supplier                   | Total% Framework1 | Ranking |
|----------------------------|-------------------|---------|
| Lookahead Housing and Care | 54.84             | 2       |
| De Paul                    | 54.09             | 3       |
| Coram                      | 55.7              | 1       |

The following organisations submitted non-compliant bids for Framework 1:

Catch 22

St Christopher's Fellowship

NHHT

#### Framework 2

| Supplier                   | Total % Framework 2 | Ranking |
|----------------------------|---------------------|---------|
| Lookahead Housing and Care | 60.18               | 1       |
| BHP/Centrepoint            | 43.5                | 4       |
| De Paul                    | 48.92               | 3       |
| Coram                      | 58.26               | 2       |

The following organisations submitted non-compliant bids for Framework 2:

Catch 22

St Christopher's Fellowship

NHHT

**b) Organisations selected for appointment to call-off contracts for Lot A and Lot B on Framework 1 and call-off contract on Framework 2 (showing total cost and quality scores)**

**i) Lot A and Lot B call-offs from Framework 1**

| Supplier                   | F1 Quality Total % | STDEV LOT A% | Total LOT A | LOT A rank | STDEV LOT B% | Total LOT B | LOT B rank |
|----------------------------|--------------------|--------------|-------------|------------|--------------|-------------|------------|
| Lookahead Housing and Care | 30.75              | 34.43        | 65.18       | 3          | 33.28        | 64.03       | 3          |
| De Paul                    | 34.85              | 32.33        | 67.18       | 2          | 32.33        | 67.18       | 1          |
| Coram                      | 34.35              | 33.86        | 68.21       | 1          | 32.65        | 67          | 2          |

**ii) Call-off contract from Framework 2**

| Supplier                   | F2 Quality | STDEV % | TUPE Total % F2 | Ranked F2 |
|----------------------------|------------|---------|-----------------|-----------|
| Lookahead Housing and Care | 33.85      |         |                 |           |
| BHP/Centrepoint            | 18.75      | 24.75   | 43.5            | 3         |
| De Paul                    | 31.25      | 17.67   | 48.92           | 2         |
| Coram                      | 32.8       | 25.46   | 58.26           | 1         |

Appendix 2

Consolidated Quality and Price scores for appointment to Framework 1

| F1                  |           |                            |                           |     | SUPPLIER A - Lookahead Housing and Care |                                       |       | SUPPLIER F- De Paul |                        |       | SUPPLIER G -Coram  |                        |       |
|---------------------|-----------|----------------------------|---------------------------|-----|---|---------------------------------------|-------|---------------------|------------------------|-------|--------------------|------------------------|-------|
| Evaluation Criteria | Weighting | Method Statement questions | Weighting (sub-questions) | Max | Consolidated Score                      | Consolidated Score (%)                | Total | Consolidated Score  | Consolidated Score (%) | Total | Consolidated Score | Consolidated Score (%) | Total |
|                     |           |                            |                           |     | 1                                       | Tendered Prices (Score on Appendix 5) | 50%   | Price =50%          | -                      | -     | 29.5               | 54.84                  | 33.5  |

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Appendix 3

Consolidated Quality and Price scores for appointment to Framework 2

| F2        |                           |                           |           | SUPPLIER A-Lookahead Housing and Care |                        |                            | SUPPLIER C-BHP/Centrepont |                        |                            | SUPPLIER F-De Paul |                        |                            | SUPPLIER G-Coram   |                        |                            |
|-----------|---------------------------|---------------------------|-----------|---------------------------------------|------------------------|----------------------------|---------------------------|------------------------|----------------------------|--------------------|------------------------|----------------------------|--------------------|------------------------|----------------------------|
| Weighting | Method Statement question | Weighting (sub-questions) | Max Score | Consolidated Score                    | Consolidated Score (%) | Total Cost + quality Score | Consolidated Score        | Consolidated Score (%) | Total Cost + quality Score | Consolidated Score | Consolidated Score (%) | Total Cost + quality Score | Consolidated Score | Consolidated Score (%) | Total Cost + quality Score |
| 50%       | n/a                       | -                         | -         |                                       | 33.85                  | 60.18                      |                           | 18.75                  | 43.5                       |                    | 31.25                  | 48.92                      |                    | 32.8                   | 58.26                      |





Appendix 5

a) Standard Deviation Analysis for Non TUPE Prices for appointment to Frameworks 1 and 2

| Framework 1 | Supplier Name                 | Prices (£)      | Score (%)   | Price weighting (%)   | 50%       |       |
|-------------|-------------------------------|-----------------|-------------|-----------------------|-----------|-------|
|             |                               |                 |             | STD Deviation (STDEV) | Range     |       |
|             |                               |                 |             |                       | Value (£) |       |
|             | A Lookahead Housing and Care  | 9339.3          | 24.09521648 | Mean -3x STDEV        | -2145.17  |       |
|             | F De Paul                     | 11491.3         | 19.24108735 | Mean +2x STDEV        | 19984.73  | 8.30% |
|             | G Coram                       | 10555.1         | 21.35281397 | Mean +3x STDEV        | 20021.53  |       |
|             | <b>MEAN=</b>                  | <b>8938.186</b> |             |                       |           |       |
|             | <b>STD Deviation (STDEVP)</b> | 3694.449        |             |                       |           | 0%    |

Scores  
50%

Explanation for calculating the Standard Deviation:

This related to the Framework 1 Non-TUPE calculation above (Table a):

Find out what a 1% differences in Scores means for Value (£):

$$0\% = 20021.53 \text{ (F10)}$$

$$25\% = 8938.18 \text{ (F7)}$$

Therefore 1% would be:  $(20021.53-8938.18)/25 = 443.3338517$  (which is rounded to 443.3339)

Now we know what a 1% difference in Scores means for Value (£), we can find out different scores:

$$0\% = 20021.52629$$

$$1\% = 20021.52629 - 443.3339$$

$$2\% = 20021.52629 - (2*443.3339)$$

$$3\% = 20021.52629 - (3*443.3339)$$

(Note: We subtract because if you look at the Scores of 0% and 25%, you see that as the % increases, the value decreases)

There is a pattern here that we can use to find out any Value (£) of any Score number.

To do this, we do exactly the same calculation as above.

$$8.30\% = 20021.52629 - (8.30*443.3339)$$

$$16.66\% = 20021.52629 - (16.66*443.3339)$$

To check this, we can try to find out 25% which we already know:

$$25\% = 20021.52629 - (25*443.3339) = 8938.17879$$

So this method is correct.

| Framework 2                   | Supplier Name                | Prices (£)  | Score (%)      | Price weighting (%)   | 50%       |  |
|-------------------------------|------------------------------|-------------|----------------|-----------------------|-----------|--|
|                               |                              |             |                | STD Deviation (STDEV) | Range     |  |
|                               |                              |             |                |                       | Value (£) |  |
|                               | A Lookahead Housing and Care | 1650.6      | 26.33867277    | Mean -3x STDEV        | -3933     |  |
| C BHP/Centrepoint             | 2025.45                      | 24.75019069 | Mean -1x STDEV | 7.866                 | 33.30%    |  |
| F De Paul                     | 2633.4                       | 17.67756266 | Mean +2x STDEV | 5907.366              | 8.30%     |  |
| G Coram                       | 1857.45                      | 25.46211543 | Mean +3x STDEV | 7866                  | 0%        |  |
| <b>MEAN=</b>                  | <b>1966.5</b>                |             |                |                       |           |  |
| <b>STD Deviation (STDEVP)</b> | 290.4744                     |             |                |                       |           |  |

Scores

50%

b) Standard Deviation Analysis for TUPE Prices for award of call-off contracts for Lot A and Lot B on Framework 1 and call-off contract on Framework 2

TUPE LOT A

| Framework 1 TUPE | Tenderer Name                 | Prices (£)      | Score SDEV(%) | Price weighting (%)          | 50%       |        |
|------------------|-------------------------------|-----------------|---------------|------------------------------|-----------|--------|
|                  | A Lookahead Housing and Care  | 4754.4          | 34.43708296   | <b>STD Deviation (STDEV)</b> | Range     |        |
|                  |                               |                 |               |                              | Value (£) | Scores |
|                  | C BHP/Centrepoint             |                 |               | Mean -3x STDEV               | -2145.17  | 50%    |
|                  |                               |                 |               | Mean -2x STDEV               | 1552.236  | 41.66% |
|                  |                               |                 |               | Mean -1x STDEV               | 5258.507  | 33.30% |
|                  | F De Paul                     | 5686            | 32.33573226   | Mean                         | 8938.18   | 25%    |
|                  | G Coram                       | 5010            | 33.86054234   | Mean +1x STDEV               | 12635.58  | 16.66% |
|                  | <b>MEAN=</b>                  | <b>8938.186</b> |               | Mean +2x STDEV               | 19984.73  | 8.30%  |
|                  | <b>STD Deviation (STDEVP)</b> | 3694.449        |               | Mean +3x STDEV               | 20021.53  | 0%     |

not going for F1

no prices for contract 2, so NON TUPE price used

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TUPE LOT B

| Framework 1 TUPE | Tenderer Name                 | Prices (£)      | Score SDEV(%) | Price weighting (%)          | 50%       |        |
|------------------|-------------------------------|-----------------|---------------|------------------------------|-----------|--------|
|                  | A Lookahead Housing and Care  | 5263.8          | 33.28806      | <b>STD Deviation (STDEV)</b> | Range     |        |
|                  |                               |                 |               |                              | Value (£) | Scores |
|                  | C BHP/Centrepoint             |                 |               | Mean -3x STDEV               | -2145.17  | 50%    |
|                  |                               |                 |               | Mean -2x STDEV               | 1552.236  | 41.66% |
|                  |                               |                 |               | Mean -1x STDEV               | 5258.507  | 33.30% |
|                  | F De Paul                     | 5686            | 32.33573      | Mean                         | 8938.18   | 25%    |
|                  | G Coram                       | 5545            | 32.65378      | Mean +1x STDEV               | 12635.58  | 16.66% |
|                  | <b>MEAN=</b>                  | <b>8938.186</b> |               | Mean +2x STDEV               | 19984.73  | 8.30%  |
|                  | <b>STD Deviation (STDEVP)</b> | 3694.449        |               | Mean +3x STDEV               | 20021.53  | 0%     |

not going for F1

Page 10 of 14

no prices for contract 2, so NON TUPE price used

Appendix 6 -

**Impact Needs/Requirement Assessment Completion Form**

|  |  |
|--|--|
| <b>Department:</b><br>Housing & Community Care   | <b>Person Responsible:</b><br>Zakia Durrani  |
| Service Area:<br>Service Development & Commissioning   | Timescale for Equality Impact Assessment :   |
| Date: July 2011  | Completion date:   |
| Name of service/policy/procedure/project etc:<br>Brent Housing Support Services- Young People Provider Framework Agreement Tender project  | Is the project :<br><br>New <input type="checkbox"/>   |
| <b>INITIAL ASSESSMENT</b><br>Predictive <input checked="" type="checkbox"/><br><br>Retrospective <input type="checkbox"/>  | Adverse impact <input type="checkbox"/><br><br>Not found <input checked="" type="checkbox"/><br><br>Found <input type="checkbox"/><br><br>Service/policy/procedure/project etc,<br>amended to stop or reduce adverse impact<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Is there likely to be a differential impact on any group?<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>   | Please state below:  |
| 1. Grounds of race: Ethnicity, nationality or national origin e.g. people of different ethnic backgrounds including Gypsies and Travellers and Refugees/ Asylum Seekers<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | 2. Grounds of gender: Sex, marital status, transgendered people and people with caring responsibilities<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>   |
| 3. Grounds of disability: Physical or sensory impairment, mental disability or learning disability<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  | 4. Grounds of faith or belief: Religion/faith including people who do not have a religion<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>   |
| 5. Grounds of sexual orientation: Lesbian, Gay and bisexual<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>   | 6. Grounds of age: Older people, children and young People<br><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  |
| Consultation conducted<br><br>Yes <input checked="" type="checkbox"/>  |  |
| Person responsible for arranging the review:<br>Zakia Durrani  | Person responsible for publishing results of Equality Impact Assessment:   |
| Person responsible for monitoring:   | Date results due to be published and where:  |
| Signed:  | Date:  |

Please note that you must complete this form if you are undertaking a formal Impact Needs/Requirement Assessment. You may also wish to use this form for guidance to undertake an initial assessment, please indicate.

