



## Executive

**Monday 11 February 2013 at 7.00 pm**

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

### Membership:

#### Lead Member Councillors:

#### Portfolio

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

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

**[www.brent.gov.uk/committees](http://www.brent.gov.uk/committees)**

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

# Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

**Item** **Page**

**1 Declarations of personal and prejudicial interests**

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

**2 Minutes of the previous meeting** 1 - 8

**3 Matters arising**

**Adult and Social Care reports**

**4 Fairer Charging Policy update** 9 - 18

Local authorities have discretionary powers to charge adult recipients of non-residential services. The decision as to whether or not to charge and how to charge are matters for local choice subject to public law principles and should comply with the Department of Health's "Fairer Charging" and "Fairer Contributions" guidance. This guidance was updated and issued by the Department of Health on the 29<sup>th</sup> October 2012 to take effect immediately. Based on this revision, the department took the opportunity to review its current charging policy and related practice frameworks. Following on from this review, this report recommends that Members agree to adopt a revised policy, namely the Brent Council's Fairer Contributions Policy (the 'policy') and related practice frameworks to ensure that practice in Brent is in line with the Department of Health's Guidance and is consistently applied across all residents of Brent.

***Appendices circulated separately***

***Appendix also referred to below***

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Hirani  
**Contact Officer:** Alison Elliott, Director of Adult Social Services  
Tel: 020 8937 4230 [alison.elliott@brent.gov.uk](mailto:alison.elliott@brent.gov.uk)

**Children and Families reports**

**5 Outcome of Safeguarding Inspection report and Action Plan** 19 - 62

The purpose of this report is to provide an update on the outcome of the Ofsted inspection of Brent's arrangements for the protection of children

which took place between 22-31 October 2012. The detail is contained within the attached full inspection report and the associated Action Plan.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Arnold  
**Contact Officer:** Krutika Pau, Director of Children and Families  
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

**6 Authority for exemption to allow the award of contracts to Brent schools for specific education services 63 - 72**

This report details special educational needs and learning support services delivered to the Council by four academies and makes recommendations on the contractual arrangements to be put in place to formalise these arrangements.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Arnold  
**Contact Officer:** Krutika Pau, Director of Children and Families  
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

**7 Procurement of Speech and Language Therapy and information and guidance Services at Children's Centres 73 - 76**

The purpose of this report is to seek authority for the renewal of two contracts delivered through Brent Children's Centres; one supplying speech and language therapy to children aged under 5 years and the other delivering independent advice and guidance to Brent families. The services are commissioned by the council and form part of a range of services to families delivered through Children Centres.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Arnold  
**Contact Officer:** Krutika Pau, Director of Children and Families  
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

**8 SEN and Disability Strategy 2013-2016 77 - 104**

This report responds to the statutory duty on councils to set out its arrangements to meet the needs of children with special educational needs and to consult on these arrangements. Attached is a draft, three year partnership strategy for children and young people with special educational needs and disabilities (SEND) in Brent (Appendix A) for

consideration and approval by the Executive.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Arnold  
**Contact Officer:** Krutika Pau, Director of Children and Families  
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

**9 Authority for exemption to award a two year and one term contract for Special Educational Needs independent special school provision 105 - 112**

This report concerns the commissioning of school places for secondary students with Statements of Special Educational Need (SEN) for autistic spectrum disorders, (ASD) at Centre Academy, an independent day special school in Wandsworth.

**Appendix referred to below**

**Ward Affected:** All Wards  
**Lead Member:** Councillor Arnold  
**Contact Officer:** Krutika Pau, Director of Children and Families  
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

### Environment and Neighbourhood Services reports

**10 Public Realm Contract Award criteria 113 - 120**

On 15 October 2012 the Executive gave its approval to invite tenders for a public realm contract. The Executive approved the advertising and the operation of a pre-qualification process without the approval of evaluation criteria and certain other pre-tender considerations subject to approval of such matters at a future Executive. This report updates the Executive on progress to date, explains the procurement process and sets out the proposed contract award criteria and other pre-tender considerations.

**Ward Affected:** All Wards  
**Lead Member:** Councillors J Moher and Powney  
**Contact Officer:** Jenny Isaac, Assistant Director, Neighbourhood Services  
Tel: 020 8937 5001 jenny.isaac@brent.gov.uk

**11 Dog Control orders 121 - 126**

This report provides information on the current Dog Control orders, the informal feedback that has been received since their implementation in April 2012 and recommends one change to the Dog Control Orders currently in force in Brent's parks and open spaces.

**Ward Affected:** **Lead Member:** Councillor Powney

All Wards

**Contact Officer:** Neil Davies, Sports and Parks  
Tel: 020 8937 2517 neil.davies@brent.gov.uk

**12 Transportation Major Works Programme 2013-14** 127 -  
150

This report sets out recommendations for how Brent's £3.5 million capital budget should be allocated through a prioritised programme of: Major and minor pavement upgrades; Road resurfacing; and Improvements to the public realm.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor J Moher  
**Contact Officer:** Paul Chandler, Head of  
Transportation  
Tel: 020 8937 5151 paul.chandler@brent.gov.uk

### Regeneration and Major Projects reports

**13 Housing Revenue Account (HRA) Budget 2013-14 and Rent Increase Proposals for Council dwellings for 2013-14** 151 -  
194

This report presents to Members the revised (probable) HRA budget for 2012/13 and the draft HRA budget for 2013/14 as required by the Local Government and Housing Act 1989. Members are required to consider these budget estimates and the associated options, taking account of the requirement to set a Housing Revenue Account (HRA) budget that does not show a deficit and in particular Members need to consider and agree the level of HRA dwelling rents and service charges for 2013/14. The report also sets out an update on the 30 year HRA Business Plan which takes account of the HRA Self Financing regime which was introduced in April 2012. The report also includes proposals for setting the rent and service charge levels for 2013/14 for the non HRA Brent Stonebridge dwellings.

**Ward Affected:**  
All Wards

**Lead Member:** Councillor Long  
**Contact Officer:** Eamonn McCarroll, Strategic  
Finance  
Tel: 020 8937 2468  
eamonn.mccarroll@brent.gov.uk

**14 Community Infrastructure Levy and S106 Planning Obligations** 195 -  
224

Government legislative changes mean the Community Infrastructure Levy will replace S106 Planning Obligations as the vehicle for funding the infrastructure that supports growth and development. Authorities will collect Community Infrastructure Levy contributions from developers to pay for the infrastructure requirements created by new development, with S106 Planning Obligations restricted in the main to site specific matters.

The Council is now in a position to adopt the Brent CIL Charging Schedule.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Crane  
**Contact Officer:** Dave Carroll, Planning and Development  
Tel: 020 8937 5202 dave.carroll@brent.gov.uk

**15 Disposal of the former Tokyngton Library** 225 - 242

On 11 April 2011, in a report to the Executive titled "Libraries Transformation Project" Members approved the closure of a number of libraries including Tokyngton. At the 21 May 2012 Executive meeting Members were informed of the intended disposal of the surplus former Tokyngton library. This report details the marketing exercise undertaken for the former Tokyngton Library and makes recommendations to the Executive in respect of the disposal.

***Appendix referred to below***

**Ward Affected:** Tokyngton  
**Lead Member:** Councillor Crane  
**Contact Officer:** Sarah Chaudhry, Head of Strategic Property  
sarah.chaudhry@brent.gov.uk

**16 Vivian Avenue covenant - deed of release** 243 - 250

Wembley District Council (the Council as successor in title) entered into a covenant with trustees of the Oakington Manor Estate not to develop open land at the rear of Vivian Avenue. Network Housing Group have secured a planning permission to develop the site for an extra care housing scheme for the frail elderly and have requested a deed of release from the covenant from the council. The benefits of new supported housing for the elderly, along with retention of part of the site for community allotments, are such that it is recommended that the council enter into such a deed.

***Appendix referred to below***

**Ward Affected:** Tokyngton  
**Lead Member:** Councillor Crane  
**Contact Officer:** Dave Carroll, Planning and Development  
Tel: 020 8937 5202 dave.carroll@brent.gov.uk

**17 Douglas Avenue Resource Centre disposal and Ashley Gardens Pavilion refurbishment - amendment to the capital programme** 251 - 256

To amend the capital programme to enable the forward funding of refurbishment works at Ashley Gardens Pavilion, Ashley Gardens and agree to dispose of the freehold interest in the Douglas Avenue Resource

Centre in order to repay the forward investment.

**Ward Affected:** Alperton;  
Preston;  
Wembley  
Central  
**Lead Member:** Councillor Crane  
**Contact Officer:** James Young, Property and  
Asset Management  
Tel: 020 8937 1398 james.young@brent.gov.uk

**18 South Kilburn development - Phase 3 amendment**

257 -  
260

This report seeks an amendment to the recommendations approved by the Executive on 15<sup>th</sup> October 2012 pertaining to Phase 3 of the South Kilburn regeneration programme which are required to further progress this phase. In the report to the Executive, 113 to 136 and 97 to 112 Carlton House and Peel Precinct were together defined as the 'Peel' redevelopment site. This definition of Peel should not have included 113 to 136 Carlton House (all numbers inclusive) and should have included 8 to 14 Neville Close (all numbers inclusive). This report seeks an amendment to the recommendations in relation to the Peel redevelopment site, to include 8 to 14 Neville Close and exclude 113 to 136 Carlton House.

**Ward Affected:** Kilburn  
**Lead Member:** Councillor Crane  
**Contact Officer:** Andrew Donald, Director of  
Regeneration and Major Projects  
Tel: 020 8937 1049  
andrew.donald@brent.gov.uk

**19 Lease extension Pyramid House, Fourth Way, Wembley**

261 -  
264

This report seeks to obtain authority to extend the lease at Pyramid House, Fourth Way, Wembley.

**Ward Affected:** All Wards  
**Lead Member:** Councillor Crane  
**Contact Officer:** James Young, Property and  
Asset Management  
Tel: 020 8937 1398 james.young@brent.gov.uk

**20 Coles Green Court**

265 -  
286

This report concerns the redevelopment of Coles Green Court by Network Housing Group and seeks approval to make a Compulsory Purchase Order to acquire leaseholder interests and other relevant interests at Coles Green Court and authority to take all necessary steps to acquire said interests.

***Appendices referred to below***

**Ward Affected:** Dollis Hill  
**Lead Member:** Councillor Crane  
**Contact Officer:** Jonathan Kay, Major Projects

## Central Reports

### 21 2013/14 Budget and Council Tax

The budget report sets out the key decisions Members are asked to make on: the 2013/14 General Fund revenue budget; the 2013/14 Schools Budget; the 2013/14 Housing Revenue Account; the Council's capital programme for 2013/14 to 2016/17; the Council's treasury management strategy; and prudential indicators aimed at ensuring the affordability of capital spending and a secure approach to borrowing and investment. *circulated separately*

**Report circulated separately**

**Ward Affected:**  
All Wards

**Lead Member:** Councillor R Moher  
**Contact Officer:** Mick Bowden, Deputy Director of Finance  
Tel: 020 8937 1460 mick.bowden@brent.gov.uk

### 22 Voluntary Sector Initiative Fund 2013-16

287 -  
296

This report seeks agreement to grant fund 14 projects led by voluntary organisations for three years, subject to performance, following assessment of the round 2 of bids for grant funding against the criteria set by the Executive in January 2012.

**Appendices circulated separately**

**Ward Affected:**  
All Wards

**Lead Member:** Councillor R Moher  
**Contact Officer:** Cathy Tyson, Strategy, Partnerships and Improvement  
Tel: 020 8937 1045 cathy.tyson@brent.gov.uk

### 23 Local Welfare Assistance Scheme for Brent

297 -  
320

This report sets out: a recommended scheme for Local Welfare Assistance payments replacing the previous provision of similar services via Job Centre Plus and administered through the Department for Work and Pensions, and taking account of the outcomes from the recent public consultation process; the findings and outcomes of the consultation arrangements for the proposed Local Welfare Assistance Scheme carried out over a five week period between 6 December 2012 and 11 January 2013; the financial and equality impacts of the recommended Local Welfare Assistance Scheme for Brent residents.

**Appendices circulated separately**

**Ward Affected:**  
All Wards

**Lead Member:** Councillor R Moher  
**Contact Officer:** Margaret Read, AD (Customer



Services)  
Tel: 020 8937 1521  
margaret.read@brent.gov.uk

**24 Collective Switching** 321 -  
378

This report considers Collective Energy Switching (CES) as a way of obtaining fairer energy prices for the residents of Brent. Domestic energy is a significant cost for all Brent residents, with many paying more than they should be. By purchasing energy collectively the cost of procuring energy can be reduced. This report discusses the various options, implications, costs and benefits of CES and seeks Executive approval to the introduction of a collective energy switching scheme for Brent residents in association with a number of other London authorities.

**Ward Affected:** All Wards  
**Lead Member:** Councillor R Moher  
**Contact Officer:** Cathy Tyson, Strategy, Partnerships and Improvement  
Tel: 020 8937 1045 cathy.tyson@brent.gov.uk

**25 Internal Audit Contract - 2013 to 2015** 379 -  
382

This report seeks approval for the council to enter into a contract with the London Borough of Croydon for the provision of internal audit services for a two year period from April 2013 to March 2015. The anticipated cost of this contract over two years, including inflationary uplift is £590,000. The Audit Committee endorsed the proposal at its meeting on 9<sup>th</sup> January 2013.

**Ward Affected:** All Wards  
**Lead Member:** Councillor R Moher  
**Contact Officer:** Mick Bowden, Deputy Director of Finance  
Tel: 020 8937 1460 mick.bowden@brent.gov.uk

**26 Applications for NNDR Discretionary Rate Relief** 383 -  
394

This report includes applications received for discretionary rate relief since the Executive Committee last considered such applications in October 2012.

**Ward Affected:** All Wards  
**Lead Member:** Councillor R Moher  
**Contact Officer:** Richard Vallis, Revenue and Benefits  
Tel: 020 8937 1503 richard.vallis@brent.gov.uk

**27 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.

**28 Reference of item considered by Call in Overview and Scrutiny Committee - none**

**29 Exclusion of Press and Public**

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

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

APPENDICES:

- Fairer Charging Policy update

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

APPENDICES:

- Authority for exemption to award a two year and one term contract for Special Educational Needs independent special school provision
- Disposal of the former Tokyngton Library
- Vivian Avenue covenant - deed of release
- Coles Green Court

**Date of the next meeting: Monday 11 March 2013**



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 14 January 2013 at 7.00 pm

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

Also present: Councillors Al-Ebadi, Cheese, Chohan, S Choudhary, Harrison, Hashmi, Kataria, Lorber, Mitchell Murray, RS Patel and Pavey

Apologies for absence were received from: Councillor Beswick

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

None made.

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

RESOLVED:-

that the minutes of the previous meeting held on 10 December 2012 be approved as an accurate record of the meeting.

#### 3. **Matters arising**

None.

#### 4. **Deputation - Green Charter**

The Executive agreed to hear a deputation from Ken Montague (Secretary, Brent Campaign Against Climate Change). He referred to a community briefing held on 21 November 2012 attended by Brent Campaign Against Climate Change and Brent Friends of the Earth supporters where the Green Charter monitoring report was discussed and agreement reached on future actions. The outcomes of the briefing had been circulated and had been received positively. Mr Montague repeated concerns expressed at the depletion of arctic ice which was adversely affecting weather patterns abroad and the cost and quality of food both of which impacted on Brent residents directly and indirectly. Mr Montague emphasised the need for more outreach work to gain support and also suggested that permission be given for the meetings to take place on council premises to reduce costs to individuals. The main proposal Mr Montague put forward was the development of a low carbon zone, with all agencies working together to increase awareness and encourage the take up of initiatives such as insulation and double glazing to make a material difference. Advice would be sought from officers on where in Brent efforts

should be concentrated and a steering group would shape the proposals. Of key importance was the need to make a bid to the Department of Energy and Climate Change and for the council to make a decision before 22 January so consultation could commence.

#### **5. Green Charter monitoring report**

Councillor Powney (Lead Member, Environment and Neighbourhoods) responded to the deputation earlier in the evening from Ken Montague (Secretary, Brent Campaign Against Climate Change) and indicated that the Director would be in contact. He referred to the recent passing of Jeff Bartley (formerly the council's climate change officer) and acknowledged the need for communication channels to be re-established with interest groups.

On the monitoring report, Councillor Powney reminded the Executive that the Green Charter had been adopted a year ago and brought together all the work the council was doing to improve, enhance and protect the environment to help respond to the challenge of climate change and reduce its carbon footprint. Councillor Powney outlined the areas in which progress had been seen to have been made in particular, reduced carbon emissions and an increase in waste recycling to 45%. There was also growing interest in the food strategy.

Councillor Arnold drew members' attention to and welcomed the forthcoming schools climate change conference planned for 20 March 2013. In response to a question from Councillor Lorber on policy proposals for car parking at the new Civic Centre due to open later in the year, the Director of Regeneration and Major Projects undertook to provide the timetable.

RESOLVED:

that the contents of the Green Charter monitoring report in Appendix A to the report from the Director of Environment and Neighbourhood Services be noted.

#### **6. Authority for the Director of Regeneration and Major Projects and Director of Adult Social Services to jointly award supporting people contracts**

Councillor Hirani (Lead Member, Adults and Health) introduced the report which sought authority for the Director of Regeneration and Major Projects and the Director of Adult Social Services in consultation with the Leader and Lead Members to award call-off contracts from the supporting people framework. Councillor Hirani reminded the Executive of the decisions taken at the November 2012 meeting advising that the recommendations now before members were to ensure that continuous arrangements were in place. He advised that there were six contracts under consideration and not five as stated in the report at paragraph 3.9.

RESOLVED:

that authority be delegated to the Director of Regeneration and Major Projects and the Director of Adult Social Services in consultation with the Leader and Lead Members to award six call-off contracts from the Supporting People Framework for a period of two years followed by discretionary extensions of one year plus one year (a maximum contract term of four years).

## 7. **Blue Badge Scheme**

The joint report from the Directors of Adult and Social Care and Environment and Neighbourhood Services provided an overview of the blue badge scheme and its enforcement, recent national changes and proposals for administration and enforcement in Brent. Under the Blue Badge Improvement Scheme, badges would now be issued nationally and it was hoped that more spaces would become available as a result of the renewed drive to reduce fraud and misuse. Staff would also work more closely with the Audit and Investigation Team. The Chair (Councillor Butt, Leader of the Council) endorsed the need to tackle misuse and to take action against fraudsters.

RESOLVED:

- (i) that approval be given to the implementation of a charge for a standard issue Blue Badge in line with national guidance from 1 February 2013;
- (ii) that agreement be given to the set fee for recovery of enforcement costs and its future inflation indexing as set out in paragraph 6.10 of the report from the Directors of Environment and Neighbourhood Services and of Adult Social Services;
- (iii) that agreement be given to enhance Blue Badge enforcement capacity to ensure that Blue Badge benefits are used only enjoyed by people with a genuine need;
- (iv) that agreement be given to the adoption of a robust enforcement approach.

## 8. **School Expansion (Secondary) Programme 2012-16**

In August 2012 the Executive approved the strategy for a primary school expansion programme 2012-16. The report set out the strategy for meeting the projected shortfall of secondary school places in Brent from September 2014. It also included an update on meeting the demand for SEN (Special Educational Needs) provision. Councillor Crane (Lead Member, Regeneration and Major Projects) reminded the Executive that the Crest Academies rebuild was due to be completed by September 2014. There was a shortfall in funding of £82m for providing new school places and pressure for places in years 10 and 11 had already been identified. Councillor Crane drew attention to the various phases to the programme ending in 2020 with the rebuild of Copland and Alperton High Schools using PFI (Private Finance Initiative). The council continued to look for sites for secondary schools and account would be taken of developments in neighbouring boroughs. However, in the absence of extra funding and given the council's financial position, central government would have to assist.

Councillor Arnold concurred that the council would have to rely on central government funding schemes and free schools the development of which the council would have little control. The local authority would be prepared to work with applicants within the previously agreed Partnership Criteria however concern was expressed at the likelihood of such schools using the freedoms available to schools in respect of staffing and curriculum, outside of the standards set by the local

authority. Another concern was the opening of free schools in the vicinity of existing schools that have available places. In response to a question from Councillor Lorber, Councillor Crane confirmed that all schools were being considered for potential expansion and achievable plans would be put forward.

RESOLVED:

- (i) that the current and future demand for secondary school places as set out in paragraphs 5.8 to 5.13 of the report from the Directors of Regeneration and Major Projects and of Children and Families be noted;
- (ii) that approval be given to the strategy for the delivery of secondary school places as set out in paragraphs 5.15 to 5.29 of the report, subject to availability of funds.

9. **Authority to allocate Main Capital Programme Funding for the expansion of Vicar's Green Primary School**

The report from the Director of Regeneration and Major Projects sought approval to Brent Council providing funding to the London Borough of Ealing for the expansion of Vicar's Green Primary school by one form of entry. 15 out of the 30 places in the new form of entry were expected to be taken up by Brent children. Councillor Crane (Lead Member, Regeneration and Major Projects) advised that the expansion, which formed part of School Expansion Programme 2012-16 report, was approved by the Executive in August 2012. The total project cost for the expansion was estimated at £4m including consultant fee of which Brent Council would contribute an equal proportion in partnership with Ealing Council. Consultation would commence in January 2013 to expand the catchment area for admissions to include Brent residential areas. Councillor Arnold (Lead Member, Children and Families) drew members' attention to the legal implications.

RESOLVED:

- (i) that approval be given to the funding by Brent Council of £2m, together with a contingency of £0.5m, towards London Borough of Ealing's school expansion project at Vicar's Green Primary School;
- (ii) that the comments from the Director of Legal and Procurement in Section 5 relating to the involvement with the neighbouring borough of Ealing be noted and authority be delegated to the Director of Regeneration and Major Projects in consultation with the Lead Member for Regeneration and Major Projects to approve the funding agreement with Ealing Council on finalisation of the terms for the expansion of Vicar's Green Primary School from September 2014;
- (iii) that all Brent Council funding be subject to a legal agreement between the Council and Ealing Council setting out that:
  - (a) The Council funding contributions can only be spent on legitimate education facilities, as defined in government guidance, and not on ancillary facilities that form part of the project;

- (b) Full and proper governance arrangements are established for the project to ensure it is delivered to time and budget, and providing for a senior Brent Council officer representation on the project board.
- (iv) that approval be given to the allocation of £2m from the main capital programme in line with the approved August 2012 Executive Report to fund fifty per cent of the cost of the school expansion project in partnership with Ealing Council;
- (v) that the contingency of £0.5m be maintained to cover unforeseen project costs since the design stage has not commenced and cost are an estimate at this stage.