**1. What is the service/policy/procedure/project etc to be assessed?**

Brent Young People Provider Framework Agreement Tender project for Housing Support Services

**2. Briefly describe the aim of the service/policy etc? What needs or duties is it designed to meet? How does it differ from any existing services/ policies etc in this area**

**Background**

The Supporting People is a preventative programme which aims to enable vulnerable people to live independently in the community, through providing housing support services.

In Brent, the local Supporting People programme cost £12.358m in 2010-11. The value of the budget in Brent will have fallen by 19.5% by March 2013. The budget has been un-ring-fenced and incorporated into Formula Grant, can now be used more flexibly to pay for a range of services which help people stay living independently in the community. The budget funds housing support workers, sheltered housing managers, women's refuge workers, etc support people to prevent hospital admissions, evictions, mental ill health, homelessness, anti-social behaviour, a range of non statutory welfare services including handyperson, accident prevention, hospital discharge support etc for vulnerable people. It may also fund some services such as prompting vulnerable people with health and personal hygiene or care. . At present over 3000 people per year benefit from c40 SP funded contracts with internal and external organisations, some people receiving services for a short period, others over a long period.

All the services are funded under contract between organisations and the council.

The Procurement Plan approved by Brent Council Executive in March 2011 sets out a timetable showing when existing SP services will be procured in future to ensure that new services are in place to replace contracts as they expire. One of the aims of the Brent SP Procurement Programme is to reduce SP expenditure in line with budget availability and then to be part of the Framework Tender process which will be undertaken in West London for further price reduction through economies of scale and subjecting services to competition.

**Young People (YP) Framework Agreement Project**

Current Supported Housing Young People contracts will expire in September 2011

Organisations were selected onto the Framework on the basis of clear criteria which will be set out for all tenderers. The assessment is likely to allocate 60% of marks to Price, and 40% to quality, with a minimum quality threshold applying to all organisations.

This Framework will therefore allow the council to meet its legal obligations to procure YP housing support services effectively when contracts end, and should also allow savings to be achieved to meet reduced budget availability by generating economies of scale and competition in prices. This process has allowed new organisations to enter the market, and these new services procured will address unmet needs and will allow existing and new organisations to secure a future market share.

**3. Are the aims consistent with the council's Comprehensive Equality Policy?**

Yes

**4. Is there any evidence to suggest that this could affect some groups of people? Is there an adverse impact around race/gender/disability/faith/sexual orientation/health etc? What are the reasons for this adverse impact?**

No there is no evidence that some groups will be affected differentially. The YP Framework tendering project is unlikely to have a major impact on any specific client group. Commissioning decisions were



made through reviewing requirements with local stakeholders and service users. The reviews will consider current service use and future demand. Required services will be called off via the Framework to meet local needs. For future call offs, preferred organisations will be invited to submit local proposals (mini tender), where appropriate.

**5. Please describe the evidence you have used to make your judgement. What existing data for example (qualitative or quantitative) have you used to form your judgement? Please supply us with the evidence you used to make your judgement separately (by race, gender and disability etc).**

**Impact on Provider Organisations**

The arrangement for selection of organisations onto the Framework was set out transparently for all organisations by advertising a Prior Information Notice (PIN). The tendering process was open to all organisations, large and small, specialist and generic.

Some of these organisations had expressed concerns that their organisations may not be able to win tenders through the Framework process. However, evidence from earlier Framework Agreement tenders such as the home support Framework tendered in 2010 is that small and specialist organisations can be expected to be selected as preferred organisations for some of the “lots”.

The Framework Procurement process includes consideration of market dominance and market share, to ensure that one or two organisations do not dominate the market. Local Authority Financial standing orders require that a provider is not awarded a contract valued at more than 30% of turnover. This could prove a barrier to small organisations entering the market. This is an area which the project group addressed on analysis of the Pre-Qualification Questionnaire (PQQ).

**Impact on Service Users**

It is the role of Commissioning Officers to ensure that services called off from the new YP framework meet identified needs and that procured services meet the needs of the client groups. These will also specify the services to be called off the Framework for the future. Without the Framework it is unlikely that gaps in existing services could be met within the budgets available without significantly reducing current services.

The current breakdown in SP budget expenditure between different client groups at April 2011 is shown in Appendix B. This information about clients using current SP services is collected as people start receiving a service. Client record information for Brent for the first 3 quarters of 2010-11, the most up to date information available, is attached as Appendix C. Headline information shows that:

700 people accessed a SP funded service over the period April 1<sup>st</sup> to Dec 31<sup>st</sup> 2010- (ie about 1000 per year)

Of these, 36% were single homeless people with support needs, 13% were older people, 4% were young people with support needs, 12% had a learning or physical disability as their primary support need. 33% of all these people reported a disability of some time, physical or mental.

Ethnic breakdown of these new clients is shown in the table attached as Appendix C1. This shows that 50% of all clients were black African or African/Caribbean. 15% were Asian and 23% are White British, 7% White Irish. Most services in Brent are providing services to people from all these groups.

The framework allows for specific local needs to be met and to ensure that services are delivered by specialist organisations where required, or ensure that the specification meets a particular language need, for example.

**6. Are there any unmet needs/requirements that can be identified that affect specific groups? (Please refer to provisions of the Disability Discrimination Act and the regulations on sexual orientation and faith, Age regulations/legislation if applicable)**

The Supporting People strategy 2009-14 identifies where additional or re-configured services are required to meet identified gaps.

Highlights of this included:

- A significant undersupply of floating support for older people and of extra care accommodation based services

- A small undersupply of floating support for disabled people
- An undersupply of services for people with learning disabilities, including people who do not meet Social Services criteria
- A need to remodel services for people with mental health needs to meet the gap in services for people with complex needs and dual diagnoses.
- A gap in supply of services for young male offenders

The full strategy is published on the Brent Council website.

It is the Commissioning Units intention that these gaps are addressed through procurement from preferred organisations selected via the West London Framework Agreement. The Framework should bring economies of scale and competition which drive down prices and allow these gaps to be met. Without the Framework it is unlikely that these gaps in existing services could be met within the budgets available without significantly reducing current services.

In addition, reviews of demand and unmet need for each client group will be undertaken and consulted on prior to specifying the exact services to be “called off” locally from the Framework Agreement.

**7. Have you consulted externally as part of your assessment? Who have you consulted with? What methods did you use? What have you done with the results i.e. how do you intend to use the information gathered as part of the consultation?**

The Supporting People budget funds work with a group of service users who are consulted on all aspects of work on SP in the borough. The comments of these users are included in service reviews as they are undertaken, influencing the outcome and recommendation of reviews.

Peer consultants and current organisations will be involved in every review of services prior to the specification and “call off” of contracts. Service users will also be involved in local “call off” selection processes.

The views of service users will directly impact on the service specifications and will contribute to the selection process for preferred organisations.

**8. Have you published the results of the consultation, if so where?**

The outcomes of consultation were included as Appendix 1 in the Brent Supporting People Strategy 2009-2013, which is published on the Brent Council website.  
The Young People Strategic Review also included consultation outcomes is available on request

**9. Is there a public concern (in the media etc) that this function or policy is being operated in a discriminatory manner?**

No- however there is general concern that the impact of financial cuts on older and disabled people should be subject to an Impact Assessment.  
Some small organisations are concerned about their ability to respond to the tender invitation.

**10. If in your judgement, the proposed service/policy etc does have an adverse impact, can that impact be justified? You need to think about whether the proposed service/policy etc will have a positive or negative effect on the promotion of equality of opportunity, if it will help eliminate discrimination in any way, or encourage or hinder community relations.**

Neutral impact

**11. If the impact cannot be justified, how do you intend to deal with it?**

N/A

**12. What can be done to improve access to/take up of services?**

In 2007 Brent Council SP service funded a single point of access to Floating Support, to improve take up of Floating support services, and to ensure that a wider group of people could access SP funded floating support services. The role of this team (START Plus) was widened to include other SP funded services in 2009. This service is currently undergoing a change to ensure it is working in the best way possible, to ensure it is easy to access for users and stakeholder organisations, and to reduce bureaucracy and duplication. However, its role of making access to SP funded services easier for service users will continue and our intention is to work with the service to improve advertising and improve reach.

**13. What is the justification for taking these measures?**

A survey of stakeholder organisations in 2010 showed that START plus performance was inconsistent and that communication could be improved. A review of the service showed it to be high cost when benchmarked against other organisations.

**14. Please provide us with separate evidence of how you intend to monitor in the future. Please give the name of the person who will be responsible for this on the front page.**

**Contracts:**

Monitoring will be based on how well service organisations meet the **outcomes** stated in the service specification. Service users will have the opportunity to specify their own desired outcomes which will be monitored. On-going monitoring information is received by the ASC Commissioning Unit quarterly from organisations; this is reviewed and discussed as appropriate with a particular emphasis on any change in the profile of services users.

**Use of the Framework for contract procurement:**

Monitoring of the impact of the Framework on organisations will take place prior to awarding contracts at call off. Reports on the impact of the Framework will be presented to the SP Commissioning Body regularly. (Lead integrated Commissioner/Service Development Officer)

**15. What are your recommendations based on the conclusions and comments of this assessment?**

Client record monitoring and outcome monitoring should continue to be undertaken to ensure that all services deliver high quality services to the community

**Should you:**

**1. Take any immediate action?**

Ensure that information for tenderers includes clear instructions on financial requirements, consortia arrangements and call off arrangements for when the Brent Framework expires and to continue with programme of reviews which will identify local specifications for call off from the West London Framework in the future.

**2. Develop equality objectives and targets based on the conclusions?**

It is unlikely specific targets will be identified, services to be procured in future will be based on outcomes. All successful provider will need to evidence that the required outcomes can be met for all groups.

**16. If equality objectives and targets need to be developed, please list them here.**

**17. What will your resource allocation for action comprise of?**

Members of the Commissioning Unit.

If you need more space for any of your answers please continue on a separate sheet

Signed by the manager undertaking the assessment: Zakia Durrani

Full name (in capitals please):

Zakia Durrani

Date: June 2011

Service Area and position in the council: Service Development Officer

Details of others involved in the assessment - auditing team/peer review:

Once you have completed this form, please take a copy and send it to: **The Corporate Diversity Team, Room 5 Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD**

|                                      | <b>Total</b> | <b>% all clients</b> |
|--------------------------------------|--------------|----------------------|
| Older people with support needs      | 87           | 12%                  |
| Older people mental health           | 2            | 0%                   |
| Frail elderly                        | 4            | 1%                   |
| Mental health problems               | 45           | 6%                   |
| Learning disabilities                | 25           | 4%                   |
| Physical or sensory disability       | 51           | 7%                   |
| Single homeless with support needs   | 255          | 36%                  |
| Alcohol problems                     | 11           | 2%                   |
| Drug problems                        | 9            | 1%                   |
| Offenders/at risk of offending       | 44           | 6%                   |
| Young people at risk                 | 21           | 3%                   |
| People with HIV/AIDS                 | 7            | 1%                   |
| Homeless families with support needs | 31           | 4%                   |
| Refugees                             | 5            | 1%                   |
| Teenage parents                      | 9            | 1%                   |
| Rough Sleeper                        | 3            | 0%                   |
| Traveller                            | 1            | 0%                   |
| People at risk of domestic violence  | 66           | 9%                   |
| Generic/Complex needs                | 25           | 4%                   |

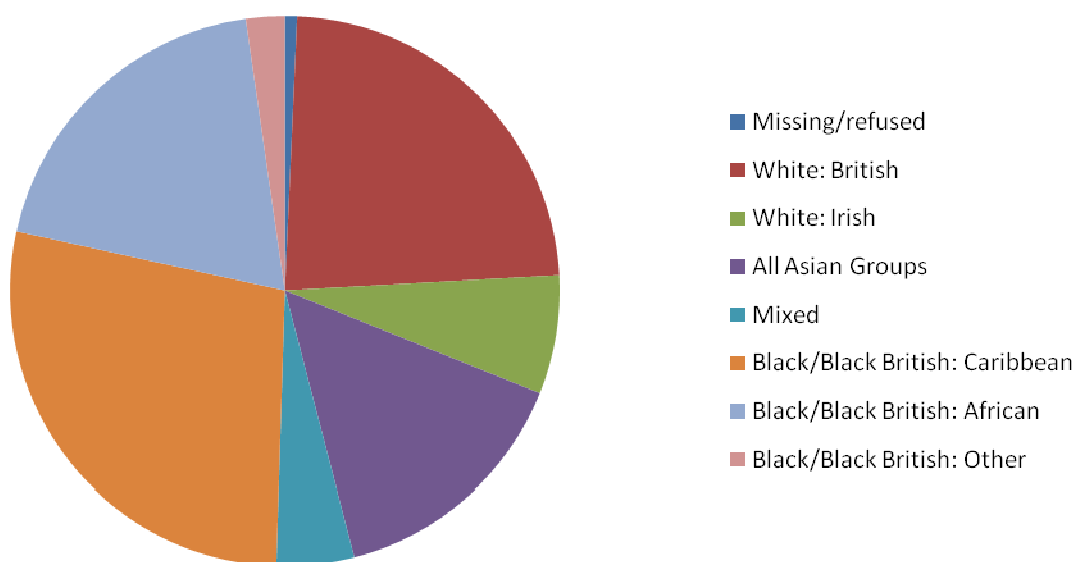
Total

701

### Ethnic Origin new SP clients April – December 2010

| Ethnic Origin                  | Number | Frequency % |
|--------------------------------|--------|-------------|
| Missing/refused                | 5      | 1%          |
| White: British                 | 164    | 23%         |
| White: Irish                   | 49     | 7%          |
| All Asian Groups               | 104    | 15%         |
| Mixed                          | 32     | 5%          |
| Black/Black British: Caribbean | 196    | 28%         |
| Black/Black British: African   | 135    | 19%         |
| Black/Black British: Other     | 16     | 2%          |
|                                | 701    | 100%        |

**Ethnic Origin- New Supporting People Clients  
April -Dec 2010**



Age Breakdown New Clients April –December 2010

| <b>Age of Client</b> | <b>Frequency</b> | <b>Frequency %</b> |
|----------------------|------------------|--------------------|
| 16-17                | 20               | 3%                 |
| 18-24                | 151              | 22%                |
| 25-31                | 99               | 14%                |
| 32-38                | 84               | 12%                |
| 39-45                | 102              | 15%                |
| 46-52                | 70               | 10%                |
| 53-59                | 45               | 6%                 |
| 60-64                | 28               | 4%                 |
| 65-69                | 21               | 3%                 |
| 70-74                | 35               | 5%                 |
| 75-79                | 19               | 3%                 |
| 80+                  | 26               | 4%                 |
| <b>Total:</b>        | <b>701</b>       |                    |


### **Specialist BME provider organisations at April 2011**

Asra (Older Asian `People)  
I Serve (Somali Refugees and Families)  
Innisfree (Irish older people, single homeless people/mental health)  
Irish Centre Housing (Irish older people)  
Jewish Community Housing (Jewish older people)  
Apna Ghar (disabled Asian people)  
AMD (Muslim disabled people)

### **Specialist Disability Groups**

Brent Mencap (learning disability)  
Brent Mind (people with mental health needs)  
RNID (deaf people)  
Middx Association for the blind (MAB) - People with sensory impairment



|   |  |
|---|--|
|        | <p style="text-align: center;"><b>Executive</b><br/><b>23 August 2011</b></p> <p style="text-align: center;"><b>Report from the Director of<br/>Finance and Corporate Services</b></p> |
| <p style="text-align: right;">Wards Affected:<br/>ALL</p>                               |  |
| <p style="text-align: center;"><b>The Treasury Management Annual Report 2010/11</b></p> |  |

## 1. SUMMARY

The purpose of this report is to provide information to members on borrowing and investment activity, and performance compared to prudential indicators during 2010/11. As the Treasury Management Annual Report should be agreed by Full Council, the Executive is asked to recommend it to Full Council for approval. The report will also go to the Audit Committee as part of the scrutiny function required under the 2009 Treasury Management Code of Practice issued by CIPFA.

## 2. RECOMMENDATIONS

The Executive is asked to recommend that Full Council:

- 2.1 Approves the Treasury Management Annual Report (section 3); and Annual Investment Strategy Report (section 4)
- 2.2 Notes the outturn for prudential indicators (section 5)
- 2.3 Notes the updated position in 2010/11 (para.3.25).

## 3. TREASURY MANAGEMENT ANNUAL REPORT

- 3.1 Full Council adopted the 2009 CIPFA Code of Practice on Treasury Management in Local Authorities in September 2010. The Code stipulates that the Chief Financial Officer should set out in advance to Full Council the treasury strategy for the forthcoming financial year, issue a progress report during the year, and subsequently report the treasury management activities at year-end. The report will also go to the Audit Committee. This section of the report details:-

- a) The economic background for 2010/11 (paras 3.6 to 3.7)

- b) The agreed treasury strategy (para 3.8)
- c) Borrowing activity during 2010/11 (paras 3.9 to 3.12)
- d) Lending activity during 2010/11 (paras 3.13 to 3.21)
- e) Overall interest paid and received (para 3.22)
- f) Developments since the year end (paras 3.23 – 3.24)

3.2 Treasury management in this context is defined as ‘the management of the local authority’s cash flows, its banking, money market (short term borrowing and lending) and capital market (long term borrowing) transactions; the effective control of the risks associated with those activities; and the pursuit of the optimum performance consistent with those risks.’ This means that the pursuit of additional returns must be placed within the framework of the protection of the council’s cash balances and a rigorous assessment of risk.

### **ECONOMIC AND MARKET BACKGROUND DURING 2010/11**

- 3.6 The world economy grew by 4.5% in 2010, whereas the UK grew by 1.6%, USA by 2.9%, and the Euro area by 1.7%, and the Chinese and Indian economies continued to grow rapidly (around 10%). In the UK growth remained slow as banks were unable / unwilling to lend and borrowers were unwilling to increase existing debts. In the USA, quantitative easing (governments buying back debt and increasing the money supply) supported activity and reduced longer term interest rates. In the UK, Retail Price Inflation rose by 4.6% (Consumer Price Index 3.3%) as VAT increased to 20% and energy and other commodity prices rose sharply. However, the bank rate remained at 0.5% as monetary policy sought to encourage economic growth and assumed that inflation would fall to reflect low economic activity. Overnight interest rates remained very low, at 0.25% - 0.45%. Fiscal policy has also been very loose, with the government running a large payments deficit, but policy has been tightened in 2010/11. Markets experienced renewed volatility in April 2010 as Greece, followed by Ireland and Portugal later in the year, required bailouts from the International Monetary Fund and European countries. Concerns about the cost of country bailouts, and the potential impact of their default on European banks and the euro, have encouraged a cautious approach to lending.
- 3.7 Table 1 shows interest rates charged during the year by the Public Works Loans Board (PWLB), the government agency that provides long term credit to local authorities. Previously, the PWLB enabled local authorities to borrow at similar rates to the government (gilt yield plus 0.15%). However, on 20<sup>th</sup> October 2010 it was decided that local authorities would pay rates set at gilt yield plus 1% in order to increase revenue to the Treasury, discourage capital projects and encourage local authorities to use their cash reserves. It can be seen that, although PWLB rates have increased, underlying gilt yields have fallen during the year, reflecting the low demand for credit.

**Table 1 – PWLB Interest rates during 2010/11**

|         | <b>1<sup>st</sup> April<br/>2010 %</b> | <b>30 June<br/>%</b> | <b>30 Sept.<br/>%</b> | <b>31 March<br/>2011 %</b> |
|---------|--|----------------------|-----------------------|----------------------------|
| 10 year | 4.19                                   | 3.59                 | 3.14                  | 4.58                       |
| 25 year | 4.47                                   | 4.31                 | 3.95                  | 5.23                       |
| 50 year | 4.70                                   | 4.32                 | 4.01                  | 5.23                       |

**STRATEGY AGREED FOR 2010/11**

- 3.8 On the basis of advice and research from Arlingclose, Capital Economics and treasury / pension fund managers, it was anticipated that the bank rate would remain at 0.5% (possibly rising to 1% by the end of the financial year). It was agreed that lending would be kept fairly short (less than one year), that long term loans would be allowed to mature, and that the lending list would be expanded when market conditions allowed. It was also agreed that borrowing would remain flexible, but that the Council would take short term or variable debt if it was likely that rates would stay low. It was also agreed that officers would look for opportunities to restructure debt, but that low rates might make this uneconomic.

**BORROWING ACTIVITY DURING 2010/11**

- 3.9 The split of the council's treasury portfolio between fixed interest and variable loans and investments, as at 31 March 2010, is set out in Table 2.

**Table 2 – Treasury portfolio at 31<sup>st</sup> March 2011 – loans and investments**

|                              | <b>31.03.10<br/>Actual<br/>£m</b> | <b>31.03.2011</b>     |                      |
|------------------------------|-----------------------------------|-----------------------|----------------------|
|                              |                                   | <b>Planned<br/>£m</b> | <b>Actual<br/>£m</b> |
| Fixed rate loans – PWLB      | 522.0                             | 556.5                 | 491.0                |
| Variable rate loans – PWLB   | -                                 | -                     | -                    |
| Variable rate loans – Market | 85.5                              | 85.5                  | 95.5                 |
| Short-term loans – Market    | 52.0                              | -                     | 69.2                 |
| <b>Total Debt</b>            | <b>659.5</b>                      | <b>642.0</b>          | <b>655.7</b>         |
| <b>INVESTMENTS</b>           | <b>69.0</b>                       | <b>56.0</b>           | <b>57.5</b>          |
| <b>NET DEBT</b>              | <b>590.5</b>                      | <b>586.0</b>          | <b>598.2</b>         |

- 3.10 The average rate of interest payable by Brent Council on its loans has fallen from 4.6% in 2009/10, to 4.37% in 2010/11. A debt restructuring was undertaken in October 2010, repaying £50m of PWLB loans and taking advantage of cheaper short term debt. The saving will be around £700,000 per annum, depending on short term interest rates. The Debt restructuring of £64.8m, undertaken in March 2009, continues to save around £1.5m per

annum as rates remain low. Also in 2010/11 Brent Council took a new PWLB £20m equal instalment of principal loan at 2.94% (10 years).

- 3.11 As outlined above, the PWLB has increased the rates charged on loans to gilts plus 1%. This has increased the cost of new loans and will discourage debt restructuring activity.
- 3.12 The duration and average interest rate, of loans in the treasury portfolio at 31<sup>st</sup> March 2011 is set out in Table 3.