## 10. **London Living Wage**

The Leader of the Council, Councillor Butt, introduced the report from the Director of Strategy, Partnerships and Improvement. The report set out recommendations for the Council to pursue implementation of becoming an accredited London Living Wage (LLW) organisation and set out the policy context and reasons for the commitment. It also explained the necessary caveats and conditions the Council would need to apply in order to protect the integrity of its financial position. Councillor Butt stated that the Brent residents were being adversely affected by the financial climate and the council wanted to assist taking into account the considerations outlined in the report.

The Executive noted reference in the report to the council's duties under legislation to seek 'best value' and in response to a question from Councillor Long (Lead Member, Housing) on how this would be dealt with, Councillor Butt responded that officers would report back. Councillor Lorber (Leader of the Opposition) drew members' attention to the financial implications and the cost difference between current wage levels and LLW within existing contracts which was estimated to be £9.1m. He expressed the view that the Executive should at this stage, have the option to include the necessary provision for the forthcoming budget process. Councillor Butt responded that contracts would be dealt with individually as and when they arose, taking into account best value, and efforts would also be made to negotiate improved terms. This was the start of the route towards accreditation. Councillor Crane concurred reminding of the evidence indicating that Brent was wage economy.

### RESOLVED:

- (i) that agreement be given to the Council seeking Accreditation as a London Living Wage Employer;
- (ii) that positive steps be taken to review existing contracts over a three year period on a case by case basis to wherever possible apply LLW criteria;
- (iii) that Social Care contracts be examined with the London Living Wage Foundation and other LLW Boroughs to explore the application of LLW;
- (iv) that officers should act to promote the application of the LLW to schools, businesses and other organisations within Brent;

- (v) that, subject to Finance, Procurement and Legal advice, officers seek to apply the LLW consideration when tendering;
- (vi) that note the comments of the Deputy Director of Finance regarding the potential cost of applying LLW.

#### 11. **Brent Working with Families Strategy**

The Working with Families project aimed to fundamentally improve the way that Brent Council and its partners identified and delivered services to the borough's most vulnerable families. Underpinned by the national Troubled Families Programme, the project recognised that families and agencies could realise significant benefits from changing the way that services were delivered to families with complex needs. It was felt that benefits can only be achieved as a result of a whole systems change, a significant shift in attitude and approach, including a shift to a family focus, and genuine partnership working across agencies.

Councillor Arnold (Lead Member, Children and Families) outlined the background and objectives of the project and stressed the importance of the coordinated approach that would be provided through a multi agency safe-guarding hub, a family support service and an aligned services strategy designed to improve a wider range of support services across services and partners. 25-30 key workers would be employed to work with families. The aim was to use mainstream funding together with funding from central government and, by targeting funding at early help services, to reduce costs to the council and partner agencies. The project was in its early stages and would be closely monitored and Councillor Arnold urged members to endorse the strategy and action plan.

RESOLVED:

- (i) that the Working with Families Strategy, set out at in Appendix 1 of the report from the Director of Strategy, Partnerships and Improvement be endorsed;
- (ii) that the high level action plan in Appendix 2 to the Director's report be noted.

#### 12. **Annual Audit Commission Letter**

The report from the Deputy Director of Finance presented the Annual Audit Letter for 2011/12, which was produced by the Audit Commission.

RESOLVED:

that the contents of the Annual Audit Letter be noted.

#### 13. **London Housing Consortium**

The report from the Director of Legal and Procurement sought the Executive's approval that the London Housing Consortium, of which Brent Council is a member, be formalised as a Joint Committee for the purposes of section 101(5) of the Local Government Act 1972, and that Brent Council continued its membership of the London Housing Consortium ("LHC") as a Joint Committee member.



RESOLVED:-

- (i) that Brent Council continue to be a member of the London Housing Consortium;
- (ii) that it be noted that the London Housing Consortium has been formally established as a Joint Committee by seven other local authorities pursuant to section 101(5) of the Local Government Act 1972;
- (iii) that the Executive's functions in relation to the running of the London Housing Consortium be discharged to the Joint Committee of the London Housing Consortium and agreement given to Brent Council's membership and participation in that Joint Committee;
- (iv) that the Lead Member for Housing be appointed as Brent Council's Executive representative to the Joint Committee of the London Housing Consortium and that the Non-Executive Member for the Joint Committee of the London Housing Consortium be appointed by the Executive at a later date;
- (v) that the Director of Regeneration and Major Projects, in consultation with the Lead Member for Housing and the Director of Legal and Procurement, be authorised and to agree a Constitution for the Joint Committee based on the draft Constitution as set out in Appendix 1 to the report from the Director of Legal and Procurement;
- (vi) that other options for the legal framework and governance structure of the London Housing Consortium be fully explored and that a further report, detailing the options, be presented to a future meeting of the Executive for consideration.

14. **Any other urgent business**

None.

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

None.

16. **Exclusion of Press and Public**

RESOLVED:

that the press and public be now excluded from the meeting as the following report contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)".

17. **Compulsory Purchase: Northwick Avenue, Kenton, Harrow, Middlesex, HA3 OAA**


The Executive considered the report from the Director of Regeneration and Major Projects which sought approval for the making of Compulsory Purchase Order at for a property on Northwick Avenue, Kenton, Harrow, Middlesex, HA3 0AA, referred to in the report. The report set out the background and Councillor Crane (Lead Member, Regeneration and Major Projects) summarised the reasons why it was felt that this was the appropriate course of action.

RESOLVED:

- (i) that agreement be given to the use of compulsory purchase powers to acquire the property on Northwick Avenue Kenton, Harrow, Middlesex, HA3 0AA referred to in the report from the Director of Regeneration and Major Projects compulsorily under section 17 of the Housing Act 1985;
- (ii) that the Head of Legal Services be authorised to make and seal the Order for submission to the Secretary of State for Communities and Local Government for consideration and approval. Further, to authorise the Head of Legal Services to confirm the said Compulsory Purchase Order in the event of the Secretary of State returning the Order;
- (iii) that upon confirmation of the Compulsory Purchase Order, to proceed with the acquisition;
- (iv) that subject to confirmation of the Compulsory Purchase Order by the Secretary of State for Communities and Local Government Cabinet, approval be given to the disposal of the property to a Registered Social Landlord in the first instance, or to a Private Developer (in which case the sale would be by way of auction) with covenants applied to bring the property back into use as soon as possible.

The meeting ended at 7.55 pm

M BUTT  
Chair

	<p style="text-align: center;"><b>Executive</b> 11 February 2013</p> <p style="text-align: center;"><b>Report from the Director of Adult Social Services</b></p>
<p style="text-align: right;">Wards affected: ALL</p>	
<p style="text-align: center;"><b>A review of the Fairer Contributions Policy for Adult Social Services and related frameworks</b></p>	

## Not for publication

Appendix 1 is not for publication as it relates to the following category of exempt information as specified in Paragraph 5 of Part 1 of Schedule 12A to the Local Government Act 1972:

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

## 1.0 Summary

- 1.1 Local authorities have discretionary powers to charge adult recipients of non-residential services. The decision as to whether or not to charge and how to charge are matters for local choice subject to public law principles and should comply with the Department of Health’s “Fairer Charging” and “Fairer Contributions” guidance.
- 1.2 This guidance was updated and issued by the Department of Health on the 29<sup>th</sup> October 2012 to take effect immediately.
- 1.3 Based on this revision, the department took the opportunity to review its current charging policy and related practice frameworks.
- 1.4 Following on from this review, this report recommends that Members agree to adopt a revised policy, namely the Brent Council’s Fairer Contributions Policy (the ‘policy’) and related practice frameworks to ensure that practice in Brent is in line with the Department of Health’s Guidance and is consistently applied across all residents of Brent.

## 2.0 Recommendations

- 2.1 To agree to adopt the Fairer Contributions Policy (attached at appendix 2). The main changes which will be introduced with the adoption of this policy are outlined in paragraph 3.3.
- 2.2 To agree the revised practice frameworks included within the policy in relation to:
  - Appeals Procedure
  - Arrangement of Funerals
  - Protection of property
  - Debt collection protocol
- 2.3 To agree to adopt the Deferred Payment policy
- 2.4 To agree that payments to Carer's are continued to be outside the scope of the Fairer Contributions Policy, as outlined in paragraph 3.3.14.
- 2.5 To agree to temporary respite care of up to 8 weeks in some circumstances being financially assessed using the Fairer Contributions Policy rather than CRAG.
- 2.6 To agree that the Executive delegate authority to the Director for Adult Social Services to nominate named officers to apply to the Probate Registry on behalf of the Council for grants of probate and letters of administration when recovering debts owed in relation to adult social care provision.
- 2.7 To agree an implementation date of 1<sup>st</sup> March 2013

### **3.0 Detail**

#### **3.1 Background**

- 3.1.1 In order to achieve greater consistency in the charging policies of local authorities, the Department of Health published "Fairer Charging for Home Care and other non-residential Social Services" - Guidance in September 2003. This was updated and re-issued in October 2012. This guidance required that, where Council's choose to charge for non-residential care services, they did so subject to a broad framework to ensure they are fair and operate consistently with the council's overall social care objective.
- 3.1.2 In Brent, the last major review of charges for non-residential services was implemented in October 2011. Increases in charges since then have been related to the rate of inflation and increases in state benefits.
- 3.1.3 Under the current policy, income from the contributions of service users constitutes about 18% of the funding available for non-residential care services locally, the remaining 72% of care costs are being met from government grant and Council Tax. Service users' contribution to non residential care costs, in 2011/12, was £3.0m (12/13 forecast £3.0m). All contributions are subject to a means test (as set out within the policy) and as a result in 2011/12 34% (12/13 forecast 37%) of service users did not

contribute to their care costs due to their low income, 5% (12/13 forecast 6%) contributed below £10 per week, 29% (12/13 forecast 27%) contributed between £10 and £49, 27% (12/13 forecast 23%) contributed between £50 and £99.99, 5% (12/13 forecast 6%) contributed between £100 and £199.99 and 1% (12/13 forecast 1%) at £200 or above per week. Only 18% (12/13 forecast 19%) paid the full cost of their care, with 82% of service users receiving a subsidy towards the cost of their care.

3.1.4 Guiding Principles - there are 5 principles that support the council current and proposed amended policy, namely to make sure that the Council:

- i. Recovers contributions from service users for non residential services based on the service user's ability to pay. It is intended that no one would be put in a position of financial hardship as a result of this charging policy as a maximum contribution will be set at either the full cost of the services provided or at a level that affords the service user a basic living allowance whichever is the lowest.
- ii. Has a clear and transparent contributions policy which is easy to understand and is consistently applied to all service users, taking into account their individual circumstance and needs.
- iii. Provides an early notification to service users of their contribution to non-residential care costs.
- iv. Ensures that service users have an opportunity to maximise welfare benefits thus maximising their ability to contribute to their non-residential care costs.
- v. Ensures administrative efficiency and convenience for service users (including netting of service user contributions at the point of resource allocation for personal budgets).

3.1.5 It is intended for this policy to assist with delivering the Council's vision to promote service users' independence, choice and control over the support they may receive from the Council.

## **3.2 The rationale for reviewing the current policy**

3.2.1 The Department of Health revised and reissued the "fairer charging policies for home care and other non-residential Social Services" guidance for councils.

3.2.2 Furthermore, Adult Social Services have been reviewing all their procedures and practices and have written practice frameworks to lay the foundations of roles and functions, namely

Appeals Procedure  
Arrangement of Funerals

Protection of property  
Debt collection protocol  
Deferred Payment Policy

3.2.3 These practice frameworks ensure that policies and procedures are in line with the statutory responsibilities of the council and to ensure consistent approach is taken by all staff.

### 3.3 Proposed Changes

3.3.1 The following changes are proposed to the current contributions policy:

3.3.2 **Respite Care** - it is proposed that service users are required, subject to the financial assessment under this policy, to contribute towards any respite services. Currently the charging regime is under CRAG. This change will be fairer as the associated costs of living permanently in the community will be taken into account. It will also result in more efficient practices as it will eliminate the need to reassess the services user each time they receive temporary respite provision.

3.3.3 Respite care is often defined as a service for the carer. In fact the service is provided directly to the disabled person and, as it often involves the provision of personal care to the disabled person, it should be noted that it can not lawfully be provided to meet the needs of the carer. As such it is advisable to amend care management practice to ensure that the need for respite care is documented within the service users' needs assessment as a need to provide their carer with regular respite (if it is a sitting service within the person's home this can be provided under s29 National Assistance Act 1948 and s2 CSDPA, if it is a short break in residential care then it is provided under s21 NAA). The need for a carer to receive respite could then be recorded within the carer's assessment as a met need because of the community care package provided to the disabled person. This will give greater clarity to both the carer and the disabled person as it explains why it is the disabled person's resources that are relevant for the purposes of assessing contributions towards the cost of the provision.

3.3.4 This is important if we intend, as we do, to charge for such services our contributions policy is clear that Services provided directly to carers (under section 2 Carers and Disabled Children's Act 2000) to support them in their caring role will not be charged for. [4.2.a of the Contributions Policy.] However, the impact of this change in practice would still allow for some discretion. Where the care manager is satisfied that the provision of a sitting service in the home would not require any provision of personal care to the disabled person, they could record this as a service for the carer and therefore excluded from any charge. This would have to be very carefully set out within the carer's support plan and reviewed if the sitting service reported that they had to regularly provide personal care whilst performing this service.

3.3.5 In addition, because it is intended to collect a contribution from the service user towards the cost of respite it should be clear within the needs

assessment that this is not considered a package of intermediate care. As any intermediate care must be provided free for any period up to 6 weeks [Community Care (Delayed Discharges etc) Act (Qualifying Services)(England) Regulations 2003].

3.3.6 **Funerals**- it is proposed that where other parties have funding to pay for a funeral but are unable to arrange, the council will arrange and raise an invoice for the below amounts and collect payment in advance of the funeral being arranged.

- Cremation: £1,400.00
- Burial (Shared Grave): £1,700.00
- Burial (Private Grave): £3,325.00

3.3.7 **Protection of Property** – it is proposed that where Parties are unable to arrange the protection of property and boarding of pets but service users have the funds to pay for the service, the council will raise an invoice for the below amounts:

Protection of Property (not movable property) Attending the property on a monthly basis or more frequently if required.	£300.00 per month
Storage costs for movable items	Full cost charged to the Council
Ad hoc direct expenses such as lock smiths etc	Full cost charged to the council.
Kennel Costs	Full cost charged to the Council.

3.3.8 **Earned Income** – It is proposed that the Council will adopt a consistent policy for assessing earned income across those in receipt of social care be it residential or domiciliary care. At present the Guidance offered by the Department of Health seems inconsistent between these two services. It is proposed that earned income will be assessed irrespective of the nature of the service provided, but that careful consideration of an individual's circumstances will be considered to ensure that this does not cause hardship or create disincentives to work. As such it is proposed to adopt the calculation methodology as advised by the Charging for Residential Accommodation for domiciliary services. This means people with an earned income will have this taken into account when being financially assessed for services provided under this policy.

3.3.9 **Debt Recovery Protocol** – it is proposed that the council adopts a debt recovery protocol which is slightly amended from the Corporate policy to take into account of the vulnerability, age and or frailty of those in receipt of residential and non-residential services. The protocol has been devised to

ensure that specific consideration is given throughout the process to the additional vulnerabilities of this specific client group

3.3.10 Work undertaken by the ASC Business Support Unit and Legal Service on the historical debts owed by those in receipt of social care services has identified a small number, but a significant debt where the Council are unable to presently recover the monies owed because the service user has died and there is no-one available or willing to act as executor and obtain a grant of probate. Whilst there is scope for a creditor to apply for a grant of probate to the Probate Registry to enable to carry out the administration of the estate in order to recover debt monies owed, the Probate Registry requires a resolution nominating a named officer to apply for the Grant of Probate or letters of administration on behalf of the Council. Without this the Council would be unable to recover these debts and would have to write off any debt where these circumstances arise. This is why Members are requested to approve the recommendation set out in paragraph 2.6 above. As authority to nominate an officer to apply for the grant of probate / letters of administration will be delegated to the Director of Adult Social Services, it will not be necessary to seek the Executive's approval every time it is necessary to nominate an officer in the event that it is necessary to recover debt monies from the estate of a deceased service user.

3.3.11 **Appeals Procedure** – it is proposed that the council adopts the revised appeals procedure as all service users of Adult Social Services who are required to contribute towards their care have a right to ask for a review of their contributions if they, or someone acting on their behalf believe that:

- The contribution is too high
- Information given may have been misrepresented
- Some information may have been missed
- A change in a service users circumstances
- A mistake may have been made in applying the contributions policy, or
- If the service user is unhappy with how the policy has been applied.
- Calculation is inaccurate and unfair

3.3.12 This replaces the old appeals and waiver procedure and sets out a two stage process:

- Informal Stage
- Contributions Review Panel – this panel will consist of one member of finance and two non finance officers and will hear appeals following the informal review by officers.

3.3.13 It is envisaged that this appeals process will reduce the amounts of formal complaints raised for the department, as a majority of current finance complaints are resolved following a review of the case by an officer and explanation or face to face meeting with a senior officer.



3.3.14 **Carers** – it is proposed that although the Department of Health guidance states that the authority can request Carers contribute towards their support, the department feels this will be counterintuitive as carers provide a vital service to those they care for, often at significant social or financial disadvantage. Furthermore, where this support withdrawn it would likely have a significant impact on the demands for formal social care made to the Council and associated increased costs.

3.3.15 **Income Disregard** – it is proposed that the following income streams are disregarded

- all Guaranteed Income Payments (GIPs) made under the Armed Forces Compensation Scheme (AFCS);
- the part of Attendance Allowance (AA), Disability Living Allowance (care component) (DLA), Constant Attendance Allowance (CAA) and Exceptional Severe Disability Allowance (ESDA) that covers care at night where the council purchases no element of night care

3.3.16 In addition to the above, if a service user's expenditure related to night care exceeds the level of the night care element of AA, DLA, CCA or ESDA, any such excess amount must be taken into account when assessing the service user's Disability Related Expenditure.

3.3.17 **Deferred Payment protocol** – It is advised that the Council adopt the appended Deferred Payment Protocol so that the Council has a clear policy as to when Deferred Payments will be made available and how individuals can apply. This should ensure consistent practice and improved management of debts owed to the Council by those in receipt of residential care. As attached at appendix 3.

#### **4.0 Financial Implications**

4.1 The proposed changes are expected to have a limited financial effect on the Council. However the changes introduced by the 2012 Department of Health's amendments to the guidance, namely that Local Authorities no longer include Guaranteed Income Payments (GIPs) made under the Armed Forces Compensation Scheme (AFCS) may have a very limited impact as a result of lost income. In recognition of this the Department of Health has made available additional funding until 2014/2015. It is proposed that Brent will receive an additional £2,363 to minimise any financial implications of adopting this requirement.

4.2 As per the old policy all services users will be expected to contribute to the cost of these services just like any other Community Care Services, and the amount payable will be determined by the service user's ability to pay. Importantly however the implementation of this policy will ensure more effective collection of the service user's contribution as their personal budget will be provided net of their contribution.

- 4.3 The council may still be required to ensure recovery of a contribution from the service users and including, in some cases, having to incur legal costs to pursue individual service users for large debts.
- 4.4 Contributions to non-residential care costs are subject to the income profile of service users and may therefore fluctuate over time as a result of changes in national and personal financial and economic situations. The policy will therefore be subject to an annual review and update.

## **5.0 Legal Implications**

- 5.1 Under s.17 of the Health and Social Services and Social Security Adjudications Act 1983 [HASSASSAA] a local authority has a power to charge for non-residential services provided under s29 NAA, s2 CSDPA 1970, s45(1) NHSA, s8 Residential Homes Act 1980 and s2 Carer and Disabled Children Act 2000 where the charge is reasonable and the service user has means to pay. Any charges must comply with Section 47(4) of the Community Care Assessment Directions 2004 which requires that *“the local authority must consult the would be service user ... take all reasonable steps to reach agreement with the person on the Community Care Services ...and must provide information ...about the amount of the payment (if any) which the person will be liable to make in respect of the Community Care Services which they are considering providing to him.”*
- 5.2 The ‘Fairer Charging Policies for Home Care and Other Non-residential Social Services’ Guidance issued by the Department of Health in 2003 allowed local authorities discretion as to the design of their contribution policies but did stress that an authority should have regard to the effect of any charge on a user’s net income, which should not be reduced below the level of Income Support plus 25%. Further Guidance was issued in 2009, 2010 and 2012 in respect of Fairer Contributions and the new policy takes this guidance into account.
- 5.3 The Contributions policy if implemented would accord with the obligations as set out above and promote greater equality of service for those in receipt of non-residential services.

## **6.0 Diversity Implications**

- 6.1 The Equality Act 2010 section 149 requires the Council, when exercising its functions to have ‘due regard’ to the need to eliminate discrimination, harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a ‘protected characteristic’ and those who do not share that protected characteristic. Under the legislation there are eight protected characteristics including age, gender, disability and race. This policy will primarily impact on those with the protected characteristics of age and

disability. A full Equalities Impact Assessment has been undertaken and information resulting from the consultation undertaken in 2011 has been used in this analysis.

- 6.2 The proposed changes to the Fairer Contributions Policy will promote Service Users' independence, choice and control over the support they may receive from the Council. The resulting service users' contribution, using the new policy, will also take into account service users' means and ability to contribute to their care costs and promote social inclusion for all. The new policy will be applied consistently across all recipients of non-residential care services. Whilst it is not believed that it will have any adverse impact it is likely that the implementation of the policy will impact on those within the protected characteristics of age and disability. A full Equality Impact Assessment is attached to this report as Appendix 4 and Members are respectfully asked to consider this document and its conclusions so that they are in a position to pay due regard to their duty under s149 Equality Act 2010 when reaching a decision on this policy.