**Table 3 – Treasury portfolio at 31<sup>st</sup> March 2011 – duration/interest rates**

| Maturing Within | £m                  |                     | Share of total debt % | Average Interest Rate 2010/11 % |
|-----------------|---------------------|---------------------|-----------------------|---------------------------------|
|                 | 31.03.10            | 31.03.11            |                       |                                 |
| 1 Year          | 52.0                | 71.2                | 10.9                  | 0.58                            |
| 1 – 5 Years     | -                   | 8.0                 | 1.2                   | 2.94                            |
| 6 - 10 years    | 10.0                | 9.0                 | 1.4                   | 2.94                            |
| 11 – 15 years   | 5.0                 | 5.0                 | 0.8                   | 8.88                            |
| Over 15 years   | 507.0               | 467.0               | 71.2                  | 5.08                            |
| Variable PWLB   | -                   | -                   | -                     | -                               |
| Variable Market | 85.5                | 95.5                | 14.5                  | 4.31                            |
| <b>TOTAL</b>    | <b><u>659.5</u></b> | <b><u>655.7</u></b> | <b><u>100.0</u></b>   | <b><u>4.37</u></b>              |

**LENDING ACTIVITY DURING 2010/11**

3.13 The council's investments averaged £78m during 2010/11 (£86m during 2009/10) and earned £0.9m in interest. Returns were assisted by the declining portfolio of long term deposits (deposited in 2007 and 2008 for up to three years), some of which continued to generate returns in excess of 5% per annum when overnight rates had fallen to 0.25%. The amount invested varied from day to day depending on cash-flow and the Council's borrowing activity. Responsibility for investing funds was split between the in-house team, which manages approximately two thirds of the investments and an external house managing approximately one third of the investments.

3.14 Investments by the in-house team were made primarily with the intentions of achieving security and liquidity, and were all placed with for money market funds or for periods up to one month. Rates achieved ranged between 0.25% and 0.83%, but existing long term loans raised the average rate achieved to 1.3% (2009/10 2.54%). Loans were made to high quality counterparties included on the Treasury Lending list. Appendix 1 lists the deposits outstanding at 31<sup>st</sup> March 2011.

3.15 The financial tsunami following the bankruptcy of Lehman brothers forced a number of banks into administration in the autumn of 2008, and the collapse of the main Icelandic banks (7<sup>th</sup> October 2008). Brent Council has two deposits outstanding with Icelandic banks, as follows:-

|           |      |       |               |                   |
|-----------|------|-------|---------------|-------------------|
| Heritable | £10m | 5.85% | Lent 15.08.08 | Due back 14.11.08 |
| Glitnir   | £5m  | 5.85% | Lent 15.09.08 | Due back 12.12.08 |

3.16 The Council continues to work with the Local Government Association and other authorities to recover the loans. All other deposits have been repaid on time. The most recent advice from CIPFA, the Department for Communities

and Local Government (CLG) and the Local Government Association (LGA) states that authorities are likely to be treated as preferred creditors to Glitnir. However, the Winding Up Board (WUB) for Glitnir has proposed that local authority deposits be treated as ordinary creditors (only likely to recover around 30% of their losses), meaning that legal action will continue – our legal advisers, Bevan Brittan, believe that the deposit will be recovered. Hearings before the district court in Iceland have been successful, but the WUB has appealed to the Icelandic Supreme Court. Further hearings are expected in September. The administrators for Heritable have repaid a further £2.1m in 2010/11, a further £1,030,000 to date in 2011/12, and state that creditors should receive 80% / 85% of deposits plus interest to October 2008, by instalments to 2013.

- 3.17 External cash managers were initially appointed in 1998 to manage two portfolios with the aim of achieving an improved return at an acceptable level of risk. Aberdeen Asset Management has managed a portfolio throughout the period. The value of the Aberdeen’s portfolio was £23.6m as at 31<sup>st</sup> March 2011 (£23.3m 2010). Actual performance for 2010/11 (2009/10 in brackets), and the three and five years to 2010/11 are set out in Table 4.

**Table 4 - Performance of Aberdeen Asset Management and the In-House team against benchmark**

|                    | <b>Aberdeen<br/>%</b> |  | <b>Brent<br/>in-house<br/>%</b> | <b>7 Day LIBID<br/>Benchmark<br/>%</b> |
|--------------------|-----------------------|--|---------------------------------|--|
| <b>2010/11</b>     | 2.0 (1.9)             |  | 1.3 (2.8)                       | 0.5 (0.4)                              |
| <b>Three Years</b> | 3.6                   |  | 3.4                             | 1.4                                    |
| <b>Five Years</b>  | 4.25                  |  | 3.85                            | 3.0                                    |

- 3.19 Aberdeen outperformed the benchmark in 2010/11 by using longer dated certificates of deposit of up to twelve months duration with financial institutions on the Brent lending list.
- 3.20 The in-house team did not have access to the same wider range of lending instruments as the managers (gilts or CDs), but was able to add value by using money market funds (pooled funds managed by city finance houses) and benefiting from previous long term deposits made in 2007 and 2008.
- 3.21 The three and five year records indicate that Aberdeen has achieved their out-performance target (+0.5% per annum). Aberdeen is among the best managers over all periods (there are around ten in the market).

**TOTAL INTEREST PAID AND RECEIVED**

- 3.22 Total interest paid and received in 2010/11 is shown in Table 5. The reduced interest paid on external debt reflects the restructuring in October 2010 and

short term borrowing at lower rates. The reduced interest received on deposits reflects lower market rates and lower cash balances.

**Table 5 – Overall interest paid and received in 2010/11**

|                                | <b>Budget<br/>£m</b> | <b>Actual<br/>£m</b> |
|--------------------------------|----------------------|----------------------|
| Interest paid on external debt | 31.0                 | 29.7                 |
| Interest received on deposits  | 1.7                  | 0.9                  |
| Debt management expenses       | 0.4                  | 0.2                  |

By way of comparison, interest received on deposits was £7.0m in 2008/09 (budget £3.5m) and £2.2m in 2009/10 (budget £3.0m).

#### **DEVELOPMENTS SINCE THE END OF THE YEAR**

- 3.23 Although the UK financial markets have been fairly calm since the end of the financial year, markets continue to worry about credit worthiness and debt owed by Portugal, Ireland, Italy, Greece and Spain. Short term interest rates remain very low, and long term rates have fallen in response to ‘flight to safety’ concerns and the growing belief that economic recovery will be very slow and monetary conditions loose. The list of loans outstanding as at 30<sup>th</sup> June 2011 is attached as Appendix 2.
- 3.24 In response to concerns about the impact of the Greek debt crisis, fears about possible contagion in Italian and Spanish markets, and proposals to change the ratings for various UK banks, Arlingclose issued advice at the end of June that local authorities should restrict lending to less than 12 months for UK banks. Although the in house team has restricted duration, Aberdeen used CDs that have duration of close to one year. As it has been anticipated that the Aberdeen mandate would be terminated in 2011 to fund capital expenditure requirements, it was felt that early termination would be appropriate to avoid any turbulence in the market.

#### **4 ANNUAL INVESTMENT STRATEGY**

- 4.1 Regulations issued under the 2003 Local Government Act require that councils agree an Annual Investment Strategy (AIS) before the beginning of each year, setting out how investments will be prudently managed with close attention to security and liquidity. The AIS for 2010/11 was agreed by Full Council in March 2010. The AIS sets out the security of investments used by the authority analysed between Specified (offering high security and liquidity, with a maturity of no more than one year) and Non-Specified (entailing more risk or complexity, such as gilts, certificates of deposit or commercial paper) investments. The AIS also sets out the maximum duration of deposits.
- 4.2 To discourage the use of investments that may be considered speculative, the acquisition of share or loan capital in any body corporate (such as a company)

is defined as capital expenditure. On this basis, the Council does not invest treasury balances in shares, corporate bonds or floating rate notes issued by companies, though there is authority to invest through pooled schemes which are not considered capital expenditure.

- 4.3 Treasury activity has complied with the AIS in 2010/11. The approach has been to lend for short periods to high quality counterparties, reducing risk. As loans have matured, receipts have been used to minimise borrowing.

## 5. PRUDENTIAL INDICATORS – 2010/11 OUTTURN

- 5.1 The introduction of the new prudential system of borrowing in the 2003 Local Government Act (LGA) gave new opportunities for councils to assess their requirements for capital spending, and not have them restricted by nationally set approvals to borrow money (credit approvals), as previously. The new system also brought new responsibilities on councils to ensure that:
- a) capital expenditure plans are affordable;
  - b) all external borrowing and other long term liabilities are within prudent and sustainable levels;
  - c) treasury management decisions are taken in accordance with good professional practice.
- 5.2 Under regulations issued under the 2003 LGA councils are required to follow the Prudential Code issued by CIPFA which sets out how councils ensure responsible use of new freedoms. The Code details indicators that councils are required to set before the beginning of each year, to monitor during the year, and to report on at the end of each year.
- 5.3 The outturn for prudential indicators measuring affordability is set out in Table 6. General Fund and HRA capital financing charges as a proportion of total budget were lower than the original estimates as a result of the reduced requirement to fund expenditure from unsupported borrowing in 2010/11.

**Table 6 – Prudential indicators measuring affordability**

|  | 2010/11<br>(estimates) | 2010/11<br>(actual) |
|--|------------------------|---------------------|
| Capital financing charges as a proportion of net revenue stream: |                        |                     |
| - General Fund   | 9.27%                  | 7.68%               |
| - HRA  | 36.4%                  | 35.67%              |
| Impact of unsupported borrowing on:                              |                        |                     |
| - Council tax at Band D  | £4.68                  | £2.42               |
| - Weekly rent  | -                      | -                   |



- 5.4 The outturn for prudential indicators for capital spending is set out in Table 7. Movements within the capital programme, including slippage between years and resources becoming available during the year, are to be reported in the Performance and Finance Quarter 4 Outturn report to the Executive in August 2011. Capital spending is funded from a variety of resources, including government grants, capital receipts, revenue contributions, Section 106 contributions and borrowing. This means that movements in capital spending are not directly reflected in movements in the CFR, which principally reflects borrowing requirements. Total borrowing in 2010/11 was lower than anticipated which meant a reduction in the overall CFR.

**Table 7 – Prudential indicators measuring capital spending and CFR**

|  | <b>2010/11<br/>Estimates<br/>£m</b> | <b>2010/11<br/>Actual<br/>£m</b> |
|--|-------------------------------------|----------------------------------|
| Planned capital spending:                                  |                                     |                                  |
| - General Fund   | 133.383                             | 99.752                           |
| - HRA  | 20.127                              | 14.493                           |
| - Total  | 153.510                             | 114.245                          |
| Estimated capital financing requirement for <sup>1</sup> : |                                     |                                  |
| - General Fund   | 371.526                             | 350.543                          |
| - HRA  | 337.724                             | 331.264                          |
| - Total  | 709.250                             | 681.807                          |

- 5.5 The Council also sets prudential indicators for external debt as shown in Table 8. This is to ensure that the council's overall borrowing is kept within prudent limits. The authorised limit for external borrowing is set flexibly above the CFR to allow for opportunities to restructure debt or borrow early when interest rates are favourable. The Operational Boundary sets out the expected maximum borrowing during the year, allowing for cash flow, interest rate opportunities and restructuring. In 2010/11 the council undertook a debt restructuring of £50m, but did not exceed the Operational Boundary.

**Table 8 – Prudential indicators for external debt**

| <b>Indicator</b>                       | <b>Limit</b> | <b>Status</b> |
|--|--------------|---------------|
| Authorised limit for external debt     | £929m        | Met           |
| Operational boundary for external debt | £829m        | Met           |
| Net borrowing                          | Below CFR    | Met           |

<sup>1</sup> The Capital Financing Requirement estimates in this table are at 31<sup>st</sup> March of each year.