### **Background Papers**

- 1) Department of Health's Fairer Charging for Home Care and other non residential Social Services Guidance – October 2012
- 2) Brent Council Fairer Contributions Policy October 2011

### **Contact Officers**

#### **Elizabeth Jones**

Assistant Director - Strategic Finance  
Business Partner Team (Adult Social Services)  
Finance and Corporate Services  
Mahatma Ghandi House  
34 Wembley Hill Road, Wembley, Middlesex HA9 8AD  
Tel: 020 8937 3147  
Email: [elizabeth.jones@brent.gov.uk](mailto:elizabeth.jones@brent.gov.uk)

#### **Alison Elliott**

Director of Adult Social Services  
Mahatma Gandhi House,  
34 Wembley Hill Road, Wembley Middlesex  
HA9 8AD  
Telephone: 020 8937 4320  
Email: [Alison.Elliott@brent.gov.uk](mailto:Alison.Elliott@brent.gov.uk)

**Alison Elliott**  
**Director of Adult Social Services**

This page is intentionally left blank



**Executive**  
11 February 2013

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

Wards Affected:  
ALL

### **Outcome of Ofsted's Inspection of Brent's arrangements for the protection of children and Action Plan**

#### **1.0 Summary**

- 1.1 The purpose of this report is to provide an update on the outcome of the Ofsted inspection of Brent's arrangements for the protection of children which took place between 22-31 October 2012. The detail is contained within the attached full inspection report and the associated Action Plan.

#### **2.0 Recommendations**

- 2.1 That Members note the outcome of the inspection which is summarised in the report published by Ofsted on 30 November 2012 and is attached as Appendix A.
- 2.2 That Members approve the Action Plan contained in Appendix B which addresses the recommendations identified in the inspection report and articulates the department's ambitions to continue to make significant and far reaching improvements to the service.

#### **3.0 Detail**

- 3.1 There has been a nationally established programme of inspection for children's social care departments in place for a number of years. In Brent, there was a Joint Area Review in 2006, two unannounced inspections of contact and referral points (2009 and 2010) and a Safeguarding and Looked After Children inspection in 2011. This is in addition to the adoption inspection in 2012 and a fostering inspection which is expected imminently.
- 3.2 In 2012, Ofsted split the inspection regime, such that children's safeguarding services and those for looked after children were inspected separately, on separate dates resulting in two independent judgements and reports. An

interim regime was introduced for one year (2012/13 ) which would concentrate solely on safeguarding services delivered by the local authority and would look primarily at those 90 authorities across the country that were judged to be either adequate or inadequate. This is seen as a precursor to the roll out of full (separate) multi agency inspections of safeguarding and looked after children's services which are scheduled to start in 2013. Brent was inspected under this interim (no-notice) regime in October 2102 and was judged "adequate".

- 3.3 The inspection regimes for children's social care are becoming progressively tougher and thresholds are rising. The judgement scale is Outstanding, Good, Adequate and Inadequate. At the time of Brent's recent inspection, there had been 7 inspections nationally, 4 were judged inadequate and 3 adequate. The current position is that 15 authorities have been inspected nationally, 1 has been rated good, 9 have been rated adequate with the remaining 5 judged inadequate.
- 3.4 The inspection judged that children were safe in Brent and it recognised that clear strategic leadership and vision had driven improvements in practice and service delivery since the last inspection. Thresholds for access to services and for child protection intervention were judged to be clear and understood by all partners. Where children were subject to child protection plans, agencies across the partnership were deemed to be working effectively together to ensure that children were protected. Performance management within children's social care was deemed to be well established and managers had a good understanding of the key issues as a result of robust analysis of that information. Service user views were being obtained and the results were informing the development of services, although this was judged to be at a relatively early stage.
- 3.5 The report commented on the high levels of domestic violence in the borough and noted that this had been recognised as an area where a wider range of support services needed to be developed.
- 3.6 However, the inspection identified a significant number of areas where improvements were required. Whilst children were deemed to be safe overall and the inspection team found examples of good quality practice and management oversight, it also found areas where this was not consistent and where there was poorer practice and inconsistent management oversight. There were a significant number of cases where they raised concerns and queries and it was the concerns around the quality of casework that formed the basis of the majority of the recommendations made in the report.
- 3.7 The recommendations are divided between those requiring immediate action and those to be completed within three months. They are as follows:

**Immediately:**

- Review all referrals in one of the locality teams identified by the inspectors that have resulted in no further action or a children in need plan to ensure

that children are safe and that any actions or plans have been implemented.

- The Brent Safeguarding Children's Board should ensure that the police public protection department promptly exchanges appropriate information with partner agencies and promptly participates in child protection strategy discussions or meetings.
- Ensure that child protection plans in relation to children with disabilities aged over 14 years are robust and are fully implemented.
- Ensure that strategy discussions are clearly recorded and contain actions agreed, individual responsibilities and timescales.
- Ensure that the outcome of referrals is routinely notified to referring agencies.
- Ensure that assessments contain sufficient analysis of information to inform risk and to understand the impact of the situation from the child's perspective, and that the outcome of assessments, plans and key documents are explained and given to parents.
- Ensure that all decisions to remove children from child protection plans are robustly risk assessed.

**Within three months:**

- Ensure that child protection conferences are consistently well managed and chaired.
- Ensure that children in need and child protection plans are of a consistently high quality, that they contain specific targeted outcomes and contain a case specific statement of risk and contingency plans.
- Ensure that all core groups rigorously monitor, review and develop the child protection plan and that the meetings are recorded.
- Ensure that risk management plans are developed as part of domestic violence risk assessments.
- Ensure that social work managers confirm that social workers have undertaken actions assigned to them within child protection plans and record this in case supervision.

3.8 Work started immediately on addressing all the actions identified in the report and the majority (especially of those for immediate action) have been completed. There are a few (such as improving the quality of analysis) where the solutions are more complex and difficult to embed and these are subject to on-going work which will be tightly monitored as set out later in the report.

- 3.9 The report recognised that the Council had robust plans in place to provide a range of early help services but noted that the required restructuring was still at an early stage. As a result, it was still too early on in the programme to be able to measure the impact of these changes. It also acknowledged that the Department had recognised and responded to concerns for the Brent Safeguarding Children Board by appointing a new chair, reviewing the Board's focus, revising the sub-groups and improving governance arrangements. Once again the report noted that it was too early to be able to measure the impact of these changes.
- 3.10 Overall, this as a fair report which identifies areas of strength as well as areas which require improvement and which mirrors much of our own analysis. A range of actions had already been put into place to address areas requiring improvement and these are captured in service specific actions plans which contain the full range of work being undertaken as part of our improvement work. Specifically, these additional plans are:
- the locality and disabled children's team service plan,
  - the safeguarding service plan
  - the Learning and Development Training Plan and
  - the Signs of Safety Implementation plan.
- 3.11 The department has a strong commitment to moving from an "adequate" to a "good" rating and we believe that the existing plans combined with the safeguarding action plan spells out clearly how we aim to achieve this goal.
- 3.12 The Signs and Safety implementation is one of the most significant and ambitious of these as it directly addresses improvements in social work training and development. This is an integrated programme that will assist social workers (and in due course all staff) to develop a more effective approach to assessing and intervening with families where there are concerns. It will focus on improving their assessment skills as well as their communication skills with children and their families. The intention is that this will lead onto more robust risk assessment and management and will improve the planning for all children where there are concerns.
- 3.13 It is clear from the report that there were a number of key areas where strong progress had been made since the last inspection but there had been insufficient time for the changes to have embedded and the impact to be evidenced. We anticipate that over the next 12 months there will be more evidence available on the impact of changes in some of those key areas, namely, early help services, the revitalised Safeguarding Children Board, the incorporation of user views into service developments and some of the developments around improving front line social work practice.
- 3.14 Equally, there are a number of areas where significant concerns were identified and the Council's response to these is set out in the Action Plan which is attached.
- 3.15 The arrangements for the monitoring of the plan are as follows:
- The Children's Social Care Management Team on a monthly basis.



- Children and Families Departmental Management team on a monthly basis.
- Corporate Management Team and Local Safeguarding Children Board on a bi-monthly basis
- Brent Children's Partnership on a quarterly basis
- Multi- agency child protection meeting on a quarterly basis
- Children and Families Scrutiny Committee and Corporate Parenting group.
- The Lead Member for Children and Families will have a key role in the monitoring of progress.

#### **4.0 Finance**

- 4.1 All actions identified within the Action Plan will be funded through existing resources within the Children and Families Department.

#### **5.0 Legal**

- 5.1 The council has a statutory duty under the Children Act 1989 to safeguard and promote the welfare of children within their area who are in need, in addition to a duty to protect children in its area from foreseeable risks of significant harm. The Children Act 2004 also introduced a duty for the Council to work together with its Safeguarding Partners, such as Primary Care Trusts and the Police to promote the welfare of children.

#### **6.0 Diversity Implications**

- 6.1 The inspection report raised specific issues in relation to the prevalence of domestic violence in the Borough. The work around domestic violence is being progressed in conjunction with the newly appointed Independent Domestic Violence Advisors and their two key primary areas of focus will be risk assessment and working with children who are affected by violence within the home.

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

- 7.1 There are no staffing or accommodation issues contained within this report.

#### **Background Papers**

- a) Inspection of local authority arrangements for the protection of children, London Borough of Brent. Published by Ofsted 30 November 2012
- b) Brent Safeguarding Action Plan.

#### **Contact Officer**

Graham Genoni, Assistant Director Children's Social Care

---

Meeting  
Date

Version no. V2  
Date

Chesterfield House, 9 Park Lane, Wembley Middlesex HA9 7RH.  
Tel - 020 8937 4091. Email – [graham.genoni@brent.gov.uk](mailto:graham.genoni@brent.gov.uk)

KRUTIKA PAU  
Director of Children and Families

# Inspection of local authority arrangements for the protection of children

London Borough of Brent

---

**Inspection dates:** 22 October to 31 October 2012  
**Lead inspector** Pietro Battista

**Age group:** All

---

© Crown copyright 2012

Website: [www.ofsted.gov.uk](http://www.ofsted.gov.uk)

This document may be reproduced in whole or in part for non-commercial purposes, provided that the information quoted is reproduced without adaptation and the source and date of publication are stated.

Further copies of this report are obtainable from the local authority or at [www.ofsted.gov.uk](http://www.ofsted.gov.uk)

---

## Contents

<b>Inspection of local authority arrangements for the protection of children</b>	<b>2</b>
The inspection judgements and what they mean	2
Overall effectiveness	2
Areas for improvement	2
<b>About this inspection</b>	<b>4</b>
<b>Service information</b>	<b>4</b>
Overall effectiveness	6
The effectiveness of the help and protection provided to children, young people, families and carers	7
The quality of practice	11
Leadership and governance	15
<b>Record of main findings</b>	<b>18</b>

---

---

# Inspection of local authority arrangements for the protection of children

## The inspection judgements and what they mean

1. All inspection judgements are made using the following four point scale.

Outstanding	a service that significantly exceeds minimum requirements
Good	a service that exceeds minimum requirements
Adequate	a service that meets minimum requirements
Inadequate	a service that does not meet minimum requirements

## Overall effectiveness

2. The overall effectiveness of the arrangements to protect children in Brent is judged to be **adequate**.

## Areas for improvement

3. In order to improve the quality of help and protection given to children and young people in Brent, the local authority and its partners should take the following action.

### Immediately:

- review all referrals in one of the locality teams identified by inspectors that have resulted in no further action or a children in need plan in the past six months, to ensure that children are safe and that any actions or plans have been implemented
- the Brent Safeguarding Children Board should ensure that the police public protection department promptly exchanges appropriate information with partner agencies and promptly participates in child protection strategy discussions or meetings
- ensure that child protection plans in relation to children with disabilities aged over 14 years are robust and are fully implemented.
- ensure that strategy discussions are clearly recorded and contain actions agreed, individual responsibilities and timescales
- ensure that the outcome of referrals is routinely notified to referring agencies
- ensure that assessments contain sufficient analysis of information to inform risk and to understand the impact of the situation from the

child's perspective, and that the outcome of assessments, plans and key documents are explained and given to parents

- ensure that all decisions to remove children from child protection plans are robustly risk assessed.

**Within three months:**

- ensure that child protection conferences are consistently well managed and chaired
- ensure that children in need and child protection plans are of a consistently high quality, that they contain specific targeted outcomes and contain a case specific statement of risk and contingency plans
- ensure that all core groups rigorously monitor, review and develop the child protection plan and that the meetings are recorded
- ensure that risk management plans are developed as part of domestic violence risk assessments
- ensure that social work managers confirm that social workers have undertaken actions assigned to them within child protection plans and record this in case supervision.

---

## About this inspection

4. This inspection was unannounced.
5. This inspection considered key aspects of a child's journey through the child protection system, focusing on the experiences of the child or young person, and the effectiveness of the help and protection that they are offered. Inspectors have scrutinised case files, observed practice and discussed the help and protection given to these children and young people with social workers, managers and other professionals including members of the Local Safeguarding Children Board. Wherever possible, they have talked to children, young people and their families. In addition the inspectors have analysed performance data, reports and management information that the local authority holds to inform its work with children and young people.
6. This inspection focused on the effectiveness of multi-agency arrangements for identifying children who are suffering, or likely to suffer, harm from abuse or neglect; and for the provision of early help where it is needed. It also considered the effectiveness of the local authority and its partners in protecting these children if the risk remains or intensifies.
7. The inspection team consisted of three of Her Majesty's Inspectors (HMI), an Additional Inspector and an Inspector seconded from another local authority.
8. This inspection was carried out under section 136 of the Education and Inspections Act 2006.

## Service information

9. Approximately 311,200 people live in Brent, 77,500 of whom are children. There is an increasing population of younger children living in Brent. In the last eight years 4,545 extra school places have been created. Brent has one of the highest proportions of ethnic minority residents in London; they make up 92% of the Borough's school population. Approximately 60% of children and young people speak English as an additional language. Large and established communities of Indian, Black Caribbean and Irish people live in Brent. However, the proportion of children from these backgrounds is decreasing. The numbers of children from Somali and other Black African groups, Eastern European, Afghan, Iraqi and Hispanic backgrounds are increasing. Brent was ranked as the 35th most deprived local authority area in the 2010 Index of Multiple Deprivation, placing it amongst the top 15% most deprived areas. Over 33% of children in Brent currently live in a low-income household and 20% in a single-adult household.



10. There are high levels of child obesity, particularly affecting children living in Harlesden and Willesden and children of Black Caribbean and Black African backgrounds. Brent has more domestic violence offences per 1,000 head of child population than the London average. There has been a reduction in crime over the last four years with significant reductions in gun crime, knife crime, robberies and youth violence, although they remain at a higher rate (per capita) than Brent's statistical neighbours and the London average.
  
11. Referrals to children's social care are managed through the five locality social work teams and the children with disabilities team. These teams retain responsibility for all cases where children remain at home, apart from those occasions where the work is passed to either the looked after children service, the early intervention service or are closed. The locality service is supported by early help services, much of which are delivered through the Borough's 17 children's centres.

---

## Overall effectiveness

### Adequate

12. The overall effectiveness of the arrangements to protect children in the London Borough of Brent is judged to be adequate. Clear strategic vision and leadership are in place that have secured improvements to practice and service delivery since the last inspection of safeguarding and looked after children services in 2011. No systemic failures that have resulted in children failing to be protected were identified during this inspection. In a few cases identified by inspectors where it was not clear that action to safeguard children were robust, the council took prompt action to address concerns. Practice is adequately child centred and is based on risk management that ensures children are safe. Inspectors found examples where practice and management oversight was of a good quality. However, this was not consistent and in many cases inspectors found aspects of poor practice and poor management oversight and direction.
13. Thresholds for access to children's services and for child protection are clear and are understood by partner agencies. Council strategies to develop early help services are ambitious and early intervention services are being systematically developed and targeted. The common assessment framework (CAF), team around the child (TAC), and family group conference (FGC) processes are used increasingly effectively.
14. Significant numbers of children live in families where domestic violence is an issue, and staff have developed skills and knowledge to support them. However, the council recognises the need to develop a wider range of services to support children involved in domestic violence.
15. Where children become subject to a child protection plan agencies across the partnership work well together to protect children. Information between agencies is appropriately communicated. However information exchange and involvement by the police public protection department is not sufficiently timely leading to delay in assessing risks to children. Partner agencies actively contribute to child protection conferences and core groups. However not all conferences or core groups effectively develop and implement child protection plans to ensure that children are safe.
16. The views and experiences of children and their families are increasingly being sought and used to develop aspects of the service, although this remains at an early stage of development. Children and young people involved in child protection processes are seen regularly by their social worker. However, they are not consistently offered the support of an advocate.
17. Elected members actively engage with, and support, senior managers, and provide effective scrutiny and challenge. Members regularly meet with

managers and attend the Brent Safeguarding Children Board (BSCB). The Board is meeting its core statutory duties, although it has made slow progress in implementing the key objectives detailed in its business plan. The Board and the council recognise the need to reinvigorate its work, and have appointed a new independent chair, established an Executive Board and implemented a new business plan.

18. Performance management within the children's social care services is well established, with robust analysis of information that enables managers to have a clear understanding of the key issues. Audits are undertaken by managers at all levels and are used to improve individual practice and to identify areas for development. However, this inspection found aspects of poor practice and insufficient management oversight and direction in a significant number of cases sampled.

## **The effectiveness of the help and protection provided to children, young people, families and carers**

### **Adequate**

19. The effectiveness of help and protection provided to children, young people and their families and carers is adequate. A range of early intervention services are being restructured to enable them to provide more effective help to the most vulnerable children and families. This restructuring is at an early stage of implementation.
20. Early help panels, established in September 2012, provide effective multi-agency advice to support workers undertaking early intervention work. Cases are robustly risk assessed to ensure that families receive the most effective help. They are in the early stage of implementation and it is too early to measure their impact.
21. Duty workers in the locality team provide a considered and well-informed initial response to professionals and members of the public who have concerns about children. Cases are promptly allocated where levels of concern or need require social work support. In most cases seen robust assessment of risks to children was undertaken which resulted in appropriate action to protect those children and to minimise risks. However, in a small number of cases seen by inspectors, actions to ensure children were safeguarded had not been fully followed through. The council took prompt action on these cases during the inspection. Where the reduction of risks to children could not be achieved through planned work timely action has been taken to ensure the safety of children through the courts.
22. Where concerns escalate for children receiving support through the CAF or children in need services, children's social care services take prompt action to reassess risks. Inspectors saw examples of such cases being 'stepped up' appropriately to the child protection or court system following multi-

agency enquiries and also 'stepped down' where risks had diminished in the course of on-going work. In some cases, the step down from child protection planning was not sufficiently secure and as a result children became subject to a child protection plan for a second time.

23. Appropriate arrangements are in place to protect children with disabilities aged less than 14 years within the children with disabilities team. However, arrangements for the very few disabled young people of 14-18 who are subject to child protection plans and held within the transitions team are less secure. In the small number of cases tracked by inspectors, where disabled young people in this age group were subject of child protection plans the assessment and intervention was not robust. Partner agencies and families had not been fully engaged in assessments and plans, and minutes of core groups and reviews of the child protection plan did not clearly identify risks and protective factors. Objectives of the work were unclear and records did not show evidence of effective impact from intervention.
24. The council has recently implemented the signs of safety model, which enables staff to capture the perceptions of children and young people and to be more focused on the experiences of the child. Social workers effectively use this to encourage younger children to express their experience through play and drawings and to help older young people to use their own words to describe the problems that they face. The work is used well to enable parents to recognise the impact of their behaviour on their children. For example inspectors observed creative use of this model to improve professionals' and parents' understanding of the experience of younger children who have complex needs resulting from their disability. As a result, risk assessments and child protection planning for these children were well informed and in some cases had resulted in strengthened measures to assure their safety.
25. Prompt action has been taken by managers to tackle some areas that are under performing. For example, children in need planning was identified to be below expected standards, in part due to lack of capacity. As a result, children in need visits are now being monitored to the same standard as child protection visits, to ensure that they are timely and to prevent drift. A children in need team has been temporarily established to reduce caseloads in the locality teams and to undertake work with children in need to enable the case to be closed or stepped down to early intervention services. This approach has been effective in reducing work pressures within the locality teams.
26. Feedback from children, young people and families has been more recently developed. This was an area for development from the safeguarding and looked after children inspection 2011. However, whilst there has been more recent activity to gain feedback from users, this has not yet included qualitative feedback from families with children on child

protection plans, with the exception of a small sample survey of parents on cessation of child protection plans. A consultation in May 2012 with families with children in need receiving services through locality teams resulted in a high level response that was predominately positive about the service they received. Parents acknowledged the importance, for them, of receiving written copies of assessments and plans. However case records seen by inspectors do not consistently demonstrate that learning from this survey has been routinely applied in social work practice. Case records did not clearly show that key documents including minutes of decision making meetings were always explained and provided to families. A consultation with a smaller number of families being supported by a CAF confirmed a positive view of the support that they received.

27. Those parents who met with inspectors stated that with hindsight they understood why concerns had been raised for their children's safety and valued the services provided to them. In core groups, observed by inspectors, family members spoke confidently and were able to challenge professionals and to be challenged. One young person now living out of the area as part of her child protection plan reported that the early and continuing responses of her school nurse, social worker and child and adolescent mental health service (CAMHS) worker had 'helped her turn her life around.'
28. A significant proportion of children and families who receive support do not speak English as a first language. Interpreters are readily accessible where required and some examples were seen of key documents, including working agreements, being translated appropriately. Workers are well informed, through training and research, about the challenges and needs of families within the diverse community. In a small number of cases the diverse needs of children and their families were not sufficiently considered and this reduced the impact of the assessment and the understanding of the child's experience. There are not sufficient culturally sensitive resources in the area for parents involved in domestic violence. Some social workers have developed specific skills in engaging with fathers from diverse cultural backgrounds, which have been used well to effect positive change on entrenched family dynamics. This work is at an early stage and the council is aware that an improved focus on fathers and their role in protecting children is required. The council is aware that more services are required for children who have experienced domestic violence and is currently funding the development of a pilot programme to work directly with such children.
29. The CAF is used increasingly effectively within council services and across partner agencies to identify those children at risk of harm and to target early support in a timely way. Agencies appropriately prioritise the most vulnerable children and families to enable them to promptly access early assessment and support. TAC meetings are used appropriately to coordinate multi-agency work to identify needs and risks for children with

disabilities. Plans and minutes of meetings show a shared understanding and increasingly confident use of the 'signs of safety' toolkit to seek out the views of children. Children's centres are well developed and are linked to locality teams to focus early support to children and families at risk, often through multi-agency work. Seven of the 16 children centres in the areas have been subject to Ofsted inspections. Of these six were assessed as good and one was satisfactory for the extent to which children are safe and protected, their welfare concerns are identified and appropriate steps taken to address them. Case studies and discussions with professionals and parents demonstrate a wide range of practical interventions, support and care provided through the children's centres. This is the result of a significant restructure and refocus of the core work of centres as part of the council's strategy to reconfigure and target early intervention services. The extensive reconfiguration is at an early stage of implementation and it is too early to evidence the overall impact.

30. The FGC service is well established and was used effectively in cases seen by the inspectors to promote safe care for children within the wider family as part of child protection and children in need plans. Feedback from parents and children is undertaken after each conference and the service is highly regarded by families and social workers.
31. A range of parenting programmes support children and families at risk. Courses such as the freedom programme and one children's centre's own programme 'parent power' contribute effectively to increasing parents' capacity to develop positive relationships with their children and to build parent's self-esteem. The Freeman family centre, commissioned from third sector partners by the council, provides support to children and families, including those who are subject of child protection plans. Its staff and its work are highly regarded by partners and children and their families. Inspectors observed cases and meetings where the centre's support workers had developed high quality relationships with the family and a range of targeted help, advice and support which had enabled the parents to reduce risks to the children.
32. The violence against women and girls project provides a good focus on preventing violence by challenging attitudes and behaviours that foster this. However it is too early to assess the impact of this project. Young people aged 16 and 17 experiencing sexual violence and exploitation have access to a range of support services, although not all social work staff were aware of the availability of these resources. The council has yet to implement strategic and operational groups to monitor and oversee missing children and child sexual exploitation. A task and finish group has been developed to take forward this work which links sexual exploitation, gangs and missing children. However this group has made slow progress as a result of lack of engagement by key professionals.

## The quality of practice

### Adequate

33. The quality of practice is adequate. Thresholds for accessing children's services and for referring concerns about children are appropriately applied by partner agencies and professionals. Almost all referrals were prompt, contained sufficient information and were appropriately risk assessed by social care managers. Staff from partner agencies are able to access advice from advanced practitioners and from locality duty social workers. Locality managers and advanced practitioners attend regular threshold meetings to ensure that thresholds are consistently applied across the five locality teams. However, inspectors saw a few cases where the planning and purpose of intervention following referrals was not sufficiently clear.
34. All contacts and referrals are overseen by managers within each locality team and these are progressed in a timely fashion. However, in a number of cases sampled, particularly within one locality team, inspectors saw cases which had been closed prematurely, lacked clarity and had poor recording regarding the decisions and actions taken. As a result it was not always clear that children and young people were safeguarded appropriately. During the inspection the council reviewed these cases to ensure those children and young people were appropriately safeguarded. In some cases seen by inspectors, management decisions were made in the absence of significant information and as a result were not robust. This issue was similarly identified in audits undertaken by the council in March 2012.
35. In the majority of cases, telephone strategy discussions are routinely held between team managers and the police child abuse investigation team, although other agencies are rarely involved. As a result, relevant background information held by partner agencies is not available in some cases to inform decisions and actions. The record of strategy discussions, actions agreed, individual responsibilities and timescales are not always clearly recorded. In some cases strategy discussions should have been held as meetings and should have involved other relevant professionals. In a small number of cases, delays in undertaking strategy meetings resulted in undue delays in section 47 enquiries and safeguarding action being taken. The council acknowledged that there has been delay in arranging strategy meetings as a result of changes and structures within the police public protection department and has taken action to resolve this. A strategy meeting observed by inspectors was well chaired with the chair challenging members and identifying missed opportunities to protect the child.
36. The majority of section 47 enquires are timely and all are undertaken by suitably qualified social workers. In the majority of cases seen appropriate

decisions on risk were made. However, inspectors identified a small number of cases where actions had not been followed through and where inspectors were unable to confirm whether safeguarding issues had been sufficiently addressed. The council recognised this and took prompt action to ensure that those children were safe.

37. Information sharing between agencies is timely in the majority of cases where an assessment or section 47 enquiry is being undertaken. However, case files did not evidence that referring agencies are routinely informed of the outcome of referrals or section 47 enquiries. Whilst information sharing with the police child abuse investigation team is responsive and timely, this is not the case with the police public protection department (PPD). In a number of cases the PPD have not promptly shared information with the council and have not promptly engaged in strategy meetings and this has resulted in avoidable delay in undertaking child protection assessments or enquiries being commenced that are not fully informed with information known to partner agencies. The council and the police have acknowledged this and have taken steps to address the issue through meetings between senior managers and practitioners in the police and children's services.
38. The volume of police notifications of domestic abuse is high and incidents assessed to be of high risk by the police are promptly referred to children's services. The domestic violence risk assessment format used within the children's social care team enables specific focus on domestic abuse and associated risks. However, the effectiveness of the risk assessment is reduced as it is not accompanied by a formal risk management plan and this results in an inconsistent approach in the management of domestic violence incidents across locality teams.
39. In almost all cases seen case recording by social workers is timely and is sufficiently up to date. Chronologies were not often up to date and those seen varied extensively in quality and in content. In a few cases historical information within chronologies was used well to assess risks to children. The council recognised the need to improve how chronologies are used in an audit report in June 2012, but have not yet ensured that these are improved.
40. Most assessments seen contain appropriately detailed information. However, in too many cases insufficient analysis is provided on the significance of the information in order to securely inform the risk assessment and to understand the impact of the situation from the child's perspective. In some cases core assessments are not sufficiently up to date or have not been undertaken despite management direction. Assessments seen did appropriately identify services required to meet the needs of children and those of parents. All cases appropriately recorded diversity issues within families, although not all sufficiently focused on the



implications of ethnic and cultural diversity issues on risks to the child to inform case planning.

41. The council is aware that the quality of practice and management oversight within the one of the five locality teams has not been sufficiently robust and has taken appropriate action to tackle the issues. A significant proportion of cases from this team, and a few cases from other localities sampled by inspectors, had significant shortfalls including poor recording of decisions and actions being taken, insufficiently robust assessments and actions required by managers not being completed. As a result, it was not sufficiently clear that those children and young people had been appropriately safeguarded. During the inspection the council reviewed these cases and were able to satisfy inspectors that those children and young people are safe. The council has audited open cases within the locality team referred to above. However, the council has not systematically reviewed all cases where no further action or children in need planning was recommended, following assessments within this team, to ensure that decisions and intervention was appropriate and that children are safe.
42. In almost all cases children and young people are seen regularly by social workers and are seen alone, where appropriate, with due consideration of the children's presentation and the home environment. In almost all cases, children subject to child protection plans are seen regularly on both an announced and unannounced basis. Most social workers demonstrate skill and confidence in direct work with children and young people to enable their voice and views to be heard and taken into account in case planning.
43. Social workers use a variety of approaches to engage children, young people and their parents and carers. In particular, the council has invested in implementing the 'signs of safety' model and have trained staff who use it well and enthusiastically within their practice. Where children are of an appropriate age to express a view, these are recorded within most assessments. However, few children or young people attend child protection conferences. Whilst there are examples of children and young people's views being presented to conference, this is not consistent. Advocates are available to children involved in child protection processes, but this is dependent on the knowledge of individual social workers of the availability of local advocacy services. The council acknowledges this and is tendering to commission advocacy services.
44. Parents seen by inspectors report that they felt fully informed why an assessment was undertaken or why their child was subject to a child protection plan and that they were engaged in the assessment and plan. This confirmed feedback in surveys of parents undertaken by the council. However, case file recording does not consistently demonstrate that parents are informed of the outcome of assessments or that fathers are always engaged in the assessment. In a small number of cases seen,

there was a noticeable absence of a focus on the father and the impact of their behaviour on the children, in particular where domestic violence was an issue.

45. Social workers reported to inspectors that they receive regular supervision and feel well supported by their managers, who are visible and make themselves available for informal supervision or advice. This was confirmed in the majority of supervision and case files seen by inspectors. Staff report that they value the reflective supervision provided to them by advanced practitioners and this was clearly demonstrated in sessions observed by inspectors. Staff supervision records include a focus on individual performance, training and practice. However, case supervision is predominantly task orientated and does not clearly evidence challenge to improved outcomes for children. Case supervision records do not clearly demonstrate that managers rigorously scrutinise and challenge social workers to ensure that actions within child protection plans are progressed. In a small number of cases, this has led to delay in actions being completed that resulted in insufficient safeguarding arrangements. For example in one case a referral to the multi-agency risk assessment conference had not been actioned by the worker and had not been identified within supervision.
46. The council and the BSCB has introduced a structured process for child protection conferences. Senior managers have observed practice within child protection conferences and report that they are well chaired and are effective and that this is supported by feedback from partner agencies and parents. However observation of conferences and analysis of conference plans and records by inspectors does not support this. Three conferences observed in whole or part were not effectively chaired or managed and did not effectively engage parents. The conferences were too long as a result of which planning and decision making were rushed at the end as professionals and parents needed to leave. Partner agencies were well represented and their reports were provided. However those attending had not always seen each other's reports and the contents were not systematically or fully reported to the conference to inform decisions and plans. Parents are asked to complete a questionnaire about the conference, and those observed entered all positive responses, even though they had little opportunity to fully understand the areas that they were being asked to comment on, within a pressured environment.
47. The quality of both children in need and child protection plans is too variable. Outcomes are frequently too general and some of the plans seen were unnecessarily long, making it difficult for parents and professionals to focus on what key aspects need to change to reduce risks. Half of the child protection plans sampled by inspectors include a statement of risk with clear acknowledgement of concerns. However, contingency plans are not routinely included within child protection plans. Where contingency plans were evident, these were generalised rather than being case

specific. The number of children who are subject to a child protection plan for a second or subsequent time has increased in the past year.

48. Core groups are held regularly, and are well attended by partner agencies and by parents in most cases. However, it is not clear from core group review forms that core groups rigorously monitor and review the child protection plans to improve outcomes for children. In a small number of children in need cases, including some which have been stepped down from child protection, there was no evidence of a children in need plan being in place or being actively worked on during the period prior to the case being closed.
49. Out of hours services in Brent are commissioned to provide emergency safeguarding or looked after children intervention. Cases seen by inspectors' evidenced prompt communication of involvement in sufficient detail and this is facilitated by the out of hours service being able to access and input to the children's service electronic case systems. A review of the service by the council in July 2012 recommended an increase in social work and management resource to tackle pressures during weekends. This has yet to be implemented.

## **Leadership and governance**

### **Adequate**

50. Leadership and governance are adequate. The council has developed and updated a comprehensive joint strategic needs assessment that has been subject to wide ranging consultation across the partnership. Whilst the local profiling makes appropriate reference to domestic violence and includes reference to teenage relationships, there is a noticeable absence of reference to child protection issues.
51. Strategic planning through the Brent Plan for Children and Families, the Health and Wellbeing Board, the Safeguarding Children Board and the Child Poverty Strategy is joined up and ensures that the safety and health of children is the top priority. The aim to reduce children subject to a child protection plan is being achieved with a significant reduction from 260 children in April to June 2011 to 152 children in April to June 2012. However, there has been a recent increase in children subject to plans for a second or subsequent time and this is being closely monitored by the council. The draft Health and Wellbeing Strategy appropriately included the areas for development identified within the Safeguarding and Looked after Children inspection 2011. However, for better identification, assessment and robust safeguarding procedures, the strategy does not yet include timely or robust impact indicators and this makes it difficult to see how the impact of these activities will be effectively monitored.
52. The council demonstrates commitment to sustaining child protection services through protected budgets and spend to save initiatives which are

designed to release savings that can be reinvested within children's services. The impact of these is yet to be assessed. Clear accountabilities and responsibilities exist between senior officers, the Lead Member and the chair of the BSCB. The Lead Member and Director of Children's Services both sit on the BSCB Board. The BSCB has demonstrated its ability to provide strong challenge to the Brent Children's Partnership to ensure that funding for the multi-agency risk assessment conference (MARAC) was sustained.

53. The BSCB meets its core statutory duties. The council recognised the need to improve the effectiveness of the BSCB following the Safeguarding and Looked After Children inspection 2011. This has resulted in a newly appointed chair for the Board; a review of the Board's business and focus; revised sub groups with a strengthened rationale and terms of reference; and streamlined oversight from a new Executive Board. The business plan for 2010-11 was too long and overambitious and as a result too many areas in the plan were not sufficiently progressed or sustained. The recently revised BSCB business plan clearly demonstrates high aspirations and ambitions, through five appropriate priorities. However, the plan is still long with a large number of actions. It is too early to measure the impact of the new BSCB arrangements.
54. Managers have access to a range of performance information which is used effectively to enable them to understand the strengths and areas that require development across the service. An audit protocol has been developed across social care and teams. Case audit activity is evident on case files which includes both quantitative and qualitative auditing. Audits undertaken have resulted in appropriate management action to improve practice in individual cases and wider themes are reported to and analysed by senior managers. However, cases reviewed by inspectors continue to show too much variability in practice and in the impact and focus of management oversight.
55. The quarterly performance report to the senior management team is comprehensive and covers a wide range of audit activity. Of particular note is the significant reduction in the numbers of children on a child protection plan, which the council attributes in part to the impact of the signs of safety approach. However, recent performance has seen an increase in child protection plans for a second or subsequent time the council recognises this and has commissioned an internal report to understand the causes of this, which exceeds the locally set performance target of 9%.
56. The council and partners demonstrate a well-informed knowledge of their area through their strategies and plans. Progress to address the areas for development identified within the Safeguarding and Looked after Children inspection is appropriately scrutinised within a range of meetings across the partnership. Many areas for development have been completed or are

on target for completion. However, other areas persist, for example, the high proportion of strategy discussions being held solely between children's social care and the police and the quality of child protection plans.

57. The borough has high levels of domestic violence and this is evident in the high number within children's social care cases. The council has clearly acknowledged the challenge to address domestic violence and recently agreed funding for three independent domestic adviser posts specifically to work with children, adults and within the Working with Families initiative. These posts are not yet established. The council acknowledges that more needs to be done to support children who have witnessed domestic violence in the home and are providing specific additional funding for a local children's centre to pilot a 10 week project to meet that need. The council is joining three other local authorities in an extended research project on domestic and sexual violence of young women to inform future service provision and support.
58. Staff speak positively about the support, supervision and professional development opportunities available to them. They are well supported through regular individual supervision. Where individual performance is below expected standards, this is clearly challenged by managers and positive action is taken. The advanced practitioner role within the children's social care teams is highly valued by social workers and focuses on practice improvement and reflective practice. However, the variability of social work practice indicates that more is required to improve the quality and consistency of practice. Experienced and newly qualified social workers, family support workers and children's centre staff report having access to a good range of training opportunities relevant to their roles and to council priorities. Staff are held to account appropriately through appraisals that include review of personal targets.
59. Learning from serious case reviews and the more recent domestic homicide reviews is effectively disseminated to staff, who are able to demonstrate how this impacts upon their practice.
60. The council's workforce development strategy is clearly set out with a combination of practical and aspirational objectives. The strategy does not have an associated action plan on which to robustly monitor progress and identify barriers to progress. However, recruitment and retention initiatives have been successful in sustaining a high level of permanent staff. Staff have enhanced opportunities for career development due to the team structures consisting of a deputy, advanced practitioner and team manager. Children and families benefit from more consistency and continuity of social worker support as a result of stability in the workforce.

## Record of main findings

Local authority arrangements for the protection of children	
Overall effectiveness	Adequate
The effectiveness of the help and protection provided to children, young people, families and carers	Adequate
The quality of practice	Adequate
Leadership and governance	Adequate

**Appendix:**

**Outcome of safeguarding inspection report Action Plan**

## **Brent Children and Families Department**

### **Action Plan in response to the Ofsted Inspection of local authority arrangements for the protection of children, October 2012**

This action plan has been produced in response to the recommendations made as a result of the inspection of Brent's arrangements for the protection of children which took place 22-31 October 2012. As the plan follows the format of the Ofsted inspections, the recommendations and actions required cover all aspects of the work, from management and leadership to front-line practice.

This action plan will be implemented alongside individual service improvement plans already in place, representing the ambition of the council and its partners to make a positive difference for children in need of safeguarding or who are in the care of Brent Council. Specifically those plans are:

- The Locality and disabled children's team service plan,
- The Safeguarding service plan
- The Learning and Development Training Plan and
- The Signs of Safety Implementation plan.

#### **Monitoring, Accountability and Scrutiny arrangements:**

The monitoring arrangements for the plan are as follows:

- The Children's Social Care Management Team on a monthly basis.
- Children and Families Departmental Management team on a monthly basis.
- Corporate Management Team and Local Safeguarding Children Board a bi-monthly basis.
- Brent Children's Partnership on a quarterly basis.
- Multi- agency child protection meeting on a quarterly basis.
- Children and Families Scrutiny Committee and Corporate Parenting group.
- The Lead Member for Children and Families will have a key role in the monitoring of progress.



## Evidence of impact

The Action Plan will be updated on a monthly basis and provide evidence of progress against identified actions and compliance within timescales. This will form the basis of the regular monitoring. **A quarterly data set and report (Improving Services and Outcomes)** will be prepared by the Assistant Director, Children's Social Care, which will summarise progress and evidence how the identified actions are improving services and the difference they are making to children and their families in Brent. This will be submitted to the groups identified above and form the basis of the quarterly programme of review.

A robust programme of audit will be put into place to ensure compliance, which will include managers at all levels within the organisation including the Director of Children's Service and the Director of Legal and Procurement.

Any concerns arising from the monitoring programmes will be conveyed directly to the Director of Children and Families.

## RECOMMENDATIONS IN SAFEGUARDING FOR IMMEDIATE ACTION

1.	<b>IMMEDIATE Ofsted Recommendation</b>	Review all referrals in one of the locality teams identified by the inspectors in the past six months that have resulted in no further action or a children in need plan to ensure that children are safe and that any actions or plans have been implemented.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
All vulnerable children and young people managed in the locality Social work teams in Kent are kept safe with effective plans to support them and their families.	1. Managers with support from the Principal Officer Quality Assurance will audit all relevant cases .Immediate corrective action will be taken where concerns are identified.	Head of Localities	31.12.12 Assistant Director, Children and Families	1. <i>All cases have been reviewed, and in all of those, children were judged to be safe. In one case there was a query about the original decision and remedial action has now been taken. .</i>	

2.	<b>IMMEDIATE Ofsted Recommendation</b>	The Brent Safeguarding Children's Board should ensure that the police public protection department promptly exchanges appropriate information with partner agencies and promptly participates in child protection strategy discussions or meetings.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
All children and young people in Brent are effectively safeguarded by prompt joint investigations and decision making where child protection concerns are referred.	1. Joint protocol to be agreed between the Police and Children's Social Care to ensure that there is a clear pathway to progress Section 47 enquiries with clear lines of responsibility for CAIT and PPD and other police departments.	Head of Safeguarding	Director of Children and Families 7.12.12	1. <i>An interim protocol has been developed and agreed between police and social care. This will be finalised at a meeting between parties on 14.1.13.</i>	
	2. Brent social care to conduct audit to ensure that the Police are responding in a prompt and timely manner, to all requests to share information and attend Section 47 Strategy meetings where appropriate	Head of Localities	1.4.13	2. <i>The new arrangements will be monitored closely by Head of Service and an audit (LSCB) will take place in March 2013 to evaluate overall effectiveness.</i>	
	3. To develop a joint protocol with the police for the operation of the MASH with a start date of 1 <sup>st</sup> July 2013.	Head of Localities	31.04.13	3. <i>A joint protocol for the agencies will be agreed in advance of the MASH start date. It has been built into the MASH development plan.</i>	

3.	<b>IMMEDIATE Ofsted Recommendation</b>	Ensure that child protection plans in relation to children with disabilities aged over 14 years are robust and are fully implemented.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
That all disabled children aged 14 and over with child protection plans are properly safeguarded with robust plans that protect them.	1. All CP Plans for children with disabilities in the Transition team to be reviewed to ensure that plans are robust and that agreed actions have been progressed.	Head of Support Planning & Review	Director Adult Social Care 31.12.12	1. <i>100% of cases have been reviewed by the Head of Transitions service and appropriate actions taken in each case to ensure children are safe and plans are progressing.</i>	
	2. Practitioners and managers within Transition team to be given training with regard to Signs of Safety risk assessment and child protection planning	Head of Support Planning & Review	February/March 2013	2. <i>The Transitions team have been included within the roll out of Signs of Safety programme and all will have received training by March 2013. .</i>	
	3. Further Audit of CP Plans within Transitions Team within 3-6 months to test that improvements have been made and that CP Plans are more robust	Head of Support Planning & Review	31.03.13	3. <i>A further audit to check on-going compliance will be conducted by the Head of Safeguarding. .</i>	
	4. LSCB to examine the low number of CWD cases subject to a child protection plan		June 2013	4. <i>Built into LSCB Audit programme for 2013/14</i>	

4.	<b>IMMEDIATE Ofsted Recommendation</b>	Ensure that strategy discussions are clearly recorded and contain actions agreed, individual responsibilities and timescales.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
That Children and Young People are better safeguarded through Child Protection investigations	1. Managers to undertake immediate development work with teams regarding the recording and prompt distribution of Strategy Meetings, Discussions and Actions	Head of Localities	Assistant Director, Children and Families 31.12.12	1 The Head of Service has issued advice to managers and social work staff about the expected standard of recording for strategy discussions. Further development work with teams to deliver improved practice on strategy discussions was delivered in January 2013.	
	2. Named safeguarding leads for health to be identified as contacts for Section 47 enquiries and strategy meetings and discussions	Head of Localities	31.12.12	2 Named leads in health for strategy discussions have been identified and shared with social care teams	
	3. An audit of Strategy Meeting and Discussion records to be undertaken in 3 months to evaluate the extent of multi agency involvement, the clarity of the recording, the prompt distribution of minutes and the use of the escalation policy in the event of disagreement	Head of Safeguarding	31.04. 13	3 Built into LSCB audit programme for March 2013.	