5.6 The prudential indicators for treasury management, which are included in Table 9 below, were all met. These are set to ensure that interest rate exposures are managed to avoid financial difficulties if interest rates rise sharply. Although borrowing at variable rates can be advantageous if rates are falling, a sharp rise can cause budget difficulties, and force the Council to fix rates at an inopportune time. Again, managing loan durations ensures a variety of maturity dates to avoid all re-financing when rates may be high. Finally, the upper limit on investments of more than one year allows flexibility to lend for longer periods if interest rates make this advantageous, particularly by external managers investing in gilts, but also ensures that a minimum level of balances is available for cash flow purposes. Deposits have been short term, and long term loans have been run down during the year.

**Table 9 – Prudential indicators for treasury management**

| <b>Indicator</b>  | <b>Limit</b> | <b>Outcome</b> |
|---|--------------|----------------|
| <b>Treasury Management Code</b>                         |              | Adopted        |
| <b>Exposure to interest rate changes</b>                |              |                |
| - fixed rate upper limit                                | 100%         | 100%           |
| - variable rate upper limit                             | 40%          | 21%            |
| <b>Maturity of fixed interest loans</b>                 |              |                |
| Under 12 months   |              |                |
| - upper limit   | 40%          | 0%             |
| - lower limit   | 0%           | 0%             |
| 12 months – 24 months                                   |              |                |
| - upper limit   | 20%          | 1%             |
| - lower limit   | 0%           | 0%             |
| 24 months – 5 years                                     |              |                |
| - upper limit   | 20%          | 1%             |
| - lower limit   | 0%           | 0%             |
| 5 years – 10 years                                      |              |                |
| - upper limit   | 60%          | 2%             |
| - lower limit   | 0%           | 0%             |
| Above 10 years  |              |                |
| - upper limit   | 100%         | 98%            |
| - lower limit   | 30%          | 96%            |
| <b>Upper limit on investments of more than one year</b> | <b>£60m</b>  | <b>£20m</b>    |

## **6. MINIMUM REVENUE PROVISION**

6.1 The Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the requirement that councils set aside a minimum of 4% of their General Fund capital financing requirement to repay principal on debt, regardless of the length of life of the asset that was being financed.

6.2 Revised regulations which amend this requirement were issued in 2008.<sup>2</sup> Under the new regulations councils are required to set an amount of Minimum Revenue Provision which is 'prudent'. The definition of what counts as 'prudent' is set out in statutory guidance which has been issued by the Secretary of State for Communities and Local Government and which authorities are required to 'have regard' to.

6.3 Under the guidance councils are required to prepare an annual statement of their policy on making Minimum Revenue Provision to Full Council. The purpose of this is to give Members the opportunity to scrutinise use of the additional freedoms and flexibilities under the new arrangements. This Policy Statement was submitted and approved by the Full Council at its meeting in March 2010 within section 9 of the Budget Setting report.

## **7. FINANCIAL IMPLICATIONS**

7.1 Financial implications are set out within the report.

## **8. DIVERSITY IMPLICATIONS**

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

## **9. LEGAL IMPLICATIONS**

9.1 Guidance has been issued under s21 (IA) of the Local Government Act 2003 (the '2003 Act') on how to determine the level of prudent provision. Authorities are required by Section 21 (B) to have regard to this guidance.

9.2 Under regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) authorities have significant discretion in determining their Minimum Revenue Provision but, as a safeguard, the guidance issued under the 2003 Act recommends the formulation of a plan or strategy which should be considered by the whole Council. This mirrors the existing requirement to report to Council on the prudential borrowing limit and investment policy. The Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2000 have been amended to reflect that the formulation of such a plan or strategy should not be the sole responsibility of the Executive.

## **10. BACKGROUND INFORMATION**

1. Loans Register.
2. Logotech Loans Management System.
3. Arlingclose reports on treasury management.
4. Aberdeen Asset Management quarterly reports.

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<sup>2</sup> Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2008 – SI 2008/404

5. 2010/11 Budget and Council Tax report – March 2010

**11. CONTACT OFFICERS**

1. Martin Spriggs, Head of Exchequer and Investments – 020 8937 1472

2. Paul May, Capital Accountant – 020 8937 1568

**CLIVE HEAPHY**  
**Director of Finance and**  
**Corporate Services**

## APPENDIX 1

### Brent treasury lending list

1 The current loans outstanding as at 31st March 2011 are:

| Name                       | Amount<br>£m       | Yield<br>% | Lending<br>Date | Maturity<br>Date |
|----------------------------|--------------------|------------|-----------------|------------------|
| Global Treas. Fund (RBS)   | 9.3                | Var.       | Call            |                  |
| Gartmore cash reserve      | 4.5                | Var.       | Call            |                  |
| Northern Trust global fund | 0.1                | Var.       | Call            |                  |
| Heritable bank             | 5.0                | 5.85       | 15.08.08        | 14/11/08         |
| Glitnir                    | 5.0                | 5.85       | 15.09.08        | 12/12/08         |
| Skipton BS                 | 5.0                | 6.48       | 01.07.08        | 01/07/11         |
| RBS                        | <u>5.0</u>         | Var.       | 22.09.08        | 22/09/11         |
| <b>Total</b>               | <b><u>33.9</u></b> |            |                 |                  |

Brent has also invested £23.55m with an external manager, Aberdeen Asset Manager, which has placed the fund in a mixture of certificates of deposit (CDs) and cash. The list of investments held by Aberdeen is as follows:-

| Name               | Amount<br>£m        | Yield<br>% | Maturity<br>Date |
|--------------------|---------------------|------------|------------------|
| Abbey National CD  | 3.15                | 1.44       | 18.10.11         |
| Abbey National CD  | 1.2                 | 0.00       | 24.11.11         |
| Barclays Bank CD   | 2.7                 | 1.45       | 01.08.11         |
| Barclays Bank CD   | 1.5                 | 1.42       | 14.10.11         |
| Clydesdale Bank CD | 3.5                 | 0.00       | 24.05.11         |
| Lloyds TSB CD      | 1.5                 | 0.00       | 03.08.11         |
| Lloyds TSB CD      | 3.0                 | 1.48       | 05.12.11         |
| Nationwide BS CD   | 2.25                | 1.5        | 22.02.12         |
| RBOS CD            | 2.3                 | 0.00       | 03.08.11         |
| RBOS CD            | 2.35                | 1.51       | 06.02.12         |
| Accrued interest   | <u>0.1</u>          |            |                  |
| <b>Total</b>       | <b><u>23.55</u></b> |            |                  |


## APPENDIX 2

### Brent treasury lending list

2 The current loans outstanding **as at 30<sup>th</sup> June 2011** are:

| <b>Name</b>                | <b>Amount<br/>£m</b> | <b>Yield<br/>%</b> | <b>Lending<br/>Date</b> | <b>Maturity<br/>Date</b> |
|----------------------------|----------------------|--------------------|-------------------------|--------------------------|
| Global Treas. Fund (RBS)   | 6.25                 | Var.               | Call                    |                          |
| Gartmore cash reserve      | 12.0                 | Var.               | Call                    |                          |
| Heritable bank             | 4.365                | 5.85               | 15.08.08                | 14/11/08                 |
| Glitnir                    | 5.0                  | 5.85               | 15.09.08                | 12/12/08                 |
| Northern Trust global fund | 0.1                  | Var.               | Call                    |                          |
| Skipton BS                 | 5.0                  | 6.48               | 01.07.08                | 01/07/11                 |
| RBS                        | 5.0                  | Var.               | 22.09.08                | 22/09/11                 |
| Santander UK               | <u>10.0</u>          | 0.81               | 03.06.10                | 01.07.10                 |
| <b>Total</b>               | <b><u>47.715</u></b> |                    |                         |                          |

Brent had also invested £23.6m with an external manager, Aberdeen Asset Manager, which had placed the fund in a mixture of certificates of deposit (CDs) and cash. However, details have not been included as the mandate was terminated on 18<sup>th</sup> July 2011.

|   |   |
|---|---|
|  | <b>Executive</b><br><b>17 August 2011</b><br><br><b>Report from Director of Strategy,<br/>Partnerships and Improvement<br/>and Director of Finance and<br/>Corporate Services</b> |
| Wards Affected:<br>ALL  |   |
| <b>Performance and Finance Review, Quarter 4, 2010-11</b>                         |   |

## 1. Introduction

The Council has refreshed its performance management framework and a series of complementary initiatives have been introduced to enable improved performance monitoring. A set of departmental performance scorecards have been introduced to strengthen internal monitoring and a more flexible service planning framework has also been rolled out.

As part of the refresh, the format of this report has changed to make it more accessible to members. In the future performance and finance information will be reported along departmental lines to guide lead members and facilitate a more holistic appraisal. In response to the abolition of the Local Area Agreement and changes to the national indicator set, the report will primarily focus on local priorities.

Brent's Borough Plan sets out three overarching strategic objectives:

1. To create a sustainable built environment that drives economic regeneration and reduces poverty, inequality and exclusion.
2. To provide excellent public services which enable people to achieve their full potential, promote community cohesion and improve our quality of life.
3. To improve services for residents by working with our partners to deliver local priorities more effectively and achieve greater value for money from public resources.

The unprecedented 28% reduction in central government funding continues to intensify pressure on Council services. The difficult economic conditions have directly affected levels of employment across the borough. The scale and pace of national policy changes, particularly in relation to Housing Benefits and the implementation of the new Universal Credit, is expected to fuel increased demand for services, which will have an enduring effect on the borough.

Despite these challenges, the Council remains committed to preserving services and protecting the most vulnerable residents. However the context of depleted resources and rising demand does mean that change is unavoidable. More tough decisions will need to be taken in the coming months and the Council will not shy away from its responsibilities to take these decisions, however painful, in order to protect the long-term interests of the borough and secure a sustainable legacy for residents.

We will continue to optimize our use of resources and secure value for money. The One Council project programme remains central to the Council's Improvement and Efficiency Strategy and has already delivered savings of £11.8m gross in 2010-11, which represents 60% of the target needed. The move to the Civic Centre in 2013 will substantially reduce our operating costs and widen access to partner services. Regeneration projects across Brent will help to attract inward investment into the borough and improve quality of life for local residents.

## 2.0 Report Structure

This report summarises Brent Council's budget position and performance in relation to the delivery of the Borough Plan, Our Brent Our Future 2010-2014. The report is structured as follows and further details can be found in the supporting appendices.

|            |   |
|------------|---|
| 4.0        | Executive summary – overall budget position   |
| 5.0        | Executive summary - Performance   |
| 8.0        | Housing & Adult Social Care – Finance   |
| 8.1        | Housing - Performance   |
| 8.2        | Adult Social Care - Performance   |
| 8.3        | Public Health - Performance   |
| 9.0        | Children & Families – Finance and Performance   |
| 10.0       | Finance & Corporate Services, Regeneration and Major Projects, Central Services – Finance and Performance |
| 11.0       | Environment and Neighbourhoods – Finance and Performance  |
| Appendix A | Very latest budget position – if major changes have occurred  |



|            |  |
|------------|--|
|            | between period end and executive reporting dates.<br><b>Not applicable for this quarter.</b> |
| Appendix B | Detailed summary of the council's finance position   |
| Appendix C | Exception report of strategically important key performance indicator set.                   |
| Appendix D | Detailed report of all performance indicators.   |

The purpose of this report is to provide Members with a corporate overview of Finance and Performance information in order to equip them to take informed decisions and manage performance effectively.

### 3.0 Recommendations

The Executive is asked to:

Note the Finance and Performance information contained in this report and agree remedial actions as necessary.

Agree the 2010-11 budget virements contained in the report.