5.	IMMEDIATE Ofsted Recommendation	Ensure that the outcome of referrals is routinely notified to referring agencies.			
Required Outcome	Actions	Lead	By when/ Accountable to	Evidence of progress	
That all agencies are clear with regard to the outcome of referrals into social care and that appropriate safeguarding action has been taken.	1. Social workers and Team Managers to provide feedback to referring agencies in 100% of cases in line with Working Together (i.e. in writing and within 24 hours) and evidence this on FWi	Head of Localities	Assistant Director, Children and Families 31.12.13	1. The Head of Service has met with all front line managers and reinforced the requirement to feedback to referrers in line with procedures. This expectation has been cascaded to front line staff through team meetings.	
	2. Current process to give feedback on outcomes will be reviewed for improvements.	Head of Localities	March 2013	2. Process being reviewed by Head of Service. Improvements have already been identified and implemented.	
	3. Audit of feedback to referrers in 2 months to check progress.	Head of Localities	March 2013	3. An initial audit has been conducted and indicates that outcomes are being fed back to referrers. A full audit to take place by end of February 2013 to identify levels of feedback	

6.	<b>IMMEDIATE Ofsted Recommendation</b>	Ensure that assessments contain sufficient analysis of information to inform risk and to understand the impact of the situation from the child's perspective, and that the outcome of assessments, plans and key documents are explained and given to parents.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
Children are safeguarded by high quality assessments which contain good analysis of risk	1. Training to all managers and practitioners in Children's Social Care on the Signs of Safety (SOS) approach, to assist analysis skills of risk has continued and is being refreshed and delivered to all staff.	Head of Safeguarding	Assistant Director, Children and Families Dec 2012 – March 2013	1. 70 front line staff already trained. Further training sessions booked February to July 2013 for all (80) remaining staff	
	2. Practitioners will use SOS tools to work directly with children to obtain their wishes and feelings to incorporate these into assessments.	Head of Localities and Head of Care Planning	Nov 2012 and continuing	2. Tools for working with young people have been distributed to teams and are being utilised.	
	3. New supervision tool and process introduced which includes reflective supervision of cases and this is a key role of the Advanced Practitioner in social work teams	Head of Localities	December 2012	3. Completed. Further training session took place in January 2013 with managers to improve risk assessment skills.	
	4. Direct observation of supervision by senior manager to ensure that improved analysis is built into assessments	Head of Safeguarding	December 2012	4. Senior Managers are observing two supervision session per year to ensure that good analysis and robust risk assessment are keeping children safe.	
	5. Training to be provided to Case Conference Chairs to improve their use of the Signs of Safety approach in the Conference setting. Accommodation needs to be addressed to allow all participants clear sight of the recording board.	Head of safeguarding & Quality Assurance Principal Officer	Delivered 14.12.12	5. Training provided to conference chairs in Dec 12. Accommodation will be addressed in the new conference facilities following the move to the new Civic Centre.	

	6. Audit to take place to check quality of assessments, in particular analysis of risk across safeguarding and locality work	Head of Safeguarding	May 2013	6. Planned into QA programme and to be reported in quarterly "Improving Service and Outcomes" document.
Parents are fully engaged in the work of the department and understand professional assessments and concerns.	7. Child protection case conference chairs to check and record that parents have received social work (and other) reports prior to Conference (within timescales) and that these have been discussed by the social worker with the parents or carers.	Head of Safeguarding	31.01.13	7. The Chairs Checklist has been revised to take account of this. Child protection chairs now raise Safeguarding alerts with the relevant manager when CP reports have not been shared with parents/carers in advance of Conferences.
	8. Feedback from parents and carers is obtained both during and following Case Conferences, to assess whether they feel fully informed about the process and understand how to complain.	Head of Safeguarding	28.2.13	8. Information routinely collected by Safeguarding team indicates that parents do feel included in the CP conference and the risk assessment process but a full report on this data will be provided to the Social Care Management Team by end of January 2013 and will inform the next Improving Services and Outcomes report.
	9. Themed multi agency audit by LCSB to examine parents/carers engagement with assessment processes and to ensure that reports from all agencies are shared with them in a timely manner.	Head of Safeguarding	31.4.13	9. Is built into LCSB audit programme by the audit and outcomes sub-group.



7	<b>IMMEDIATE Ofsted Recommendation</b>	Ensure that all decisions to remove children from child protection plans are robustly risk assessed.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
To ensure that all children are properly safeguarded when formal CP Plans are ending and that a robust step down process to Child in Need or transfer out is implemented and evidenced	1. Audit work to be carried out to check recent larger sample of de-registered cases to ensure that step down to Child In Need was safe and appropriate decision.	Head of Safeguarding	Assistant Director, Children and Families Nov 2012	1. <i>Independent Review conducted of de-registrations of CP Plans in October 2012, did not reveal concerns. A further audit was undertaken in October 12 of a separate sample and highlighted no concerns</i>  <i>Principal Officer, Quality Assurance, has reviewed all cases where children were removed from CP plans within the last 12 months . Report on this to social care management team in January 2013 and reported in quarterly Improving Services and Outcome report.</i>	
	2. All cases where there is a recommendation to de-register the child at the First Review Conference to be reviewed in advance by the Head of Service	Head of Localities	01.12.12	2. <i>This agreement is now in place.</i>	

## RECOMMENDATIONS IN SAFEGUARDING FOR ACTION WITHIN THREE MONTHS

1.	Within 3 months Ofsted Recommendation	Ensure that child protection conferences are consistently well managed and chaired.			
Required Outcome	Actions	Lead	By when/ Accountable to	Evidence of progress	
To ensure that each child and family subject to the CP Conference process receives a fair, transparent and consistently high quality service from the Conference team.	1. Direct observations of Child Protection Case Conferences by new HOS with audit feedback of each conference chair..	Head of Safeguarding	Assistant Director, Children and Families Nov/December 2012 and continuing monthly.	1. <i>A programme of direct observation is in place and is an on-going component of the QA process.</i>	
	2. Review of service user and professional feedback of Conferences to identify areas for improvement and create improvement plan.	Head of Safeguarding	31.01.13	2. <i>Planned for end Jan 2013.Report provided to Departmental Management Team in February 2013</i>	
	3. Arrange training for Case Conference Chairs (consistent with Signs of Safety approach) to enhance chairing and assessment skills.	Head of Safeguarding	01.12.12	3. <i>Training delivered to case conference chairs on 14.12.12. Learning will feed into Signs of Safety Action Plan and training for managers and practitioners to improve child protection process across the service.</i>	
	4. Audit of de-registrations of CP Plans ( as in item 7.2 above) to feed into learning and improvement of service delivery	Head of Safeguarding	31.01.13	4. <i>Work reviewing de-registered plans has been completed.</i>	

	5. Joint work with Locality Service to train managers and practitioners in Sign of Safety assessment skills and analysis of risk in child protection work.	Head of Safeguarding	Training being delivered Dec 2012 – March 2013	5. <i>An Action Plan for Signs of Safety Implementation is being revised for sign off in early January 2013</i>
	6. Observations and audit of child protection conferences to be repeated following training and improvement programme	Head of Safeguarding	31.03.13	6. <i>Built into the LSCB audit programme (2013/14)</i>
	7. A report to be provided to the LSCB on the quality of child protection conferences following the above actions.	Head of Safeguarding	31.6.12	7. <i>A report provided to LSCB to update on progress and identify further required improvements.</i>

2.	Within 3 months Ofsted Recommendation	Ensure that children in need and child protection plans are of a consistently high quality, that they contain specific targeted outcomes and contain a case specific statement of risk and contingency plans.			
Required Outcome	Actions	Lead	By when/ Accountable to	Evidence of progress	
That all children who have Child Protection or Child in Need plans are properly safeguarded with robust plans that are SMART, outcome focussed with a contingency plan.	1. Training to be delivered to all staff regarding the Signs of Safety approach to risk assessment to improve the quality and consistency of plan	Head of Safeguarding	Assistant Director, Children and Families Dec 2012 – March 2013	1. Two day training and one day refresher have been delivered to staff. All staff will have completed some SOS training by end of March 2013.	
	2. Audit of a sample of CP and CIN Plans across each locality team to be commissioned to assess for SMART plans, clear statement of risk and contingency plans.	Head of Safeguarding	28.02.13	2. Built into departmental themed audit programme for 2013/14.	
	3. A further multi agency audit will check for outcomes focus and effective partnership safeguarding work as part of the LSCB Quality Assurance Framework. A further development programme will develop from this audit.	Head of Safeguarding /LSCB QA group	31.03.13	3. Built into LSCB audit and outcomes sub group programme for 2013/14	
	4. All CP plans are reviewed through supervision with team managers every 2 months.		28.2.13	4. New Supervision Policy was implemented December 2012 which requires all team Managers to review all CP plans in supervision every 2 months and this is recorded on the supervision template on FWi.	
	5. Children In Need processes to be reviewed and improved in order to develop SMARTER and more robust processes.	Head of Safeguarding /LSCB QA group	Sept 2013	5. New CIN process have been introduced and embedded in practice. Advanced Practitioners audit 40 cases per month. Advanced Practitioners undertake 1:1 meetings with every social worker to discuss and advise upon CIN Plans to ensure they are robust with specific outcomes.	

3.	<b>Within 3 months Ofsted Recommendation</b>	<b>Ensure that all core groups rigorously monitor, review and develop the child protection plan and that the meetings are recorded.</b>			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
That Core Groups function effectively as part of multi agency work to safeguard children and young people.	1. Review of current process of Core Group recording and process for reviewing CP Plans	Head of Localities	Assistant Director, Children and Families 01.03.13	1. Head of Service has reinforced expectations around expected standards of practice in relation to the management of the core groups. . Principal Officers are leading the implementation of improvements through team meetings.	
	2. A review of the core group template will take place to ascertain whether it is fit for purpose.		31.1.13	2. The template has been reviewed and is fit for purpose.	
	3. Multi agency themed audit of CP Plans in recommendation 2 above will also address effectiveness of Core Groups and attendance by multi- agency partners.	Q & A PO	31,3,13	3. To incorporate into audit as per recommendation 2.	

4.	<b>Within 3 months Ofsted Recommendation</b>	<b>Ensure that risk management plans are developed as part of domestic violence risk assessments.</b>			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
To ensure that all children and young people living in situations where Domestic Violence is a risk are properly safeguarded through a robust risk assessment process and safety plan.	1. Review of current DV risk assessments undertaken including the template utilised.	Head of Localities	Assistant Director, Children and Families 31.03.12	1. Head of Service has reinforced expectations with locality safeguarding teams that a risk management plan is in place in all cases where it is deemed necessary. New IDVA posts have been recruited and are reviewing risk assessment processes currently used. .	
	2. New IDVA posts in children social care to develop good practice models for DV assessment for social care staff. IDVA's to hold surgeries in social work teams to improve quality of risk assessments.	Head of Localities	28.2.13	2. IDVAs are working on good practice model for DV assessment to share with all social care staff. IDVAs will hold regular surgeries for social workers to discuss DV cases 1:1 for advice	
	3. Joint work with police to ensure that risk assessments thresholds are shared and benchmarked for consistency	Head of Safeguarding	9.2.13	3. Discussions with Police to progress issue via regular forum with social care managers	
	4. To develop a clear protocol and process for DV risk assessment and risk management plans in readiness for MASH implementation date.	Head of Localities	30.4.13	4. Head of localities to action through the MASH implementation group	
	5. LSCB is to commission a multi-agency audit of cases to identify progress in improving outcomes for children. .	Head of Safeguarding	30.6.13	5. This is built into the LSCB audit programme	

5.	<b>Within 3 months Ofsted Recommendation</b>	Ensure that social work managers confirm that social workers have undertaken actions assigned to them within child protection plans and record this in case supervision.			
<b>Required Outcome</b>	<b>Actions</b>	<b>Lead</b>	<b>By when/ Accountable to</b>	<b>Evidence of progress</b>	
That managers are effectively checking the work of social workers, particularly in relation to the progress of CP Plans through regular supervision and recording this routinely.	1. New Supervision policy with improved processes to be introduced to the social work service to ensure that CP plans are monitored and recorded through the supervision process.	Head of Localities	Assistant Director, Children and Families 28.2.13	1. New Supervision process implemented December 2012 all staff are now required to adhere to this.	
	2. Briefings to all staff to confirm any changes in procedures or process required to ensure clear understanding, through team meetings.	Head of Localities	28.2.12	2. The new Supervision Policy has been discussed in Social care Managers meetings and will be cascaded to all team meetings by end of January 2013	
	3. Auditing of supervision records to check compliance with any new requirements	Head of Localities	30.6.13	3. Built into themed audit programme	

This page is intentionally left blank





**Executive**  
13 February 2013

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

Wards Affected:  
ALL

**Authority for exemption to allow the award of contracts to  
Brent schools for specific education services**

**1.0 Summary**

- 1.1 This report details special educational needs and learning support services delivered to the Council by four academies and makes recommendations on the contractual arrangements to be put in place to formalise these arrangements.

**2.0 Recommendations**

- 2.1 That an exemption be approved from the usual tendering requirements of Contract Standing Orders, to allow the award of an interim framework agreement to the academy Alperton Community School on a negotiated basis up to 31<sup>st</sup> August 2013 (with provision for a two-year extension).
- 2.2 That the council enter into an agreement with Alperton Community School to protect the interests of both parties following the financial contribution made to the cost of constructing a building for use by the service at Alperton Community School.
- 2.3 That an exemption be approved from the usual tendering requirements of Contract Standing Orders:
- 2.3.1 That an interim block purchase contract be awarded for 10 places for children with a significant hearing impairment to the academy Kingsbury High School on a negotiated basis up to 31<sup>st</sup> August 2013 (with provision for a two-year extension).
- 2.3.2 That an interim block purchase contract be awarded for 35 places at the City Learning Centre, to the academy Queens Park Community School on a negotiated basis up to 31<sup>st</sup> August 2014

(with provision for an annual review/ break clause at 31<sup>st</sup> August 2013).

2.3.3 That an interim block purchase contract be awarded for 35 places for Brent children to the academy Claremont High School on a negotiated basis up to 31<sup>st</sup> August 2014 (with provision for an annual review/ break clause at 31<sup>st</sup> August 2013).

2.4 That delegated authority be given to the Director of Children and Families to conclude negotiations with these four Academies and award the proposed contracts/ agreements.

### **3.0 Detail**

3.1 The Academies Act 2010 and its predecessor legislation allowed publicly funded schools in England to become academies, still publicly funded but with an increased degree of autonomy.

3.2 Academy status means that the school is funded directly by government. Where the school provides specialised services to meet special educational needs, funding still comes from the local authority.

3.3 This report concerns four schools which have become academies at which Brent Council continues to fund specific services as ARPs (Additionally Resourced Provision). Academy status for a school makes the school an independent contractual entity thereby making the existing funding arrangements for pupil services inappropriate. There is a need to regularise the situation by seeking authority for an exemption to the competitive requirements of the Council's Standing Orders, that allow the Council to agree with individual schools formal contract arrangements. The schools and services delivered by those schools to pupils within Brent are outlined in Table 1. below.

**Table 1.**

<b>No.</b>	<b>School</b>	<b>Service</b>	<b>Funding</b>
1.	Alperton Community School	Specialist service using a new building (newly constructed and finished in November 2012) providing education for children with moderate learning difficulties.	£377,040 pa at 20 filled places, currently 8 places (£18,852 per place per annum)
2.	Kingsbury High School	Specialist enhanced education support for Brent young people who have a significant hearing impairment and delayed communication skills	£74,796 pa.
3.	Claremont High School	The Greenway Project – Transitional education for newly arrived young people with English as an additional language, (EAL)	£167,000 pa.
4.	Queens Park Community School	City Learning Centre annexed to the school. Delivers specialist ICT support for language acquisition for Key Stage 3 and 4 children new to borough of Brent	£167,722 pa for 35 places (£4,792 per place)

- 3.4 Government funding reforms affect the funding of education to children with Special Educational Needs, (SEN) including funding of (ARPs). From 1 September 2013 for academies, those with ARPs will receive base funding, which has been set at £10,000 per pupil per annum, The local authority will then pay any additional sum or ‘top-up’ when agreeing the placement of a child at the unit with the academy.
- 3.5 The council needs to secure the places in the ARPs and safeguard the Council’s financial interests. Officers therefore need to assess the implications of academy funding in the longer term and develop further the strategy around ARPs. In the short-term however, the council needs to ensure that the informal existing arrangements with academies are formalised contractually within the current funding envelope.
- 3.6 In addition property issues arise for Alperton Community School where the council has funded 80% of the capital costs of the building of a centre to be used for the education of children with moderate learning difficulties (MLD). As the centre has been built by the Council on academy land, legal ownership of the property vests in the academy, however the Council has an interest in ensuring in the long-term that the academy retains and uses the building for its original purpose. This is addressed in more detail in paragraph 4.2 and section 10 of this report.

## 4.0 Issues

4.1 This section addresses the arrangements required to convert current arrangements into formalised contractual arrangements.

### 4.2 Alperton Community School

#### 4.2.1 The ARP at Alperton Community School.

The new centre has 20 places, of which 8 are currently filled, to be followed by a further 12 year 10 pupils from Woodfield Special School from September 2013. The council's current projections, indicate that in the short and medium term all the places will be filled by children living in Brent.

Following completion of the centre, it is important that the Council secures its return on its investment on the funding it provided for the project. Ideally, the return is some form of guarantee for the longer-term of service provision to Brent children.

4.2.2 Alperton has also secured a place on the government's Priority Schools Building Programme. If this leads to a full rebuild of the school then the Council will again be keen to secure the future of the new building and the service it provides.

4.2.3 In addition, now that the new ARP is complete and the academy assumes ownership of the building, it makes good sense to transfer to the school ongoing responsibility for enforcing against the building contract in the event of any latent defects to the ARP. It is therefore proposed to novate the building contract to the academy.

4.2.4 Replacing an existing service level agreement with a contracted service when the service is 'Part B' as defined by EU directives is technically in breach of the competitive requirements of Council Standing Orders. This report is therefore seeking an exemption from the tendering requirements of Contract Standing Orders to enable the council to agree a contract with the school without needing to go to market in order to ensure continuity of service for those children using the unit. In view of the uncertainty over the future funding arrangements it is proposed to enter into two agreements with Alperton academy (these proposals have been discussed with the school but are nevertheless subject to agreement with the academy;

- A novation and licence agreement, whereby the building contract for the new ARP is novated to the academy trust at the end of the works contract defects liability period; also confirming beneficial ownership (as opposed to legal ownership) of the building by the Council and accordingly a licence for the Council to place it there and remove it if no longer required. Subject to legal opinion, this agreement will also

include a commitment from the School to give first refusal on new places at the ARP to the Council. This will require the school to amend its admission criteria.

- An interim service framework agreement to 31<sup>st</sup> August 2013 setting out the basis on which the academy will deliver the ARP services for Brent with provision for a two-year extension.

#### 4.3 Kingsbury High School

At this school the ARP provides for young people who have a significant hearing impairment and delayed communication skills, is currently delivered from existing school buildings, therefore none of the property implications relating to Alperton Community School apply. However, the need for the Council to secure service provision within the existing funding envelope and the procurement challenges remain. Once again it should be noted that the academy supports the Council's aspirations to continue this service for Brent pupils.

4.3.1 The Council currently funds 10 places at the school and any change in need would be varied by the Council in accordance with the funding arrangements for ARPs agreed with the Schools Forum.

4.3.2 This report is seeking an exemption from the tendering requirements of Contract Standing Orders in relation to a block contract for 10 places, though with provision for extension of 2 years in the event that the funding changes have little impact on how the service is delivered.

#### 4.4 Queen's Park Community School (QPCS)

The City Learning Centre (CLC) at QPCS operates in two ways. One of these does not concern the Council, as it involves other schools booking facilities at the Centre directly with QPCS. The second service sees the Council purchasing places mainly for Key Stage 4 at the City Learning Centre (CLC) for children new to Brent who have English as an additional language (EAL). Although there are up to 35 places available at the CLC, Brent children move through the unit and into settled mainstream schooling quickly meaning that their places often operate on a roll-on, roll-off basis with up to 100 children moving through the unit over a year.

4.5 The council aims to reduce use of this provision and cease placements over the next two years.

4.6 Officers acknowledge the same commissioning and procurement issues apply and recommend that a relatively simple contractual arrangement be agreed with the school covering required provision for the next 2 years subject to review at the end of the first year to

determine either the end of the arrangement or extension as determined by commissioning needs. This will be for 35 places.

4.7 Claremont High School Academy

The Greenway project delivered from the above academy meets the needs for certain secondary age pupils who will arrive in the borough late in their school careers. The unit focusses upon preparing pupils for mainstream provision where they have English as an additional language, (EAL). The Council currently commissions 35 places at the project and demand is expected to continue for the service.

- 4.8 The same commissioning and procurement issues apply and it is recommended that a relatively straightforward contractual arrangement be agreed with the school covering required provision for 35 places for the next 2 years subject to review at the end of the first year to determine on-going requirements.

**5.0 Supporting Arguments for non-competitive approach**

- 5.1 There are strong supporting arguments in favour of a non-competitive approach on this occasion for the four academies in question. None of these services have been tested by the market, however officers have compared funding arrangements with equivalent units in other authorities. The changes in funding for two of the Academies mean that it is best to adopt an interim approach for these two services until 31<sup>st</sup> August 2013 so that the details of how the funding changes interact with the law on SEN admission arrangements can be verified.

- 5.2 Competitive processes could not be completed for all four schools before 1<sup>st</sup> September 2013, bearing in mind that TUPE would be likely to apply to current academy staff delivering the services. Furthermore the education of the young people currently attending the SEN provision would be disrupted if there were any changes provision.

- 5.3 The services are part B under the Public Contract Regulations 2006 (the "EU Regulations"). However, although the principles of transparency, non-discrimination and equality apply there is a low risk of challenge arising from a non-competitive process, particularly in the context of the reasons outlined at 5.2.

- 5.4 Officers are aware that although there is an exemption in Brent Council's Standing Orders for 'spot' purchase arrangements relating to individual personal services such as individual special educational needs provision, there is no such exemption for umbrella arrangements that support such individual packages of care or for block purchase arrangements. In this situation current arrangements for one of the academies are akin to a framework arrangement whilst the remaining

three are a form of block purchase, with the Council funding a specified number of places on an annual basis.