### 4.0 Executive Summary - FINANCE

The Council's budget draft position for the quarter 4 is as follows:

| Item   | Budget<br>£000 | Outturn<br>Position<br>£000 | Variance<br>£000 |
|--|----------------|-----------------------------|------------------|
| Children & Families  | 56,169         | 56,542                      | 373              |
| Environment & Neighbourhood<br>Services  | 45,354         | 44,931                      | (423)            |
| Housing & Community Care – Adult<br>Social Care                                    | 88,118         | 89,421                      | 1,303            |
| Housing & Community Care –<br>Housing  | 25,371         | 24,430                      | (941)            |
| Finance & Corporate Services /<br>Regeneration & Major Projects /<br>Central Units | 26,849         | 28,226                      | 1,377            |
| <b>Departmental Total</b>  | <b>241,861</b> | <b>243,550</b>              | <b>1,689</b>     |
| Central Items  | 51,371         | 49,760                      | (1,611)          |
| Area Based Grants  | (26,355)       | (26,458)                    | (103)            |
| <b>Total Council Budget</b>  | <b>266,877</b> | <b>266,852</b>              | <b>(25)</b>      |
| Application of balances  | (1,408)        | (1,383)                     | 25               |
| <b>Total after application of balances</b>   | <b>265,469</b> | <b>265,469</b>              | <b>0</b>         |

The Council submitted a set of accounts for 2010/11 to the District Auditors by the statutory deadline of 30<sup>th</sup> June 2011. The accounts show an improvement in outturn of £319k on the position reported in quarter 3 and included in the forecast outturn as part of the budget setting report to Council in February. The figures in the accounts are in draft form and subject to audit and the final accounts will be approved by the Audit Committee on 22<sup>nd</sup> September 2011.

- Departmental budgets overspent by £1.689m which was in line with the quarter 3 forecast of £1.692m with main areas of overspending falling within Adult Social Care and the Corporate Units.
- An improvement of £316k in the position on central items since quarter 3 means that Brent is now reporting general fund balances of £7.580m at the 31<sup>st</sup> March 2011 an overall improvement of £319k and £25k better than the latest budget.

## 5.0 Executive Summary - PERFORMANCE

Of the current set of Vital Signs, 56% are currently on target or just below target, representing a 3% decrease from last quarter. 24% are below target, compared to 23% last quarter.

| <b>Overall Council Performance</b>       |                 |                    |                  |                |
|--|-----------------|--------------------|------------------|----------------|
|  | <b>Low risk</b> | <b>Medium risk</b> | <b>High risk</b> | <b>No data</b> |
| All quarter 4 key performance indicators | 41%             | 15%                | 24%              | 20%            |
| <b>Departmental breakdown</b>            |                 |                    |                  |                |
| Housing and Community Care               | 30%             | 10%                | 30%              | 30%            |
| Children and Families                    | 31%             | 15%                | 15%              | 39%            |
| Central Services                         | 57%             | 7%                 | 0%               | 36%            |
| Environment and Culture                  | 57%             | 29%                | 14%              | 0%             |
| Human Resources                          | 25%             | 0%                 | 75%              | 0%             |
| Corporate Complaints                     | 38%             | 25%                | 38%              | 0%             |

Overall Complaints handling across the Council improved in 2010-11.

High risk indicators include:

**Adult Social Care:**

- NI130 (*Clients receiving self- directed support*)
- NI135 (*Carers receiving needs assessments*)

Neither of these indicators achieved their target for 2010-11 and data quality continues to be a problem. A number of PCT indicators do not have any data but we are actively developing a more robust set for Quarter 1 2011-12 with colleagues from the PCT.

**Children & Families:**

- NI 019 (*rate of proven re-offending for young offenders*)
- *Number of 18 year olds subject to a Child Protection plan.*
- NI 51 (*Child and Adolescent Mental Health Services*)

No data has been received for these indicators, and trend performance earlier this year reveals the number of Child Protection plans to be increasing. The annual target for NI 51 (*CAMHS*) was also not achieved.

**Central Services:**

- NI 016 (*serious acquisitive crime*).

Data collection is proving problematic at present because of changes to the definition.

**Environment & Neighbourhood Services:**

- NI 192 (*percentage of household waste sent for re-use, recycling and composting*)
- *Number of active library book borrowers.*

Although both indicators have shown slight improvement through the year, both have failed to achieve their annual target for 2010-11.

**Regeneration & Major Projects:**

- NI156 (*number of households living in temporary accommodation*).
- NI 152 (*percentage of working age people on out of work benefits*)

The Temporary Accommodation indicator was performing well but performance has deteriorated this quarter and is expected to get worse during 2011-12 as the impact of changes to the Housing Benefit system emerge. Reductions in grant funding coupled with the weak national economy have negatively impacted on the Council's ability to progress worklessness-related initiatives and as a consequence the target for 2010-11 has not been achieved.

## **6.0 Background**

'Brent Our Future 2010-14' is a four year strategy document, which sets out the Administration's priorities over the coming years. These priorities form the core of our corporate Planning Framework, and monitoring is facilitated through a series of performance scorecards. These scorecards are designed to provide managers with a consistent set of management information. Each indicator has a designated owner who is individually responsible and accountable for validating and reporting. This newly introduced system enables us to be more performance-oriented and cost-aware at an operational level, as well as being more evidence-focussed when taking decisions at a strategic level.

## **7.0 Corporate context**

Given the depressed economic outlook and the policy changes which continue to emanate from central government, difficult decisions will need to be taken over the coming years. The challenge to balance reduced funding with the anticipated sustained increase in demand for services, particularly by the most vulnerable in our community, remains constant.

Therefore prudent financial planning and continuous improved performance are essential to preserve service quality and provision for the medium term. To this end, in 2010 we rolled out the Oracle Financial system across the organisation and the system is now fully operational. This system will improve the quality of financial reporting and improve the efficiency of transactional processes.

'One Council' is Brent's four year project delivery programme, which comprises a broad and diverse portfolio of strategic service improvement projects. The aim of the One Council Programme is to improve significantly the way the council organises itself and delivers services in order to limit the impact of budget reductions on Brent residents. It provides a robust framework to deliver complex change quickly and effectively. To date, the programme has delivered substantial savings and is on track to deliver more in the future as we seek to mitigate the negative impacts of a prolonged period of reduced funding.

### **Departmental Summaries**

As a result of recent internal restructuring, Housing has recently transferred over to the newly created Regeneration and Major Projects department. From next quarter therefore this report will reflect the new organisational structure.

## **8.0 HOUSING AND COMMUNITY CARE - FINANCE**

| General Fund      |                            |                              |                                       |
|-------------------|----------------------------|------------------------------|---------------------------------------|
| Item              | Budget<br>2010-11<br>£000, | 2010-11<br>Out-turn<br>£000, | (£) = underspend<br>Variance<br>£000, |
| Adult Social Care | £88,118                    | £89,421                      | £1,303                                |
| Housing           | £25,371                    | £24,430                      | (£941k)                               |

In quarter 3 Housing and Community Care declared an over spend of £755k predominantly within Adult Social Care. The outturn for quarter 4 now shows the over spend reducing to £362k.

- The over spending in Adult Social Care improved from £1.464m to £1.303m. The deficit within the main service blocks remained relatively constant at £3.7m but there were savings of £2.4m within their core services from the under use of bad debt provision and reduced expenditure on the consultancy and transformation budget.
- The Housing under-spend improved from £709k in quarter 3 to £941k. The under-spend has mainly arisen from additional grant monies received, under-spends on incentives paid to landlords and a reduction in rent payments on void expenditure.

### **Housing & Community Care Capital**

The main capital issues for quarter 4 are as follows:

#### **Adult Social Care**

- Forecast expenditure totalling £622k for the Walm Lane redevelopment has been re-phased from 2010/11 to 2011/12 in order to reflect adjusted scheme cash flows.
- Expenditure and resource relating to the Social Care Reform grant totalling £165k had been duplicated in the capital programme, where funding already within the Walm Lane scheme. There was a nil impact to the programme overall arising from this adjustment.

#### **Housing**

- Forecast expenditure totalling £2.439m for Private Sector Renewal Support Grant has been re-phased from 2010/11 to 2011/12 in order to reflect reduced take up during 2010/11.

- Additional Disabled Facilities Grant totalling £317k was received to fund the programme.
- Housing capital programme expenditure increased against budget by £527k in relation to the Granville New Homes and South Kilburn Regeneration schemes. This was offset in full by additional resources from South Kilburn earmarked reserves and Granville New Homes earmarked capital receipts. There was a nil impact to the programme overall arising from these movements.

### **Housing Revenue Account (HRA)**

The Housing Revenue Account is a ring-fenced account containing the income and expenditure relating to the Council's Landlord duties for more than 9,000 properties.

The HRA surplus for 2010-11 has increased from £466k to £1.841m between quarters 3 and 4. This change is due lower capital financing and general/special management costs partly offset by reduced HRA subsidy being received and a higher provision for bad debts.

### **HRA Capital**

The main HRA capital issues for quarter 4 are as follows:  
Forecast expenditure to be funded from an HRA revenue contribution to capital outlay increased against budget by £2.857m. This was offset in full by an additional revenue contribution from the HRA. There was a nil impact to the programme overall arising from these movements.

## **8.1 HOUSING - PERFORMANCE**

### **NI 156 Number of Households Living in Temporary Accommodation**

The target for this priority has been exceeded by almost 2.5%. Overall, the Temporary Accommodation figure has been stable for some months, with only minor variances. However, changes to the Local Housing Allowance which come into effect later in 2011-12 are expected to result in an increase in homeless approaches and therefore client numbers in Temporary Accommodation from April 2011 onwards.

### **NI 155 Number of Affordable Homes Delivered (gross)**

The gross number of affordable homes delivered in 2008-09 was 705 homes. In 2009-10 an additional 679 homes were completed, and in this current year 1,068 homes were completed. Therefore, the combined total of 2,452 over the three year period has far exceeded the mayor's revised three year target.

## **8.2 ADULT SOCIAL CARE (ASC) – PERFORMANCE**

Data quality continues to be a problem in ASC, particularly relating to the number of clients receiving Self-Directed Support (NI 130) and carers receiving needs assessments (NI 135). The main issue to be addressed is the poor quality of returns from the Brent Mental Health service and general under reporting across all ASC services.

However, a variety of complementary initiatives are currently underway which are expected to bring about cross-cutting improvements. The Customer Journey and ASC Transformation projects have adopted revised processes and an improvement in data quality is expected over the course of the next financial year. The new Department Scorecard combined with the introduction of a new operational performance management framework will also take effect by the next reporting period.

### **NI 130 Social Care Clients receiving Self Directed Support**

With an actual performance figure of 24.86% against a target of 30%, this priority has not met its quarterly target nor has it achieved its overall target for 2010-11.

However, as part of the Customer Journey Project, adult social care has been redesigned to have a more robust system in place. This includes an improved simplified customer experience, better use of time by staff and increased transparency of how resources and budgets are directed.

The objective of delivering a new system that is simpler, quicker and less bureaucratic for staff and customers has been achieved, but there were challenges during the process of change which negatively affected performance. Moving forward it is expected that the single end to end process rolled out at the beginning of April 2011 will help to achieve and sustain an increase in the number of people using self-directed support (personal budgets).

### **NI 135 Carers receiving Needs Assessment or Review**

This priority has not achieved its target, due to carers' assessments not being completed and/or recorded accurately onto the Frameworki system, and where assessments are being completed as part of a joint assessment these are not being picked up.

### **NI 141 Vulnerable People achieving Independent Living**

The performance data for this indicator has a time lag of 6 weeks and hence the data provided relates to actual data for Quarter 3, where 71 out of 97 departures from homes were 'planned moves'. The variation in performance

is attributable to the number of evictions and abandonments in general from vulnerable client groups such as offenders, young people, single homeless people and drug & alcohol abusers.