- 5.5 Positive discussions have been held with all four academies and all four are committed to continuing the existing provision as part of the Brent education offer. There is therefore every reason to work at keeping this arrangement in place for the timeframes proposed.

## **6.0 Financial Implications**

- 6.1 The expenditure covered in this report is fully funded via a specific grant received from the DfE called the Dedicated Schools Grant. There is therefore no financial impact on the Council's general fund resources from the proposals in this report. From April 2013 the basis of the DSG will fundamentally change as will the funding for SEN for maintained schools and from September 2013 for Academies. Funding for the places at the schools set out in this report have been considered and agreed with the DfE to ensure the funding is secure and available from the newly created High Needs Block which will be created as an element within the DSG from April 2013.
- 6.2 Securing places at the schools covered in this report is also an important element of securing best value and meeting the savings plan integral to the SEN One Council Project and the Schools Budget Deficit Recovery Plan agreed with the Schools Forum.

## **7.0 Staffing Implications**

- 7.1 These services are currently provided by schools that now have academy status and therefore arrangements put in place will recognise the schools as external contractors. In light of this there are no direct implications for Council staff arising from the award of contracts.

## **8.0 Legal Implications**

- 8.1 The Council, being a public body, has to comply with legislation which includes the EU Treaty Principles; the Public Contract Regulations 2006; the Council's Financial Regulations and Contract Standing Orders when awarding contracts.
- 8.2 The nature of the services means that they are categorised under the Public Contract Regulations 2006 ("the "EU Regulations") as a part B service.

- 8.3 The estimated value of the proposed contracts over the aforementioned contract terms (including possible extensions) is approximately £193,223 (Kingsbury High School), £264,419 (Claremont Academy), £167,722 (Queens Park Community School) and £377,040 (for Alperton Academy assuming 20 places, not currently filled). All proposed arrangements with individual schools will exceed the EU financial threshold for services under EU public procurement Regulations. However, even where the thresholds may be exceeded, the services are Part B services under the EU Regulations and as such are not subject to the full application of the regulations with regard to competitive tendering. An Interpretative Communication was issued by the European Commission in July 2006 which indicates that the general duties of transparency, non-discrimination and equal treatment will normally require advertising and some form of competitive process before contract award for Part B services, especially if the contract is likely to be of interest to overseas EU providers. Given the current limited market in the type of services provided by the schools it is considered that there would be little interest in contracts from overseas EU providers so as to require an advertise process, and so the risk of a challenge on the basis of breach of the general EU duties is extremely low.
- 8.4 The value of the proposed contracts are such that they are classed as medium value contracts for the purposes of the Council's Contract Standing Orders. The Council's Contract Standing Orders provide that Medium Value and High Value Contracts should be let by inviting competitive tenders. However Contract Standing Order 84(a) states the Executive may agree otherwise where there are "*good operational and/or financial reasons*". Officers consider that there are good operational and good financial reasons for directly awarding contracts / framework agreements with the academies rather than carrying out a formal tendering process at this stage. These reasons are set out in sections 4 and 5 of the report.
- 8.5 For each of the four academies that are the subject of this report, the Council has entered into a transfer agreement recording the conversion in status. In the case of Alperton, this made provision for a transfer of the building contract, for the agreement of a service level agreement to cover the period up to 31<sup>st</sup> August 2013 and beyond, and for the parties to use reasonable endeavours to enter into an agreement allowing the Council first refusal on places. In addition, a form of agreement should be entered into with Alperton School in regard to the prefabricated school building 80 % funded and constructed by the Council on Alperton School land. The terms of the licence agreement will protect the Council's beneficial interest in and rights to the prefabricated building and its use for Council funded services and make provision in the event it ceases to be used for Council funded services. In addition, the Kingsbury and Claremont transfer agreements noted the need to



co-operate on formulating future contractual agreements for the services there.

- 8.6 The legal issues around the interaction between legislation on admission arrangements and the wish of the Council to have guaranteed places is set out in section 4.6 above.

## **9.0 Diversity Implications**

- 9.1 There are no direct diversity implications associated with the letting of contracts to the academies through a negotiated process. Services at three of the academies are continuing in the same form, however if the service at Queens Park does diminish then this will require an Equalities Impact Assessment in relation to the final decision to end this service. Full provision for diversity implications, if required will be made in the contract documentation.

## **10.0 Property Implications**

- 10.1 There are no property implications relating to contractual arrangements for Kingsbury High School, Claremont High School and Queens Park Community School. All three schools deliver services to the Council at existing premises on their own sites. However, officers need to consider wider property implications as other schools obtain academy status in the future.
- 10.2 For Alperton Community School a purpose built ARP centre has been completed in November 2012. The new unit has cost £550,000 of which the Council has funded £450,000 and legal title of the building rests with the Academy as the centre is on school land. The Council has a clear interest in seeking a return on its investment and most obviously this should be in the form of a contractual relationship with the academy that supports service delivery to Brent Council children on-going. In addition, as this building is pre-fabricated, it can be moved elsewhere and the Council is seeking the right to do this in the event, although unlikely, that the academy decides that it no longer wants to provide this service.
- 10.3 Officers are aware that plans are proceeding for the Alperton High School site to be significantly developed although no date has been agreed. If the school has to move from the site there is a risk to the Council that the ARP centre would be moved and that any relocation temporary or otherwise may not suit the needs of children attending the Centre. In the longer term the pre-fabricated building may no longer be required due to a complete rebuild.

10.4 Officers therefore propose (see section 4 above) that an agreement be entered into, separate from the services agreement, specifying that beneficial ownership of the pre-fabricated building vest in the Council (who would have the right to remove it) and that any proposal to move the ARP centre would need to be agreed with the Council. This agreement would also need to recognise that the academy will maintain the building.

## **11.0 Background Papers**

11.1 There are no background papers associated with this report. Supporting information to this report is contained within the appendices.

### **Contact Officer(s)**

- Carmen Coffey, Head of Communication and Student Support, Children and Families, [carmen.coffey@brent.gov.uk](mailto:carmen.coffey@brent.gov.uk) Tel: 0208 937 1303.
- Chris Japhtha, Senior Category Manager, [Chris.japhtha@brent.gov.uk](mailto:Chris.japhtha@brent.gov.uk) Tel: 020 8 937 1628.
- Sara Williams, Assistant Director Early Help and Education, Children & Families [sara.williams@brent.gov.uk](mailto:sara.williams@brent.gov.uk). Tel: 020 8 937 3510.

**KRUTIKA PAU, DIRECTOR OF CHILDREN AND FAMILIES**



**Executive**  
11 February 2013

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

Wards Affected:  
ALL

### **Procurement of Speech and Language Therapy and information and guidance Services at Children's Centres**

#### **1.0 Summary**

- 1.1 The purpose of this report is to seek authority for the renewal of two contracts delivered through Brent Children's Centres; one supplying speech and language therapy to children aged under 5 years and the other delivering independent advice and guidance to Brent families. The services are commissioned by the council and form part of a range of services to families delivered through Children Centres.
- 1.2 Approval is sought from the Executive for an exemption to tendering requirements of Contract Standing Orders requirements to renew speech and language therapy (SALT) and independent advice and guidance contracts for 12 months from 1 April 2013 to 31 March 2014 at existing terms and conditions. This is in order to allow time to plan a procurement exercise for both contracts that, as part of the aligned services work stream of the Working with Families One Council project, will achieve best value for the Council.

#### **2.0 Recommendations**

- 2.1 That the Executive approve an exemption from the tendering requirements of Contract Standing Orders and approve the renewal of the current Speech and Language Therapy contract for children aged under 5 years with Hillingdon Community Health from 1 April 2013 to 31 March 2014 at a total cost of £306,700 at existing terms and conditions
- 2.2 That the Executive approve an exemption from the tendering requirements of Contract Standing Orders and approve the renewal of the current Independent Advice and Guidance (IAG) services with Brent Citizens Advice Bureau from 1 April 2013 to 31 March 2014 at a total cost of £175,608 at existing terms and conditions
- 2.3 That the Executive note the proposal outlined at 3.5.1 to bring Children's Centre SALT services together with existing SALT services for children with Statemented Special Educational Needs in a single procurement to achieve cost and volume efficiencies.

### **3.0 Detail**

- 3.1 Brent Children's Centres have a focus on improving outcomes for young children and their families, with a particular focus on the most disadvantaged. The aim of the service is to support children and ensure that they are equipped for life and ready for school, regardless of their family circumstances. There is a particular emphasis on (a) child development and school readiness (b) improving parental aspirations, self esteem and parenting skills; and (c) improving child and family health and life chances. The network of Brent Children's Centres operate as a hub and spoke model that enables families with young children access to multiagency and multidisciplinary services throughout Brent.
- 3.2 The contract for Speech and Language Therapy (SALT) service in Brent Children's Centres is currently delivered by Hillingdon Community Health at a cost of £306,700 per annum. The current contract is due to expire on 31 March 2013.
- 3.3 The contract for independent advice and guidance service in Brent Children's Services is currently delivered by Brent Citizens Advice Bureau at a cost of £175,608 per annum. The current contract is due to expire on 31 March 2013.
- 3.4 The Working with Families Strategy agreed by Executive in January 2013 identified three key work streams for the project: the Early Help Family Support Service, a Multi Agency Service/Safeguarding Hub and the development of Early Help Aligned Services. The overall project aims to fundamentally improve the way that Brent Council and its partners identify and deliver services to the borough's most vulnerable families and children's centres will be a key delivery vehicle for implementing this new way of working.
- 3.5 Early Help aligned services will be integral to the successful delivery of the Working with Families Programme. The approach recognises that a range of specialist support will be needed to ensure that vulnerable families get the right help, at the right time and from a range of agencies. In practical terms aligned services will offer specialist support around a range of issues impacting on he life chances and choices of vulnerable families. This includes: child development, behavioural and emotional problems and SEN; domestic violence and debt and welfare benefit advice. The development of the Early Help aligned services strategy has helped to identify needs, gaps and opportunities for increasing the focus on early help and prevention within the context of on – going work across services and emerging policy directions. It is clear that we need to remove duplication of activity and develop stronger strategic frameworks and strengthen the focus on prevention through re-commissioning and re designing services. The review of both the SALT and the independent advice and guidance to Brent families contracts delivered through children's centres will be part of this re design and re commissioning process in 2013.
- 3.6 The current contracts are monitored by the Assistant Director (Early Help & Education) on a quarterly basis and both contracts have performed well throughout their terms and to date. Further to this, both providers have displayed a proactive and flexible approach in working with officers including seeking more efficient ways of working in response to changes in service

requirements. Officers are confident that delivery of the service will be sustained against the contract specifications during the course of the additional contract term whilst arrangements are put in place for a procurement exercise during 2013.

- 3.7 The Children's Centre service contracts for SALT and IAG will be reviewed during 2013 to ensure that they provide the most effective and targeted services possible to residents of Brent as part of a wider service re design exercise. In addition officers will establish how these contracts should be put to the market to ensure that best value is achieved.
- 3.8 Speech and Language Therapy Services for children at Key Stages 1-4 with special educational needs, (SEN) will be tested by the market via a competitive tender process during 2013. Approval of this report will make this SALT Children's Centre contract co-terminous with services for children with SEN. Officers intend to seek significant efficiencies and savings through this competitive procurement exercise which will enable tenderers to bid for either or both of the services providing an opportunity to obtain cost and volume advantages and maximise value for money. Similar efficiencies will be sought for the IAG service during 2013 to ensure that when the service is procured all opportunities to get service efficiencies and savings are considered.

#### **4.0 Financial Implications**

- 4.1 The report relates to the service to be provided in 2013/14, for which funding has already been identified from the Children and Families budget.
- 4.2 Any further contracts beyond April 2014 will be subject to further reports to the Executive associated with the procurement of both services.

#### **5.0 Legal Implications**

- 5.1 All contracts for services exceeding £173,934 and below £500,000 in value are classified as Medium Value contracts under Contract Standing Orders, and every Contract entered into by the Council shall be entered into pursuant to the Council's function and procured in accordance with all relevant domestic and EU legislation including the Council's Contract standing orders and financial regulations.. This applies to both contracts featured in this report. However under Contract Standing Orders 84(a) the Executive is able to approve a departure from this requirement and grant an exemption where there are good operational and / or financial reasons for doing so. The operational and financial reasons for not tendering / seeking 3 quotes are set out in Section 3 of this report.
- 5.2 Under European procurement legislation, both speech and Language Therapy services and Independent Advice and Guidance services are Part B services and so the contracts are subject only to partial application of the EU procurement regulations. In spite of the partial application of EU procurement rules, the Council still has a duty and obligation to ensure fairness and transparency The risk of a challenge is low in view of (a) the lack of EU-wide interest (b) the specialised nature of the market, particularly for SALT and (c) the fact that a competitive tender process will be carried out next year. Despite

being Part B services, a contract award notice will still be required for publication in OJEU for both.

## **6.0 Diversity Implications**

- 6.1 Speech and language difficulties strongly correlate with poor behaviour, low educational attainment and difficulty communicating in both the classroom and in social situations. This contract seeks to provide an early intervention service to secure significant improvement or appropriate onward referral pathways for children aged less than 5 years that are at risk of speech and language delay.
- 6.2 The Independent Advice and Guidance Service makes an important contribution to meeting the needs of deprived households and households experiencing poverty and other vulnerable issues associated with inappropriate and/or temporary housing, debt, limited English with inability to access mainstream services.
- 6.3 The failure to approve the extension of these two contracts could lead to the withdrawal of services from families with identified needs. This could impact on educational attainment including the health, social and material wellbeing of these children and their families.

## **7.0 Staffing Implications**

- 7.1 These services are currently provided by external providers and there are no implications for Council staff arising from continuation of the contract.

### **Background Papers**

Report to Executive: November 2012 'Renewal of existing contracts for the delivery of Speech and Language Therapy Service to Key Stage 1&2 and Key Stage 3&4 for pupils in mainstream Brent schools'


### **Contact Officers**

Chris Japhtha, Senior Category Manager, Children and Families,  
Tel: 020 8937 1628

Sue Gates, Head of Early Years, Children and Families Department  
Tel: 020 8937 2710

Sara Williams, Assistant Director Early Help & Education  
Tel: 0208 937 3510

KRUTIKA PAU  
Director Children and Families

	<p style="text-align: center;"><b>Executive</b> 11 February 2013</p> <p style="text-align: center;"><b>Report from the Director of Children and Families</b></p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p><b>A New Council partnership strategy for Children and Young People with Special Educational Needs and Disabilities (2013-16)</b></p>	

## 1.0 Summary

- 1.1 This report responds to the statutory duty on councils to set out its arrangements to meet the needs of children with special educational needs and to consult on these arrangements. Attached to this report is a draft, three year partnership strategy for children and young people with special educational needs and disabilities (SEND) in Brent (Appendix A) for consideration and approval by the Executive.
- 1.2 The strategy has been developed through a two stage consultation process with all key partners and stakeholders. The first stage took place in March and April 2012 and consulted on the principles and priorities that should underpin the strategy. The outcomes of this were used to develop a draft strategy which was the focus of the second stage of consultation. This stage commenced on 24<sup>th</sup> September and finished on 30<sup>th</sup> November.
- 1.3 The strategy links into the council's Children and Families Plan and the council and NHS Brent's Health and Wellbeing Strategy. It will be underpinned by robust performance management arrangements which will help to monitor and drive forward new initiatives and improvements. The development of the strategy has been undertaken as part of the One Council SEN Phase 2 Project.

## 2.0 Recommendation

- 2.1 That the attached partnership strategy for children and young people with special educational needs and disabilities be approved as the Local Authority strategy for 2013-2016.

### **3.0 Detail**

- 3.1 The SEN Code of Practice 2002 is the current statutory guidance to Local Authorities (LAs), schools, early years settings and other agencies on matters relating to their respective functions and duties in making provision for the SEND of children and young people. It sets out the role of the LA and requires the publication of the “general arrangements, including any plans setting out objectives, targets and timescales”. The Code of Practice is prescriptive about what LAs should publish and advises that strategic planning should be partnership based aimed at “providing for the inclusion of children with SEN in mainstream schools” as far as possible.
- 3.2 The previous SEND strategy of the LA covered the period 2007-2010 and is referred to in the new strategy document as part of the baseline for the proposed strategy.
- 3.3 Towards the end of the last strategy period the LA faced increasing challenges (resulting largely from a rapid increase in demand) to its services for SEND. These challenges have continued to place the LA and all partners under great strain leading to a significant overspend on Dedicated Schools Grant (DSG) and central service expenditure. The LA increased its activities on statutory assessments and producing statements of SEN in response to these challenges. This is out of step with the national and regional pattern of these activities.
- 3.4 In addition to these significant local challenges national Government will be implementing some fundamental reforms to the legislative framework for SEND between 2013 -16. These reforms will continue to place LAs at the centre of activity with significant but altered statutory responsibilities and duties. The draft strategy outlines these and builds in suggested flexibility in order to ensure that the LA is pro-active with its partners in shaping and implementing the reforms.
- 3.5 The LA has addressed these challenges so far through the One Council SEN phase 1 and 2 transformation projects. The projects originated from a concept paper to deliver improved SEND services, which was agreed in September 2010. The current SEN phase 2 project is addressing the following 6 work streams and is scheduled to end in August 2013.
- Refresh SEND strategy
  - Culture change and transformation of service delivery
  - Additional SEN school places within Borough
  - Develop commissioning approaches
  - Re-organisation of SEN support services to support mainstream capacity
  - Review of financial approaches



### 3.6 Achievements of the Project so far include:

- Reduction in the production of new statements from 226(2011/12) to 150 projected 2012/13. This is reducing the reliance on statements for meeting the needs of pupils with SEND over time and strengthening early intervention and school based processes.
- Improvement in the efficiency of production of statements within 26 weeks, estimated to be 70+% for 2012-13 improved from 30+% for 2011-12. The current monthly performance is 100% produced on time.
- Reduction in placements in out-Borough independent special schools from 68(2011/12) to 5 maximum projected 2012/13, reducing the reliance on out-Borough provision and relieving approximately £500k full year spend from the DSG budget.
- Development of a minimum of 60 additional SEN school places which will progressively increase the capacity of maintained special school provision in the Borough resulting in approximately £500k of cost avoidance by 2013/14. This has been achieved through the development of additional Inclusive places at Alperton Community School and Queens Park Community School but also by making better use of existing provision at Phoenix Arch (previously Vernon House) special school, which is now admitting autistic pupils who previously would have been placed in independent special schools outside the Borough.
- Re-negotiated contracts with independent special school providers resulting in approximately £500k savings by 2014/15.
- Developing the strategic support of the head teachers of the special schools, who are working very positively and collaboratively with the LA in tackling the challenges in developing inclusive approaches to SEN in all schools.

3.7 These developments are significantly contributing to the achievement of the first year target towards the LA's DSG recovery plan, pulling back the overspend. The project will achieve more significant financial savings as the bulge of children with statements of SEN and those placed in independent special schools moves through the system and leave.

3.8 This transformation programme is faced with the usual challenges of change programmes such as resistance to the introduction of new ways of doing things. However there are additional challenges to add to these resulting from the strong statutory framework surrounding SEND which provides parents/carers with rights of appeal to tribunal and the strong human emotions that are aroused when established practices are challenged.

#### **Strategic development to achieve sustainability**

3.9 The draft strategy has been developed through dedicated work stream 1 of the SEN Phase 2 project with the aim of sustaining the approach after the project ends. It has been developed through a two stage consultation process with all partners. The first stage of the consultation took place in March and April 2012

and was designed to capture the interest of all partners (schools, governing bodies, health services etc.) in agreeing the principles and priorities upon which a new strategy should be developed.

- 3.10 The engagement of partners in this consultation was limited but significant with 31 responses and a majority being on behalf of organisations. There was overwhelming support from these responses for the principles and priorities that were suggested. A draft strategy was developed based on the agreed principles and priorities with significant input from council managers. This draft was used as the basis of the second stage of consultation.
- 3.11 The second stage was designed to raise awareness of all partners and engage them in subscribing to the strategy and developing their role in delivering it over the next three years. Much of this consultation was conducted through face to face involvement with partners at their key meetings during the consultation period. The draft strategy was also made available to the public on the LA's consultation tracker. The consultation period started on 24<sup>th</sup> September and ended on 30<sup>th</sup> November.
- 3.12 This stage of the consultation was successful in engaging key partnership groups in the health service, social care services, schools, governing bodies, voluntary agencies and parents. The draft strategy document has been shaped in the light of the feedback from these groups and is attached as Appendix A. The document reflects the strong support from partners and emphasis on continuing to develop effective inclusive approaches to SEND. The process has identified three broad key principles:
- Involve children and young people and their parents and carers in all decisions about them, promoting independence and autonomy through to adulthood.
  - Ensure inclusion and participation in all aspects of family, school and community life in a local and inclusive setting, making the best possible use of available resources.
  - Secure the right support at the right time for families by working in partnership with schools, health, social care and other key partners.
- 3.13 Three main priorities have been agreed which will be worked on through nine objectives. These are described in detail in the strategy document.
- 3.14 The strategy will be monitored through a detailed operational action plan which will be developed with partners during implementation. This action plan will be used to call partners to account for achieving the strategic objectives. Attached with the strategy document is an initial high level version of this action plan which will be developed to include the source of resources that will be required, quantifiable success criteria and clearly identified accountable personnel and services. The action plan will be flexible and will be reviewed regularly over the 3 year period of the strategy as the national reforms are launched.

- 3.15 The strategy document and development process is being brought to the attention of Members of the Executive to seek their approval and formal adoption for 2013-16.

#### **4.0 Financial Implications**

- 4.1 All areas covered by this report are related to the Schools Budget and therefore have no impact on the Council's General Fund resources.
- 4.2 The Schools Budget which is funded via the ring-fenced Dedicated Schools Grant has experienced increasing spending pressures over recent years primarily due to increasing SEN expenditure. This resulted in a cumulative deficit by the end of 2011/12 of £5.7m.
- 4.3 A deficit recovery plan was agreed with the Schools Forum on 21 September 2011, which would bring the Schools Budget back to a balanced position by the financial year 2014/15
- 4.4 The strategy covered in this report will support the Deficit Recovery Plan agreed with the Schools Forum.
- 4.5 The One Council Project and the linked deficit recovery plan are currently both on track to achieve a balanced Schools Budget by the target time of 2014/15.

#### **5.0 Legal Implications**

- 5.1 The LA has a duty under Section 315 Education Act 1996 as amended to keep under review the arrangements made for special educational provision, and where necessary in order to co-ordinate provision for its children consult governing bodies of schools in its area.

#### **6.0 Diversity Implications**

- 6.1 A predictive Equality Impact Assessment (EIA) has been completed for this strategy. Improving the life chances and safeguarding of children and young people with SEND is a priority for the LA and the proposed strategy will significantly contribute to securing greater equality of opportunity. It will underpin the human rights to accessing full educational opportunities. The strategy will also significantly strengthen opportunities for the inclusion of these children and young people in mainstream services alongside their peers. It will support the development of new approaches to the disproportionate incidence of some disabilities in certain ethnic groups.

## 7.0 Staffing/Accommodation Implications

7.1 There are no specific staffing or accommodation issues arising from this report.

**Contact Officer:** Sara Williams, Assistant Director Early Help & Education.  
Chesterfield House, 9 Park Lane, Wembley Middlesex HA9 7RW.  
Tel: 020 8937 3510. Email: [sara.williams@brent.gov.uk](mailto:sara.williams@brent.gov.uk)

Krutika Pau  
Director Children and Families



# Brent

## Strategy for children and young people with Special Educational Needs and Disability 2013-16

# Contents

<b>Section One:</b>	<b>Introduction</b> .....	<b>3-7</b>
	<ul style="list-style-type: none"><li>• Background</li><li>• Our vision</li><li>• The principles</li><li>• Brent’s children with Special Educational Needs and/or Disability</li><li>• The financial and policy context</li><li>• The challenges we face</li></ul>	
<b>Section Two:</b>	<b>The consultation</b> .....	<b>8</b>
<b>Section Three:</b>	<b>The priorities</b> .....	<b>9-11</b>
<b>Section Four:</b>	<b>What we will do – our Action Plan</b> .....	<b>12-16</b>
<b>Section Five:</b>	<b>Conclusion</b> .....	<b>17</b>
<b>Appendix 1:</b>	<b>Glossary</b> .....	<b>18</b>
<b>Appendix 2:</b>	<b>Action Plan</b> .....	<b>19-22</b>

# Section One: Introduction

## Background

This document describes Brent's strategy for children and young people aged 0-25 years with Special Educational Needs and Disabilities (SEND). It replaces the previous SEND strategy produced in 2007 which was supplemented by the Education Accessibility Strategy published in 2010.

We began a review of our approach to SEND in 2011 through a "One Council Project"<sup>1</sup> to ensure that we improve our performance, provide better services and reflect the many changes and recommendations made at national level, including the Equality Act (2010) and the Government Green Paper (2011)<sup>2</sup>. Whilst we are clear about what we want to achieve with partners over the next three years, we know we must be flexible in our approach so that we can respond to on-going changes in the law and in funding.

The review identified the need for a refreshed strategy. This strategy therefore contributes to our commitments which are outlined in Brent's Plan for Children and Families<sup>3</sup> and the Brent Health and Wellbeing Strategy<sup>4</sup>.

### Our Vision

In Brent we are committed to developing inclusive communities which are welcoming to all and our vision for SEND as part of this is:

**"To ensure that all children and young people with Special Educational Needs and Disabilities (SEND) and their families have the fullest possible range of support and opportunities available to them in order to improve their life chances and realise their aspirations"**

To achieve this we will support mainstream schools in their continuing lead in developing inclusive approaches to education. This will enable more children and young people with SEND to access mainstream opportunities. Through the leadership role of the Local Authority we'll drive professionals and communities to work together more effectively. We'll develop our information, advice and guidance services, short breaks offer and other support to family services. Parents and carers will have greater confidence, better access to information and opportunity to participate in decision making and we'll make our SEND processes more flexible and transparent.

We will improve our processes and support from 0-25 years of age so that we can ease the transition from childhood to adulthood.

We are ambitious for our children and young people with SEND and this strategy sets out how we will strive to achieve this vision.

<sup>1</sup> SEN Review Phases 1 & 2, One Council Programme Projects, April 2011-August 2013

<sup>2</sup> Support and Aspiration: A new approach to special educational needs and disability, Department for Education, March 2011.

<sup>3</sup> Brent Plan for Children and Families

<sup>4</sup> Health and Wellbeing Strategy

## The Principles

We are committed to securing the best possible outcomes for children and young people with SEND. We want them and their families to feel valued, able to participate and have a greater sense of choice and control. We recognise that all children and young people have important rights including being safe, feeling valued, enjoying learning and achieving success through participation in education, community and family. To protect these rights, we are committed to three key principles.

### Principle One

Involve children and young people and their parents and carers in all decisions about them, promoting independence and autonomy through to adulthood.

### Principle Two

Ensure inclusion and participation in all aspects of family, school and community life in a local and inclusive setting, making the best possible use of available resources.

### Principle Three

Secure the right support at the right time for families by working in partnership with schools, health, social care and other key partners.

The principles above recognise that children and young people with SEND and their families have the right to the same quality of life as those who do not live with a disability. We are committed to ensuring that Brent's children and families have the right support they need, at the right time, as a matter of course. We recognise that all families are different, so they will need different types and levels of support depending on the age of their child and the impact of their need or disability.

## Who are our children and young people with special educational needs and disabilities?

In this strategy we recognise that SEND includes children and young people with a broad range of needs. For some the focus of support will be wholly educational. For others their families will need support from a number of statutory services and this will continue throughout their childhood and may continue into adulthood. A child or young person may have special educational needs or a disability or both.



At the time of publication of this strategy, the Department for Education (DfE) is planning to review the SEN Code of Practice (2001)<sup>5</sup> and this may mean that the definition of children with special educational needs may change. Until any changes take place the definition used in the SEN Code of Practice therefore remains statutory.

Children have special educational needs if they have a *learning difficulty* which calls for *special educational provision* to be made for them.

Special Educational Needs Code of Practice – Department for Education, 2001

The Equality Act (2010) has replaced all previous equality legislation including the Disability Discrimination Act. Within this, disability is defined as when:

- a) The person has a physical or mental impairment, and
- b) the impairment has a substantial and long-term adverse effect on the person's ability to carry out normal day-to-day activities

Equality Act (2010) – The Stationary Office Ltd, 2010

### How do we compare with our neighbours?

Analysis of SEND census data for 2012 shows us that the proportion of children and young people with SEND is higher in Brent compared with the national picture and compared with similar local authorities (LAs) in the West London Alliance<sup>6</sup> (WLA) group of LAs.

In January 2012, there were 10,165 children and young people in Brent identified by schools as having special educational needs. This is 21.2 per cent of the school population and is slightly higher than the national average of 21 per cent.

These children have needs in any one or more areas related to learning, communication, sensory, physical or behavioural, social and emotional need. Most of them will have their needs met within the resources provided by their school. The children with the most severe needs will have a Statement of Special Educational Needs. This should clearly set out the child's or young person's special educational needs along with the provision they need to help them overcome the barriers to learning that these needs present (ref. SEN Code of Practice, 2001).

Locally there has been a rapid increase in the numbers of pupils in Brent with Statements of Special Educational Need. In January 2012 there were 1,640 children and young people with

---

<sup>5</sup> Special Educational Needs Code of Practice, 2001 – Department for Education and Skills.

<sup>6</sup> The West London Alliance is an organisation funded by Brent, Hounslow, Harrow, Hillingdon, Barnet, Hammersmith & Fulham, Kensington & Chelsea and Westminster.

a statement which is 3.4 per cent of our school population. This is higher than the national average of 2.8 per cent of the school population.

In January 2012 183 of these children and young people with SEND were placed in independent and non-maintained special schools outside of the borough. This is a dependence which is higher than the national and regional averages due to a shortage of local maintained special school places within Brent.

Our analysis shows that Brent schools lead well in supporting children and young people with SEND to both **achieve** and make **progress** at levels above the national average. Exam results for 2011 (the most recent available at the time of publication) showed that Brent children with SEND **achieved** eight per cent above the national average at the end of primary school. They didn't achieve as well at the end of secondary school at six per cent below the national average. However Brent children with SEN do make better **progress** in their learning than nationally eight per cent above the national average in Primary and seven per cent in Secondary.<sup>7</sup> (Figures to be updated for 2012). We are ambitious for all our children and young people and will support our schools to further develop their targets for children and young people with SEND to improve on this and other indicators of attainment and educational progress.

## The challenges we face - financial and policy context

### Financial

At the time of publication the national economic climate was poor with acute financial pressure on public sector services. We are required to achieve much greater value for money from the expenditure on statutory services and in some cases face budget reductions.

Despite recent increases in, and re-designation of, special school places we face a shortfall of specialist provision in mainstream and special schools in Brent. According to our analysis of population trends, we project that we'll need at least 192 additional local SEND specialist school places by 2020. This demand has placed great pressure on specialist services and on the budget for schools which funds SEND provision. We had to place increasing numbers of children and young people with SEND to independent schools outside Brent and at considerable distances from their home address. The effect of the need to place children and young people in independent schools increased expenditure on the schools budget from £4.4 million (2009-10) to £5.1 million (2010-11). This continued in 2011-12 resulting in a significant overspend. At the time of publication, the One Council Project was proving to be successful in turning this around and after the first year of successful interventions the deficit recovery plan, aimed at reducing this overspend, was on track.

---

<sup>7</sup> Statistical First Release, National Curriculum Assessments at KS2 in England, 2011, DfE.

## Policy

At the time of publication a major government review on SEND was scheduled to introduce legislative changes through the 'Children and Families Bill' to take effect in early 2015. This signalled the most significant changes in 20 years to the way SEND is provided for. To pave the way for this the government introduced a new national funding formula for schools in April 2013 with significant implications for funding SEND in our schools. The funding formula aims to create greater equity of funding for SEND in all schools and strengthens the role of LAs as commissioners of services.

There is an increasing diversity in the types of schools providing education to all children, including those with SEND. Community Schools, Free Schools, Academies, Specialist Schools and others all have a legal duty to make provision for pupils with Statements of SEN. At the same time, Brent, like other LAs, will continue to have legal responsibilities for children with SEND. This also changes the role of the LA and relationship with schools.

Other national proposals on the horizon include introducing changes to the assessment process to make it simpler and more transparent to parents and introducing Education, Health and Care Plans for children with the right to a personal budget for their support. This will require a strengthening of the links between LAs and health services so they can jointly plan and commission the right support for children and young people with SEND.

We recognise that, within these financial constraints and policy challenges, there is a genuine opportunity to reduce bureaucracy and increase effectiveness. To achieve this we must ensure that our constrained resources and provision targets the children and young people with the most severe and complex needs at the right time. We will maximise the skills of those working with children and young people and streamline efforts across services through joint working practices. We aim to ensure that, whatever the challenges we face, we will target funding and services to enable children and young people with SEND to achieve and succeed.

## **Section Two: Consultation**

An essential and valuable contribution to this strategy came from our consultation with children and young people, their parents and carers, schools, our own services and other partners like health services and voluntary groups.

We carried out the consultation in two stages. The first stage began in March 2012 and lasted seven weeks. This involved asking those consulted what they considered important and essential to help children and young people achieve to their fullest potential.

They told us that they wanted schools to be more local, developing more local special school places, more training for staff and better working between services. There was also strong support for continuing to develop inclusive practices in mainstream schools, encouraging the closer involvement of parents and increasing the number of SEN staff in services. Social care services to disabled children and young people are valued and should continue to develop support and guidance processes for families. In addition to these views there was overwhelming support for the principles we suggested our policy and strategy should be based on and for the priorities which we suggested it should address.

We used these views, ideas and feedback to draft a policy and strategy providing a range of actions we should carry out with our partners over the next three years to achieve these priorities.

The second stage of consultation was based on this draft policy and strategy and was more targeted. We wanted to identify how we, together with our partners, could achieve the aspirations of children and young people with SEND and their families.

We worked hard to engage individuals and groups using a variety of methods to inform and involve across both phases of the consultation process. We used online questionnaires, held events, face to face meetings and attended forums with our partners as well as with parent groups.

We received a good level of feedback on the suggested actions during the second stage of consultation from schools, governing bodies, unions, parent groups, voluntary bodies and partner agencies. This has informed the basis of an action plan to deliver the strategy, a high level copy of this action plan is included as an appendix to this document.

In summary our two stage consultation process provided lots of evidence of good and excellent practice already in place and recognition of what we have achieved so far. However there was a clear message that we should not be complacent and should be ambitious for continued progress and improvement.

A full report and detailed analysis of the consultation outcomes is available at [location to be confirmed](#).

## **Section Three: The Priorities**

The views gathered during the second stage of consultation advised that we should achieve greater focus by slimming down the eight detailed priorities suggested in the first stage of the consultation to three main priority areas (see below). It also highlighted that children and young people with SEND are amongst the most vulnerable groups of children open to abuse. We will ensure that all children and young people and particularly this group of children and young people are effectively safeguarded according to the latest national guidance<sup>8</sup>.

<b>Priority One</b>	<b>Priority Two</b>	<b>Priority Three</b>
Improve outcomes for children and young people with SEND and their families	Involve and enable children and young people with SEND and their families	Ensure the highest possible quality of provision and services through effective procurement and commissioning arrangements.
<b>All underpinned by stringent safeguarding procedures and excellent communication</b>		

### **Why are these priorities for Brent?**

#### Priority one: Improve outcomes for children and young people with SEND and their families

Our first priority is important because national data shows us that life chances for children and young people with SEND are disproportionately poor. Young people with SEND are twice as likely as their peers to be 'Not in Education, Employment or Training' (NEET). They have a higher incidence of mental health needs, offending behaviour, and higher levels of financial deprivation. In view of this our strategy should focus on strengthening our social care support processes for disability relating to housing, short breaks and transition to adult life with a view to continuing to improve the quality of life for those with disabilities and their families.

As stated earlier, our analysis of SEND data shows us that the attainment outcomes of children and young people with SEND and the rate of progress they make in their education is higher in Brent than nationally and than that of LAs in the WLA. This is largely reflective of

<sup>8</sup> Latest national guidance on safeguarding to be referenced.

the good skills and practice of staff in Brent schools and the high quality of training, support and guidance they receive. In general this continues to improve but there is still a marked gap between the attainment of these children and young people and those without SEND across all phases of education. This is still an important local issue and we'll set out how we will continue to help schools and nursery settings to lead in continuing to improve the attainment of children and young people with SEND.

There is also a nationally recognised need to have greater clarity regarding the identification of SEND and a determination to review the current SEN Code of Practice. We will support schools to build on their good practice in this area through the implementation of the new Code of Practice that is eventually developed.

Nationally, the data shows that children and young people with SEND have less opportunity to participate in out of school and community activities. We need to improve access to a full range of care, community activities, and specialist youth services through to the age of 25 years. We will particularly promote opportunities for disabled children and young people and ensure their greater access to these activities, both in school and via services such as our youth and social care services.

The Government's intention to develop a new unified Education, Health and Care Plan by 2015 will have a much stronger focus on outcomes for young people, including support to get a job. This will require increasing the post 16 work-based opportunities for young people with SEND. This will be at the heart of our efforts to increase multi-agency collaboration. Our Action Plan will set out how we plan to achieve this.

#### Priority two: Involve and enable children and young people with SEND and their families

The recommendations from the Lamb Inquiry (2009)<sup>9</sup> and the SEN Green Paper highlight the importance of listening to children, young people and their parents and carers, involving them in decision making and enabling them to have more choice and control.

We must continue to develop our established partnership arrangements with voluntary organisations to help engage parents and carers in order to seek their views and consult with them on new service developments. The Brent Parent Partnership Service plays a crucial role in providing parents and carers with impartial information, help, advice and support, as well as encouraging parents to take an active role in decisions about their child's education. We also provide parents and carers with access to an impartial mediation service provided by a voluntary organisation<sup>10</sup>.

In the future there will be a clear expectation from the Green Paper for LAs to publish a local offer of services. We will continue to develop our information, advice, and guidance to

---

<sup>9</sup> Lamb Inquiry: Special educational needs and parental confidence – Department for Children Schools and Families, Dec 2009.

<sup>10</sup> Kids – London SEN Mediation Service.

children, young people and their families as part of this. We will ensure that this is developed in conjunction with children and young people, parents and carers, schools, health services and voluntary organisations. You can see how we aim to do this in our Action Plan.

Priority three: Ensure the highest possible quality of provision and services.

The analysis of our data and the views of parents and carers, schools, and partners are all essential elements in determining what services we should be delivering, how they should be delivered, and where. We are committed to delivering the right support at the right time in the right place. We therefore want to have greater clarity regarding how services are commissioned, resourced and made accountable for delivering quality provision with improved outcomes for children and young people with SEND. Whilst developing stronger commissioning arrangements with providers we will also develop more SEN school places in line with our projections to 2020.

The need for a competent and confident workforce is essential to ensure better outcomes for children and young people with SEND. We are aware from the consultation process of the need to have a continuing flexible and locally responsive offer of training and support to education and care providers, parents and carers. But also we need to be realistic about what can be delivered at a time of national financial constraint and communicate this clearly to encourage realistic expectations. We can continue to capitalise on the talents of staff within our schools and encourage and support schools to share this more widely with each other for the benefit of children and young people with SEN. Finally we will need to work hard to ensure that the National Funding Formula is implemented fairly. Our Action Plan expands on what we will do.

## **Section Four: What we will do - Our Action Plan**

Working with our children and young people, their families, schools and our partners, we have identified nine objectives across our three priority areas.

This section gives a summary of what we will do to achieve these objectives and includes some quotes from the consultation.

### **Priority One: Improve outcomes for children and young people with SEND and their families**

**Objective One: Continue to raise the attainment of children and young people with SEND and their families**

**“We can learn more than our teachers think we can” – Young person with SEN**

We will support schools and educational settings to continue in leading on the raising of attainment of children and young people with SEND. This will include working with schools to further develop training programmes and further develop information, advice, support and guidance. We'll increase opportunities for school to school support and work in partnership with special schools and local authority outreach and support services to build greater skills and confidence on the more complex aspects of SEND in mainstream schools

**Objective Two: Strengthen early identification of SEND and improve efficiency of production of statements to ensure children's needs are met promptly.**

**“the benefits of early intervention are clear and consistently demonstrate good returns on investment” – Early years practitioner.**

We will target support in the Early Years so that we can identify children with SEND as early as possible. We will work with all our Early Years settings, including Children's Centres, and



other partners to put in place early intervention mechanisms so that children’s learning and development is maximised at this crucial time.

We will introduce new ways of doing things by looking for best practice across the country to improve our services.

### **Objective Three: Develop a single plan approach to multi-agency working**

**“It will improve outcomes no end if we get the single plan right” – Health practitioner.**

We will review how our multi agency ‘team around the child’ and early support processes work to reduce bureaucracy and avoid duplication wherever possible. We will pilot a ‘Single Plan’ approach for eight young people with exceptionally high levels of need and work in partnership with education, NHS and care providers and try to meet their needs locally.

### **Objective Four: Support young people to make a fulfilling transition to adult life**

**“I think I will need help to get the most from my adult life” – Young person with SEN.**

We will support every child and young person with SEND to help them make a successful transition in this period of significant change. We will start early, be flexible and try to tailor our support to the individual young person and their family. We’ll make sure parents and carers can access advice and guidance on what options are available. We’ll work in partnership with parents and carers to enable them to take part in the decisions about their child’s needs and support arrangements.

**Priority Two: Involve and enable children and young people with SEND and their families**

**Objective Five: Ensure parents and carers, and children and young people are able to participate more in decision making**

**“.... have a SEN child involved about how they feel” – Young person representative on Youth Parliament**

We will ensure that parents, carers and young people have increased opportunities to participate in decision making about their provision and care. We will also encourage their involvement in changes to strategies and the on-going evaluation of our services. We will look at how best we can get feedback from children and young people with SEND about their educational experiences.

**Objective Six: Work towards making sure that parents and carers receive the right support**

**“if the support had been provided earlier he might have done better” – Parent of a child with SEN**

We will develop our newly established parent reference group and use this as one of the ways we can improve parent consultation. We will fully review all our services for parents and carers using the feedback they have given us and we will involve them in this review, helping parents and carers access support and advice at the right time.

We will work with parents and carers in experimenting with the development of personal budgets in readiness for national developments on the introduction of this in 2015.

**Objective Seven: Ensure that all information that goes to parents and carers is clear and accessible**

We will develop SEND web pages on the Brent Council website. These will provide information about local services and guidance for parents, carers and professionals about the range of services, the full range of educational provision available and how transitions between children and adult services are coordinated. We'll publish a directory of services for parents and carers that describes the responsibilities of different services and professionals, how to access them and information about the levels of service available. We will make sure this, and all information, is clear and accessible and written in everyday language. We'll promote the availability of this information through children's centres, libraries, schools and other places that are regularly visited by members of the public.

**Priority Three: Ensure the highest possible quality of provision and services through effective procurement and commissioning arrangements.**

**Objective Eight: Deliver the right provision and the right support arrangements at the right time**

We will invest in new specialist school places adding at least 105 new places in Brent special schools and Additionally Resourced Provision by 2016. We'll review our existing special school places to match our current need more closely. We'll also re-designate current places to get the best from what we already have and work with our neighbouring boroughs in partnership to achieve economies of scale.

We will improve our commissioning and procurement arrangements to ensure that we get best value for money in all places that we commission outside the borough.

We'll work in partnership with mainstream schools to develop increased curriculum options for young people with learning difficulties to improve their qualifications and post 16 pathways. We will work with the College of North West London and other providers of further education (FE) to help develop provision to accommodate more high needs learners at age 16 and 19. We will develop the transition planning information in young people's Education, Health and Care plans to help FE providers to tailor programmes that meet the educational needs of the learners and support their progression once they leave formal education.

**Objective Nine: Develop a skilled professional workforce who are knowledgeable and confident about SEND**

**“ .... Teaching Assistant training should have a higher priority” – a school SENCO.**

We will support the leadership and management in schools and all other educational settings in their development of inclusive practice and specialist training in specific areas of SEND. We will work with our partners to make sure that all those who work with children and young people with SEND have the necessary skills and confidence (appropriate to their role) to support children and young people and their families.

### **Measurements of success and accountability**

These objectives and the actions we intend to take to achieve them are summarised in our action plan in Appendix 2. This is included as a high level overview at the end of this document.