However, this performance level is seen as a one off, particularly when compared to the two year average; discussions are ongoing with all providers as part of our routine contract monitoring processes and it is anticipated that performance will improve significantly in the next quarter.

### **NI 131 Reducing Delayed Transfers of Care**

There have been problems with this indicator for the past few quarters and no performance information was provided again for this quarter. The lack of information makes it impossible to evaluate performance and risk from a strategic perspective at this time.

## **8.3 PUBLIC HEALTH**

### **NI 150 Adults in Contact with Secondary Mental Health Services in Employment**

There have been problems with this indicator for the past few quarters and no performance information was provided again from Brent Mental Health Trust for this quarter. The lack of information makes it impossible to evaluate performance and risk from a strategic perspective at this time.

### **NI 40 Number of Drug Users Recorded as being in Effective Treatment**

Although there is a three month performance reporting time lag, this indicator remains high risk. Latest National Drug Treatment Monitoring System data shows the cumulative figure to be 486, against an annual target of 1040.

### **Tuberculosis Treatment Completion Rate**

This priority has exceeded its target for 2010-11. The target was 85% and 86.8% was actually achieved. The unit maintains its high levels of treatment completion alongside high performance in other areas, such as HIV testing of tuberculosis patients.

### **NI 121 Mortality Rate from all Circulatory Diseases at Ages under 75**

The NHS Health Check programme aims to help prevent heart disease, stroke, diabetes and kidney disease. Everyone between the ages of 40 and 74, who has not already been diagnosed with one of these conditions, will be invited (once every five years) to have a check to assess their risk of acquiring one of these conditions, and to provide support and advice to help them reduce or manage the risk.

In Brent, a decision was made to introduce the NHS Health Checks as a pilot to the most deprived locality. A 6 month pilot was agreed with ten GP



practices in Harlesden and conducted between October 2010 and March 2011. Out of the total number of eligible patients (12,843), 1181 had completed health checks - 31 of which were undiagnosed diabetes, 18 had hypertension and 611 received physical activity advice.

### **NI 112 Under 18 Conception Rate**

This indicator has an 18 month reporting delay and conception data is calculated on calendar years. The rolling quarterly average continued to decrease in Q4 (October – December 2009), although this quarter saw the highest number of conceptions for the year – 44.9. The figures for Brent have remained lower than the London average for 3 consecutive quarters (45.5) and this quarter the rate is in par with the England average.

Whilst there has been a clear reduction in the conception rate this year (2009) against previous years, with an actual number of conceptions being 158 by the end of quarter 4, the target of a 41.4% reduction (i.e. no more than 128 conceptions) has not been met.

## **9.0 CHILDREN & FAMILIES – FINANCE**

| General Fund          |                            |                              |                                       |
|-----------------------|----------------------------|------------------------------|---------------------------------------|
| Item                  | Budget<br>2010-11<br>£000, | 2010-11<br>Out-turn<br>£000, | (£) = underspend<br>Variance<br>£000, |
| Children and Families | £56,169                    | £56,542                      | £373k                                 |

The Children and Families overspend for quarter 4 increased by £36k from £337k in quarter 3 to £373k.

- The main pressure on the budget was the cost of children’s placements for children in care where there was an overspend of £2.3m. Although the numbers of looked after children continued to rise in the last quarter there was a further shift from the use of independent fostering agencies to in house fostering which has continued into the new financial year as new in house foster carers have been recruited.
- There were also pressures on alternative education costs and support for the capital programme. These were offset by underspending in early years and youth centres budgets as well as from non schools standard fund monies, transport costs and restructuring within Strategy and Partnerships.

### **Children & Families Capital**

The main capital issues for quarter 4 are as follows:

- Forecast expenditure totalling £3.660m has been re-phased from 2010/11 to 2011/12 in relation to Devolved Formula Capital and other ring-fenced grants in order to reflect utilisation by the schools.
- Net adjustment of £493k has been included within Quarter 4 to reflect reductions in grant received for both schools and youth services against that forecast.
- Forecast expenditure totalling £1.298m in relation to Popular Schools Initiative Grant has been excluded from the capital programme as this funding is passed directly to the schools and the Council does not control expenditure of these sums.

### **Schools Budget**

The ring-fenced Schools Budget is split into two parts. The first element delivers delegated funding to schools – school budget shares. The second part is termed central items expenditure and covers local authority retained elements.

For 2010-11 the central items expenditure overspent by £2.761m which now results in a very concerning position of a cumulative overspend on the Schools Budget of £5.738m when the 2009-10 overspend of £2.977m is included. This will need to be recovered by reducing the amount of centrally held DSG available for future services.

- The situation for 2010-11 comes primarily from overspending on SEN budgets arising from pressure on recoupage, residential, out of borough and in year 'Statementing'. An increase in pupils with statements and limited capacity in Brent schools has resulted in an increase in expensive out of borough placements in independent or private provision.
- In setting the Schools Budget for 2011-12 a reduction of £1.5m was planned to bring the 2010-11 overspend under control and eliminate it over 2-3 years. The further worsening of the position means the Council in consultation with the Schools Forum must look again at resolving this problem.
- In setting the Schools Budget for 2012-13 consideration will be given to reducing the overspend significantly and this will put pressure on all central budgets as well as schools delegated budgets. In addition a major One Council project is under way which aimed at increasing in-borough provision and thus reducing the need for more expensive out of borough placements.

## **9.1 CHILDREN & FAMILIES – PERFORMANCE**

Brent was judged to be 'performing well' in the Annual Children's Services Assessment 2010. Notable strengths were secondary schools and most provisions for learning after age 16, 3 out of the 4 pupil referral units, fostering and adoption services for Looked After Children, and the majority of nursery and primary schools. It was also noted that provision for primary school pupils and for those from children's homes and young children could be improved.

The Children and Families Service is generally performing well, although the rate of proven re-offending (NI019) shows a high risk status this quarter when previous quarters were low risk. The actual number is 46 compared to the target of 38. Performance may be affected by a decrease in resources and the Youth Offending Service is confident that robust case management processes will mitigate this risk.

The number of under-18 year olds subject to a Child Protection Plan has no target and the actual number of 261 this quarter shows the direction of travel worsening this quarter. CPPs are being very closely monitored by the safeguarding and children's social care management teams as a control measure.

Children & Families performance continues to improve overall but the shortage of local school places means that the service remains under constant pressure to meet rising demand.

#### **NI 108 Key Stage 4 Black Caribbean Boys and Somali Boys**

The Local Authority has set up a multi agency approach to improving outcomes for Black Caribbean and Somali pupils. The strategy group is chaired by the Deputy Director of Children and Families and its purpose is to improve outcomes and reduce exclusions for Black Caribbean and Somali boys for the ages of 9-13 years and 14-19 years.

Schools that are achieving better outcomes have been identified and a meeting was held to identify ways in which good practice can be shared. A website has been set up (will be launched in the spring term) with leading schools to share good practice and ways of narrowing the gap for Black Caribbean and Somali boys. There is a robust evaluation methodology in place which includes an annual update and analysis of many key educational, economic and social indicators.

#### **NI 111 First Time Entrants to the Youth Justice System aged 10-17**

The Youth Offending Service Triage Programme is an early intervention programme that diverts First Time Entrants (FTEs) away from the Youth Criminal Justice System by issuing final warnings and reprimands. The

success of this Triage programme has been a key factor in reducing the number of FTEs to the Criminal Justice System.

During the first three quarters of 2010-11, 204 young people who would otherwise have been sent to the criminal justice system were referred to the Triage programme by the police. Brent Youth Inclusion Programme's (YIP) services ceased with effect from 31<sup>st</sup> March 2011. This quarter's performance was 64 against a target of 102 FTEs, and the total number of first time entrants to the criminal justice system for 2010/11 was 190 against a target of 408 FTEs.

### **NI 56 Child Obesity in Primary School (year 6)**

The performance for this indicator is based on the National Child Measurement Programme (NCMP) results released on 15 December 2010, which indicates childhood obesity in year 6 has decreased by 1.2% and hence the target set for 2010-11 has been achieved. The quarterly target of 24 families to have attended the Mind, Exercise, Nutrition, Do it (MEND) programme has been exceeded by 6 families this quarter.

In addition, a total of 18 MEND programmes have now been delivered to date, with a total of 218 families having attended these programmes, this exceeds the target of 216 families. However, due to funding cuts for the Childhood Obesity programme, the MEND programme ceased in March 2011.

The school meals data is still being collected and data will not be available until July 2011.

### **NI 63 Stability of Placements of Looked After Children**

The out-turn for this target for the previous 3 years has been 61-64% which is broadly in line with our statistical neighbours out-turn of 65.8% (2009-10). The performance target is also impacted upon by the total number of children in care, which is currently approximately 20% higher than last year.

Rising costs and an increased number of care proceedings significantly impacts on the capacity and resources of the care planning service in providing robust and focussed support to all children and young people in care. To mitigate this risk the Council adopts a pro-active approach to the identification of cases where there are initial signs of disruption.

### **Children's Sports Participation**

Performance for this quarter of 23,978 visits has exceeded its target of 20,497. This was achieved by having a good number of dry-side visits and paid swimming usage.

### **NI 51 Effectiveness of Child and Adolescent Mental Health Services (CAMHS)**

Unfortunately, the CAMHS team have been unable to meet its final target on their local sub-indicator. The shortfall is attributed to a score 3 against a target of 4 on the range of early intervention support services. This was mainly due to the cuts in funding within the Area Based Grant, the disaggregation of NHS Brent and LAA budgets as well as the loss of key posts.

#### **NI 54 Disabled Children's Services**

This indicator has now been abandoned by the Department for Education because the data collection process proved to be too problematic to be meaningful and add value.

### **10.0 FINANCE & CORPORATE SERVICES, REGENERATION AND MAJOR PROJECTS, CENTRAL SERVICES - FINANCE**

| General Fund   |                            |                              |                                       |
|--|----------------------------|------------------------------|---------------------------------------|
| Item   | Budget<br>2010-11<br>£000, | 2010-11<br>Out-turn<br>£000, | (£) = underspend<br>Variance<br>£000, |
| Finance and Corporate Services, Regeneration and Major Projects and Central Services | £26,849                    | £28,226                      | £1,377                                |

The Corporate Unit budgets have an over-spend for quarter 4 of £1.377m.

- This includes overspends on Housing Benefit payments and under recovery of council tax and NNDR summons income, though the position has improved in this area from the £700k forecast in quarter 3.
- During 2010/11 there have been various Council restructures and the movement of budgets. There has also been an elimination of major parts of the internal trading system which has required the cleansing of historic data relating to anticipated income. These changes have meant there have been issues over the realignment of budgets and the remaining internal charging mechanisms. There has consequently been an under recovery of internal income across a number of the corporate units which has led to overspending in these areas. As this has related to purely internal transactions there has been no effect on the overall financial position of the Council.

#### **Central Services Capital**

The main capital issues for quarter 4 are as follows:

- Forecast expenditure totalling £406k for the ICT Sharepoint Initiative has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flows.
- Provision for liabilities totalling £683k has been re-phased from 2010-11 to 2011-12 in order to maintain a provision in the current financial year.
- Forecast expenditure totalling £205k for Carbon Trust Works has been re-phased from 2010-11 to 2011-12 to reflect demand for loans from the funding pot.
- Forecast expenditure totalling £182k for Grange Road Acquisition and Sure-start contribution has been re-phased from 2010/11 to 2011/12 to allow continuing provision for costs arising.
- Capitalisation of Redundancy costs totalling £950k has been included in the capital programme reflecting the Direction received from the Secretary of State.
- Capitalisation of Oracle System implementation costs have reduced against budget by £1.030m. However, Performance Reward Grant forecast to fund these costs was not available and the sum of £969k has been met from additional unsupported borrowing.
- Provision for forecast levels of re-phasing in the overall programme totalling £4.673m has been removed to be replaced by actuals.

### **Regeneration and Major Projects Capital**

The main capital issues for quarter 4 are as follows:

#### **Civic Centre**

- Forecast expenditure totalling £3.525m for the Civic Centre has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flows.

#### **Children & Families**

- Forecast expenditure totalling £9.619m across all school schemes has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flows.
- Forecast expenditure totalling £3.497m for the Roundwood Youth Centre has been re-phased from 2010-11 to 2011-12 in order to reflect delays incurred in confirmation of Big Lottery Fund grant funding.

- Additional expenditure totalling £3.578m has been included in the programme reflecting capital expenditure incurred directly by the schools on the council's assets. This has been offset in full by additional contributions from the schools. There was a nil impact to the programme overall arising from these movements.
- There has been a net reduction of £3.896m against budget across the remainder of the Children and Families RaMP schemes reflecting under-spends and adjusted levels of grants and contributions received.

### Culture

- Harlesden Library completion costs have under-spent against budget by £49k which is reflected in reduced levels of grant and contributions.
- The Installation of RFID automation systems across Brent's libraries has overspent by £159k.
- This scheme is funded from self funded prudential borrowing and additional debt charges arising will be met from existing revenue budgets.

### Adults and Social Care

- Forecast expenditure totalling £172k for individual schemes has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme requirements.

### Housing

- Forecast expenditure totalling £527k for Chalkhill has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flow.

### Corporate

- Forecast expenditure totalling £1.655m for Property schemes has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flows.
- South Kilburn Regeneration costs have increased in year by £753k against budget. This has been offset against the 2011-12 budget allocation to reflect the adjusted scheme cash flow.
- This movement is funded by capital receipts generated by the scheme with a nil net impact to the programme overall.
- Forecast expenditure totalling £56k for Safer Stronger Communities has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flows.

## S106

- Available S106 agreement funding totalling £7.119m has been re-phased from 2010-11 to 2011-12 to reflect potential for utilisation.

## **Central Items**

For quarter 4 the actual under spend has increased to £1.714m from £1.398m.

- The outturn under-spend on capital financing costs is £1.788m. This is due to lower than expected external financing costs from debt restructuring which took place in October 2010, also because of additional savings on HRA interest costs and lower than expected use of contingencies.

## **10.1 FINANCE & CORPORATE SERVICES, REGENERATION AND MAJOR PROJECTS, CENTRAL SERVICES – PERFORMANCE**

### **Central Services**

The main area of high risk is Community Safety where no data has been supplied. There has also been no returned data for the Brent claimant count this quarter but figures for the number of people on out of work benefits shows an increase since September 2010 which has remained.

### **NI 16 Serious Acquisitive Crimes**

1654 cases were recorded against a target of 1800. However this indicator remains high risk because accurate data collection has proved to be problematic. Previous issues relating to the theft of gold jewellery and the ease with which it can be sold on continues. Police have been undertaking operations around gold jewellery vendors to regulate and investigate the sale of stolen property. An emerging trend relates to burglaries where the keys to 'high end' motor vehicles are being stolen.

### **NI 24 Satisfaction with the way the Police and Council deal with ASB**

This quarter's performance has been faultless. 100% of victims supported rated the service they received between good and excellent against a target of 87%. The support of a 4<sup>th</sup> ASB officer has assisted greatly in spreading the work load and achieving higher satisfaction. However, the overall target for the year 2010/11(87%) has fallen short by 3%.



## **NI 15 Serious Violent Crimes**

This quarter's progress is positive with 63 cases recorded compared to the target of 174. The police have been pro-active in targeting those who are perpetrating weapon enabled robberies, particularly around gold jewellery theft. There have also been pro-active partnership operations around particular areas where gang crime has been on the increase.

### **9.2 Complaints Handling**

Overall there has been a 20% decrease in the number of complaints received in Brent Housing Partnership and a 21% decrease in the Planning Service compared to those recorded in 2009-10. Complaints in Revenue & Benefits reduced by two thirds in 2010-11, and this significant reduction is largely attributed to the LEAN Review which was successfully conducted during the year.

Refuse collection and Parking enforcement represented the bulk of complaints received in Environment & Neighbourhood Services, and the department's decrease of 37% for Stage 1 complaints is mainly due to improvements to local customer-facing services. Children & Families performance has remained static this year, principally because the majority of complaints reflect the wider shortage of school places in the locality and the ongoing challenge to realistically manage parents' expectations in this area. A marked reduction in Stage 2 and 3 complaints in the Housing department reflects improved ability to resolve issues satisfactorily at Stage 1.

### **Regeneration & Major Projects**

This newly created department officially came into being on 1<sup>st</sup> April 2011 and has recently added Housing to the portfolio.

The department faces a number of pressures over the coming months. The poor economic outlook and reduced grant funding will continue to negatively impact upon the Council's ability to tackle worklessness in the borough.

Further, the cap on Housing Benefit is expected to cause displacements which will put pressure on the Temporary Accommodation budget. However the department is currently engaged in a variety of horizon-scanning exercises in an effort to ascertain the potential impacts of national policy changes, with a view to developing a robust response.

### **NI 152 Working Age People on Out of Work Benefits**

The gap between Brent and the rest of London remains the same as in Q3 2010-11. This is partly due to continued effects of the economic downturn on the labour market, but again mostly due to a revision in the calculation of working age population which has caused a drop in Brent by 18,200 people between Q1 & Q2 2010-11, and a rise in benefit claimants of 740 people.

Funding for worklessness-related activities has been reduced significantly and the replacement of FND2 with the Work Programme (WP) has limited the direct influence over our employment activities in the borough. The WP providers have been announced, and we are currently working on a strategy to influence delivery of outcomes in our priority areas, and securing further Section 106 funding to pay for delivery additional outcomes in the borough – particularly around construction.

This priority has not achieved its target for the year due to continued plans for government spending cuts, lack of general funding and the limited impact that the reduced Brent In2 Work service can provide in such circumstances.

#### **NI 156 Number of Households Living in Temporary Accommodation**

The target for this priority has been exceeded by almost 2.5%. Overall, the Temporary Accommodation figure has been stable for some months, with only minor variances. However, changes to the Local Housing Allowance which come into effect later in 2011-12 are expected to result in an increase in homeless approaches and therefore client numbers in Temporary Accommodation from April 2011 onwards.

#### **NI 155 Number of Affordable Homes Delivered (gross)**

The gross number of affordable homes delivered in 2008/09 was 705 homes. In 2009/10 an additional 679 homes were completed, and in this current year 1,068 homes were completed. Therefore, the combined total of 2,452 over the three year period has far exceeded the mayor's revised three year target.

### **10.0 ENVIRONMENT & NEIGHBOURHOOD SERVICES - FINANCE**

| General Fund                              |                            |                              |                                       |
|---|----------------------------|------------------------------|---------------------------------------|
| Item                                      | Budget<br>2010-11<br>£000, | 2010-11<br>Out-turn<br>£000, | (£) = underspend<br>Variance<br>£000, |
| Environment and<br>Neighbourhood Services | £45,354                    | £44,931                      | (£423k)                               |

The out-turn for Environment & Neighbourhood Services improved by £523k from the forecast overspend in quarter 3 of £100k to a surplus of £423k.

- The main pressures in this area were the shortfall in income and grants within Planning and the shortfall on parking income. These have been more than offset by surpluses within Parks, Sports and the Environment Directorate.

### **Capital Programme**

The main capital issues for quarter 4 are as follows:

- Transport for London grant funded schemes were overspent by £183k.
- Forecast expenditure totalling £1.824m for the Stadium and Estate Access Corridors has been re-phased from 2010-11 to 2011-12 awaiting final resolution of outstanding land claims.
- Forecast expenditure totalling £1.729m for Environmental, Highways, Parks, Cemeteries and Sports schemes has been re-phased from 2010-11 to 2011-12 in order to reflect adjusted scheme cash flows.
- The Pavements and Roads capital programme expenditure increased against budget £624k, of which £451k was offset by an additional contribution to scheme costs from South Kilburn NDC. This resulted in a net overspend of £173k.
- The CCTV Enforcement of Moving Traffic Contraventions has underspent by £309k. This scheme is funded from self funded prudential borrowing and reduced debt charges arising from this saving will be fall on existing revenue budgets.
- Individual Environment schemes expenditure reduced against budget by a net £74k., In addition, further grant and contributions totalling £149k were received to fund this expenditure reducing the level of unsupported borrowing required to fund the programme.
- Net adjustment of £108k has been included within Quarter 4 to reflect reductions in grant received against that forecast.

## **10.1 ENVIRONMENT & NEIGHBOURHOOD SERVICES – PERFORMANCE**

Areas of high risk include the number of active borrowers (local libraries indicator) and the percentage of waste recycled, reused and composted (NI192). The Libraries Transformation project is designed to improve levels of borrowing in the longer-term, and the business case anticipated disruption in the short-term. However it is increasingly clear that visitors use the library

service for a variety of reasons and not solely for the purpose of borrowing books (e.g. access to I.T or community activities). Therefore as the project progresses, the service will continue to closely monitor visitor numbers to ensure that future provision is tailored to meet their needs.

Waste management services have been under increasing pressure as resources for recycling in the borough have become more limited since the beginning of 2009. However, a new Waste Strategy has been adopted for Brent and will be implemented throughout 2011 in an effort to improve performance.

### **NI 192 Percentage of Household Waste sent for Reuse, Recycling and Composting**

With an actual performance level of 28.46% and a target of 34.10%, performance is significantly below target for this quarter. However it is anticipated that the new Waste collection service, due to be rolled out this year, will increase the recycling rate to help the Council achieve its target of 60% by 2014.

### **Children's Sports Participation**

Performance during quarter 4 exceeded target, and the annual target has seen an overall increase of 6%. This was mainly achieved through an increase in the number of clients making 'dry side' visits at the sports centres, as well as improved take up rates for paid swimming sessions.

### **NI 188 Plans to adapt to Climate Change**

Overall this priority has achieved its Level 3 target of adapting to climate change. Actions are being undertaken to achieve Level 4, but many of these need to be developed further and integrated more deeply into strategic council-wide decision-making. In addition, adaptive responses need to be more readily considered and taken up, so they become more common place. Therefore the next quarter will address areas where there has been some unevenness in emphasis during this quarter.

### **NI 185 CO<sub>2</sub> Reductions from Local Authorities**

This indicator has just been given a higher priority as there is a risk of financial penalties being incurred by the council and the Council's tax liability needs to be as accurate as possible. Therefore the Council has adopted a revised target of a 25 % reduction by 2014, and a business case for the Carbon Management Programme is currently being developed. Actual performance figures for 2010-11 will be available by quarter 2.

## **12.0 Financial implications**

These are set out in the main body of the report.

### **13.0 Legal implications**

The capital programme is agreed by Full Council as part of the annual budget process. Changes to, or departures from, the budget during the year other than by Full Council itself can only be agreed in accordance with the scheme of Transfers and Virements contained in the Constitution. Any decisions the Executive wishes to take and any changes in policy which are not in accordance with the budget set out in March 2009 and are not covered by the Scheme of Transfers and Virements will therefore need to be referred to Full Council.

The Director of Finance and Corporate Resources is satisfied that the criteria in the scheme are satisfied in respect of virements and spending proposals in the report.

### **14.0 Diversity implications**

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

### **15.0 Contact officers**

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PHIL NEWBY

Director of Strategy, Partnerships & Improvement

CLIVE HEAPHY

Director of Finance & Corporate Services

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