**It is important to recognise that this action plan will be “a work in progress”. This means that the specific actions that will enable the achievement of these objectives will be developed by lead staff across council services and within partner organisations in a detailed action plan. This more detailed operational plan will identify measurements of success and timelines as well as the leading staff who will be accountable for progress to achieving the objectives. This will be a dynamic action plan that will be monitored regularly and will adapt to the changing national context over the three years of this strategy. We will report on our progress on an annual basis and publish this on the Brent website.**

## **Section Five: Conclusion**

In this strategy we have described our vision for SEND in Brent. We have gathered the thoughts and opinions of children and young people with SEND, their parents and carers, schools, health service staff and other partners and services with whom we work and we have analysed our SEND data. This has pointed to three priorities that we will focus on over the next four years:

1. Improve outcomes for children and young people with SEND and their families
2. Involve and engage children and young people with SEND and their families
3. Ensure the highest possible quality of provision and services through effective procurement and commissioning arrangements.

With the support of all those involved in the consultation we have been able to explore these priorities in some depth and develop an action plan to show how we will work together to achieve the desired outcomes.

In addition to the feedback received through the consultation process, we have taken into account the proposals outlined within the DfE response to the SEND Green Paper, “Support and aspiration: A new approach to special educational needs and disability - Progress and next steps”. The development of the specific actions contained within the strategy’s action plan will, however, continue to be shaped by this and future DfE guidance.

The SEND strategy provides the framework from which we will be able to implement the DfE reforms as further guidance and legislation becomes available. The action plan contained within the SEND strategy will be flexible and adaptable to respond to these changes as we move forward.

In order to ensure that we can be held to account for the action plan we welcome your continued involvement in regular monitoring through Working Group and Board processes to monitor SEND provision and services. We hope this document demonstrates how important your input has been in the creation of the SEND strategy and we look forward to continuing this partnership.

## Appendix 1: Glossary

- Acronyms (to be included)
- Definitions

### Special education needs

'Children have special educational needs if they have a learning difficulty which calls for special educational provision to be made for them. Children have a learning difficulty if they:

- Have a significantly greater difficulty in learning than the majority of children of the same age; or
- Have a disability which prevents or hinders the child from making use of educational facilities of a kind generally provided for children of the same age in schools within the area of the local education authority; or
- Are under compulsory school age and fall within the definition at (a) or (b) above or would so do if special educational provision was not made for them.

Children must not be regarded as having a learning difficulty solely because the language or form of language of their home is different from the language in which they will be taught.'

SEN Code of Practice (2001)

### Brent documents related to the SEND strategy

A Plan for Children and Families in Brent, 2012-15

Brent Health and Wellbeing Plan

### Government documents related to the SEND strategy

Ofsted New Framework for School Inspection (2012)

SEN Green Paper 'Support and aspiration: a new approach to special educational needs and disability (2011)

Support and aspiration: A new approach to special educational needs and disability (2012)

Equality Act (2010)

SEN Code of Practice (2001)

The Children Act (1989)

## Appendix 2: SEND Strategy – High level action plan


<b>Priority 1: Improve outcome for children and young people with SEND and their families</b>				
<b>Objective</b>	<b>High Level Actions (What are we going to do?)</b>	<b>Measurement of success - (How we will know we have been successful?)</b>	<b>Timescale</b>	<b>Lead, Lead Dept &amp; Partners</b>
1. Continue to raise attainment of children and young people with SEN	Support schools and educational settings to raise the attainment of children and young people with SEND. a) Increase opportunities for school to school support through the Brent Strategic Partnership and building a stronger Inclusion network. b) Work in partnership with special schools and local authority outreach and support services to build greater skills and confidence on SEN in mainstream schools.	. Improvement in Pupil Performance data. . Increase in the number of schools supported by special schools.	2013-2015	<b>School Improvement Services (lead service) supported by: (to be decided)</b>
2. Strengthen early identification of SEN	Target support in the Early Years so that we can identify children with SEND as early as possible. a) Work with all our Early Years settings, including Children's Centres, and other partners to put in place early intervention mechanisms so that children's learning and development is maximised at this crucial time. b) Improve the efficiency of producing statements of SEN	. Improvement In Early Years progress data. . Improvement in the production of statements within 26 weeks.	2013-2014	<b>School Improvement Services (lead service) supported by: Early Years &amp; Family Support Service</b>
3. Develop a single plan approach to multiagency working	Review how our multi agency 'team around the child' and early support processes. a) Work to reduce bureaucracy and avoid duplication wherever possible. b) Pilot a 'Single Plan' approach for eight young people with exceptionally high levels of need c) Work in partnership with education, NHS and care providers and try and meet their needs locally.	. 8 trial education health and care plans with 8 plans in place . Increased number of plans with a team around the child approach (to be quantified) . Plan in place for the future roll out of Education, Health and Care Plans.	September 2013  September 2013  September 2014	<b>SEN (Lead service) supported by: Children's Social Care Health</b>

<p>4. <i>Support young people to make a fulfilling transition to adult life.</i></p>	<p>Support every child and young person with SEND to help them make a successful transition in this period of significant change.</p> <p>a) Start early, be flexible and try and tailor our support to the individual young person and their family.</p> <p>b) Make sure parents and carers have advice and guidance on what options are available.</p> <p>c) Work in partnership with parents and carers to enable them to take part in the decisions about their child's needs and support arrangements.</p>	<ul style="list-style-type: none"> <li>. New process in place involving SENAS and Health</li> <li>. Improved clarity in IAG for parents and carers</li> <li>. More options/places available to young people for post 16 education and training</li> <li>. More parents/carers involved in transition planning</li> </ul>	<p>2013-2014</p>	<p><b>Adult Social Care (Lead service) supported by: SEN Health School Improvement Services</b></p>
<p><b>Priority 2: <i>Involve and enable children and young people with SEND and their families</i></b></p>				
<p>5. <i>Ensure parents and carers and children and young people are able to participate more in decision making.</i></p>	<p>Provide opportunities for more parents, carers and young people to have increased opportunities to participate in changes to strategies and on-going evaluation of our services.</p> <p>a) Determine how best we can get feedback from children and young people with SEND about their educational experiences.</p>	<ul style="list-style-type: none"> <li>. Increased number of pupil centred reviews(<i>to be quantified</i>). More plans informed by pupil views(<i>to be quantified</i>).</li> <li>.Improved outcomes and satisfaction levels reported by pupils, parents/carers. (<i>method of measurement by survey etc. to be decided</i>)</li> </ul>	<p>From September 2013</p>	<p><b>Pupil and Family services (lead service) supported by:(<i>to be decided</i>)</b></p>
<p>6. <i>Work towards making sure that parents and carers receive the right support.</i></p>	<p>Develop our parent reference group which has just been established.</p> <p>a) Improve parent consultation.</p> <p>b) Fully review all our services for parents and carers annually, using the feedback they have given us.</p> <p>c) Involve them in this review to help parents and carers access support and advice at the right time.</p>	<ul style="list-style-type: none"> <li>. Established parent reference group with broad representation of parents and carers.</li> <li>. Views informing service delivery.</li> </ul>	<p>From April 2013</p>	<p><b>Pupil and Family Services (lead service) supported by: (<i>to be decided</i>)</b></p>



<p>7. <i>Ensure that all information that goes to parents and carers is clear and accessible.</i></p>	<p>Improve communication pathways to parents and carers.</p> <p>a) Develop the local authority SEND web pages to provide information about local services and guidance for parents and carers and professionals and the range of services, the full range of educational provision available and how transitions between children and adult services are coordinated.</p> <p>b) Publish a directory of services for parents and carers that describes the responsibilities of different services and professionals</p> <p>c) Ensure this and all information is clear and accessible and written in everyday language.</p>	<p>. Positive feedback from parents and carers via parent reference group and survey about access to information</p>	<p>2013-14</p>	<p><b>Pupil and Family Services (lead service) supported by: (to be decided)</b></p>
<p><b>Priority 3: Ensure quality of provision and services through effective procurement and commissioning arrangements</b></p>				
<p>8. <i>Deliver the right provision and the right support arrangements at the right time.</i></p>	<p>Invest in new specialist places adding 190 new places in Brent special schools and Additionally Resourced Provision in mainstream schools by 2020</p> <p>a) Work in partnership with mainstream schools to develop increased curriculum options for young people with learning difficulties to improve their qualifications and post 16 pathways.</p> <p>b) Work with the College of North West London to help develop its provision to accommodate more high needs learners at age 16 and age 19.</p> <p>c) Develop commissioning strategy which will set out a newly defined commissioning cycle that includes effective SEN resource planning, and new audited commissioning processes.d) Ensure best value for money out of borough places are commissioned out of borough. e) Explore collaborative commissioning arrangements with other boroughs as part of West London Alliance (WLA).</p>	<p>. 86 additional SEN places on 2012 base level provided by September 2016..</p> <p>. Improve post 16 opportunities available to students with SEND by September 2014.</p> <p>. Implement a commissioning strategy.</p> <p>. Reduction in costs of out of borough placements via WLA and local negotiations with providers</p>	<p>2013-2016</p>	<p><b>Regeneration and Major Projects (lead service)supported by:Pupil and Family Services</b></p>

<p>9. <i>Develop a skilled professional workforce who is knowledgeable and confident about SEND.</i></p>	<p>Offer an extensive SEND training programme for schools and educational settings to include leadership and management.  a). work with our partners to make sure that all those who work with children and young people with SEND have the necessary skills and confidence</p>	<ul style="list-style-type: none"> <li>. Training programme in place in response to workforce skills audit.</li> <li>. SEN support services reviewed and strengthened in line with demand.</li> <li>. More empowered and confident workforce as determined by survey feedback.</li> <li>. More pupils and young people with SEND effectively supported.</li> </ul>	<p>September 2013 onwards.</p>	<p><b>School Improvement Services supported by: Pupil and Family Services</b></p>
--	---	--	--------------------------------	---

 <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 COUNCIL' in a circular arrangement.</p>	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Director of Children and Families</b></p>
<p>Wards Affected: ALL</p>	
<p><b>Authority for exemption to award a two- year and one term contract for Special Educational Needs independent special school provision</b></p>	

## **Appendix 1 is NOT FOR PUBLICATION**

### **Reason for non-publication**

This Appendix is not for publication as it contains the following categories of exempt information as specified in Schedule 12A to the Local Government Act 1972, namely:

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

### **1.0 Summary**

1.1 This report concerns the commissioning of school places for secondary students with Statements of Special Educational Need (SEN) for autistic spectrum disorders, (ASD) at Centre Academy, an independent day special school in Wandsworth. It outlines the current ‘spot’ purchase arrangements and seeks an exemption from tendering in accordance with paragraph 84(a) of Standing Orders to allow a two year and one term contract to be awarded to Centre Academy for 15 places with an anticipated commencement date from 1 April 2013. The term of the contract will allow significant savings to be realised whilst also allowing officers time to assess longer-term strategic and procurement options aimed at ensuring that competitive, quality provision is sustained.

### **2.0 Recommendations**

- 2.1 That an exemption be approved from the usual tendering requirement of Contract Standing Orders to allow the award of a contract to Centre Academy from 1 April 2013 to 31 August 2015.
- 2.2 That delegated authority be given to the Director of Children and Families to conclude negotiations with Centre Academy and award the proposed two years and one term block contract on the basis of the rates outlined in this report and agreed in principle with Centre Academy.

### **3.0 Detail**

- 3.1 The purpose of this report is:
  - a) To explain why approval is sought for an exemption from the requirement to undertake a competitive tender exercise in compliance with Brent Contract Standing Orders for two years and one term;
  - b) to identify and analyse the procurement risks associated with the proposals of this report and recommend solutions to enable officers to manage these risks successfully to enable the award of the contract to take place.
- 3.2 The Council makes provision for children with special educational needs in both special schools and mainstream schools. The Council has recently increased in-borough provision for young people with SEN and has reduced significantly its reliance upon independent schools. In September 2012 for the first time no pupil was placed in an independent school at secondary transfer stage. However, in the short to medium term there is an on going need to continue to place young people with SEN in independent or non-maintained schools. It is not possible to source additional maintained ASD special school provision from neighbouring local authorities as this is very limited and places are consistently taken by the host local authority pupils;
- 3.4 Currently, officers commission ASD special school places from the independent and non-maintained school sector on a 'spot' purchase basis. This has proven to be very costly with unit costs running at an average of **£51,000** per annum for individual places ranging from £36,000 to £79,000 depending on the complexity and severity of need. There are currently 43 pupils placed with providers, of which 22 are currently placed with Centre Academy at a full year average cost of approximately £36,000 per place (in practice the price varies according to year group).
- 3.5 Of the 22 Brent young people attending Centre Academy, all require special school places to meet their needs and over time have all been the subject of 'spot' purchasing of places. Such spot purchasing for

individual needs is not subject to the competitive requirements of Contract Standing Orders.

- 3.6 Centre Academy was originally approached in the summer of 2012, as a continuing part of the activities in the One Council Review of SEN, and following a successful negotiation with another independent school, with a view to negotiating the unit cost of placements down. Officers sought to negotiate across a number of different areas including a percentage reduction of fees, putting in place a formal contract with agreed terms and agreement on a 'block' number of places over a fixed term with a discounted rate applied to places beyond the 'block' threshold.
- 3.7 Following lengthy negotiations both parties have agreed on 15 places at a flat rate of £35,000 per annum per place (all year groups). Full details of the agreement are set out in section 4 and at Appendix 1, however, it should be noted that it has been negotiated that all places purchased above the block of 15 will be at the same rate as the 15 places within the block contract.
- 3.8 In summary, a two year and one term agreement with Centre Academy as outlined will save £68,537 for the total cohort of Brent pupils commencing from the first contract year in April 2013.
- 3.9 Approval is therefore sought for an exemption from the tendering requirements of Brent Contract Standing Orders to enable the direct award of a two year and one term contractual arrangement with Centre Academy as outlined above in order to achieve these more cost efficient arrangements for ASD placements.
- 3.10 There are strong supporting arguments in favour of a non-competitive approach on this occasion. There is a highly specialised market for schools able to provide education for children with ASD. There are alternative potential day independent schools that cater for ASD children with similar need only two of which are within reasonable travel distance of Brent, Holmewood School and Hillingdon Manor School. Both schools are more expensive than Centre Academy and more importantly, it is unlikely that either school would be capable of competing for a contract of this size in terms of having available places. In light of this, officers consider the risk of challenge to a direct contract award to Centre Academy to be minimal.
- 3.11 Many of the current pupils are likely to continue to be placed at Centre Academy for a number of years until they complete their statutory education. Of the 23 pupils currently at Centre Academy, 5 are due to leave in 2013 and 4 are due to leave in 2014. Centre Academy offers post 16 education and it is likely that a small number of these children will stay on into years 12 and 13.

- 3.12 Officers did consider whether a framework would be a more efficient contractual vehicle for this service; however, with a market limited by the number of actual competitors, further limited by geography, there is a risk of collusion between competitors and framework prices that fail to achieve the discounts achievable in a cost and volume arrangement. If the award of contract were to await a competitive process the time-line would result in losing the immediate savings.
- 3.13 The service is part B under the Public Contract Regulations 2006 (“the “EU Regulations”). However, although the principles of transparency, non-discrimination and equality apply there is a low risk of challenge arising from a direct award, particularly in the context of the reasons outlined at 3.2.2. Despite this officers have addressed the issue of risk in terms of challenge and attempted to gauge not just the risk but also the implications for the Council.
- 3.14 Although there is a small element of risk associated with this contract award, officers have carefully considered the implications and have compiled a risk register, which will be reviewed and closed off. On balance the recommendations of this report represent the best educational and financial arrangement for the Council.

#### **4.0 Financial Implications**

- 4.1 The One Council Review of SEN has been established to address the transformation of SEN services to achieve greater efficiencies and cost effectiveness and is progressing in several strands of activity, one of which is to develop smarter commissioning processes.
- 4.2 All costs covered in this report fall within the schools budget which is funded via the ring-fenced Dedicated Schools Grant (DSG) that the Council receives from the Department for Education. The ring-fenced nature of the schools budget means that any savings identified in this report must remain within the schools budget. The demands on these budgets have significantly increased over the last 3 years largely as a result of the increase in demand for SEN provision. This resulted in a cumulative schools budget overspend of approximately £5.7 million by the end of 2010/11. This overspend increased by a further £1.5m in 2011/12 to £7.2m. The One Council SEN Review project is addressing this overspend and indications are that interventions such as this project (establishing new financial arrangements with existing independent providers) are halting the overspend situation, and will achieve a reduction in spend in 2012/13. This is in accordance with a budget recovery plan agreed with the Schools Forum and in conjunction with planned savings in SEN.
- 4.3 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.

- 4.4 Taking into account the re-negotiated 'spot' purchased places over the proposed two year and one term contract, the estimated value of services for the 22 Brent young people at Centre Academy up until the end of the contract term is £1,470,042 against the current price for the same period of £1,538,579, a potential saving of £68,537 over the period.
- 4.5 Further to the above, Centre Academy has agreed to freeze the agreed rates for the life of the contract negating the need for an annual price review clause in the terms and conditions of contract. Assuming an uplift of 1.5% in years 2013/14, 14/15 and 15/16 this would have a potential cost avoidance of £22,709 over the existing estimated cost for the stated contract term.
- 4.6 It is anticipated that the cost of the two year and one term contract will be funded from existing resources within the DSG funds currently utilised for the 'spot' purchase arrangement with Centre Academy.

## **5.0 Staffing Implications**

- 5.1 This service is currently provided by an external contractor and there are no direct implications for Council staff arising from the award of the interim block contract.

## **6.0 Legal Implications**

- 6.1 The Council, being a public body, has to comply with legislation which includes the EU Treaty Principles; the Public Contract Regulations 2006; the Council's Financial Regulations and Contract Standing Orders when awarding contracts.
- 6.2 The nature of the services are categorised under the Public Contract Regulations 2006 ("the "EU Regulations") as a part B service.
- 6.3 The value of the proposed contract with Centre Academy over the two year and one term duration is approximately £1,295,037 and therefore higher than the EU threshold for Services under the EU Regulations. However, the services are Part B services under the EU Regulations and as such are not subject to the full application of the regulations with regard to competitive tendering. An Interpretative Communication was issued by the European Commission in July 2006 which indicates that the general requirements for transparency, non-discrimination and equal treatment will normally require advertising and some form of competitive process before contract award, even for Part B services, especially if the contract is likely to be of interest to overseas EU providers. Given the current limited market in the type of services provided by Centre Academy in addition to the results of the soft market-testing carried out by officers and highlighted at paragraph

3.2.2.; it is considered that the award of the contract does not contravene these general duties.

- 6.4 The value of the proposed block contract with Centre Academy is such that it is classed as a High Value Contract for the purposes of the Council's Contract Standing Orders. The Council's Contract Standing Orders provide that High Value Contracts should be let by inviting competitive tenders. However Contract Standing Order 84(a) states the Executive may agree otherwise where there are "*good operational and/or financial reasons*". Officers consider that there are good operational and good financial reasons for agreeing a contract with Centre Academy rather than carrying out a formal tendering process at this stage. These reasons are set out in sections 3.1 to 3.2.9 of the report.

## **7.0 Public Services (Social Value) Act 2012**

- 7.1 Since 31<sup>st</sup> January 2013, the Council, in common with all public authorities subject to the EU Regulations, has been under duty to consider the economic, social and environmental well-being of their area when undertaking public procurements. This is set out in the Public Services (Social Value) Act 2012. This duty applies to this award of contract until such time as a contract is entered into. The duty requires authorities to consider how what is procured might improve economic, social and environmental well-being of their area, and how it might act in procuring the service to secure that improvement.
- 7.2 In this case, an assessment of the service is that as it is required for the purpose of meeting individual SEN needs, there are no improvements to the economic, social and environmental wellbeing of the Council's area that might be secured through this procurement.

## **8.0 Diversity Implications**

- 8.1 The provision of quality education for children with SEN is part of providing equal access for people with disabilities.

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

- 9.1 There are no background papers associated with this report. Supporting information to this report is contained within the appendices.

### **Contact Officer(s)**


- Chris Japhtha, Senior Category Manager, [Chris.japhtha@brent.gov.uk](mailto:Chris.japhtha@brent.gov.uk)  
Tel: 020 8 937 1628.



- Sara Williams, Assistant Director Achievement and Inclusion, Children & Families [sara.williams@brent.gov.uk](mailto:sara.williams@brent.gov.uk). Tel: 020 8937 3510.

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

This page is intentionally left blank

	<p style="text-align: center;"><b>Executive</b> 11 February 2013</p> <p style="text-align: center;"><b>Report from the Director of Environment and Neighbourhood Services</b></p>
Wards Affected: ALL	
<b>Managing the Public Realm - contract award criteria and update</b>	

## 1.0 Summary

- 1.1 On 15 October 2012 the Executive gave its approval to invite tenders for a public realm contract. The Executive approved the advertising and the operation of a pre-qualification process without the approval of evaluation criteria and certain other pre-tender considerations subject to approval of such matters at a future Executive. This report updates the Executive on progress to date, explains the procurement process and sets out the proposed contract award criteria and other pre-tender considerations.

## 2.0 Recommendations

- 2.1 The Executive note the collaborative partners have changed and that the procurement is now proceeding with Brent Housing Partnership (BHP).
- 2.2 That the Executive agree the vision for the Public Realm Contract set out in paragraph 3.2.2.
- 2.3 That the Executive give approval to the evaluation of tenders in accordance with the pre-tender considerations set out in paragraph 3.4.2.

## 3.0 Details

### 3.1 Background and progress update

- 3.1.1 The council's current contract for waste, recycling and street cleaning ends on 31 March 2014. On 15 October 2012 the Executive approved the Council's participation in a collaborative procurement and service delivery exercise known as 'Managing the Public Realm' for the provision of waste, recycling, street cleansing and grounds maintenance services. The aim for the new contract is to improve resident satisfaction through greater joining up of services whilst delivering financial savings.

3.1.2 Since the Executive decision to support the collaborative project, the participants have changed. The collaboration with BHP has successfully continued. The London Boroughs of Barnet, Richmond and Hounslow have withdrawn from the collaborative project, mainly because the procurement and decision making timetables couldn't be aligned in time for Brent's 1 April 2014 deadline for commencement of services under the new contract.

3.1.3 The Public Realm contract now includes the following services:

- Waste collection and recycling services including how recycled material is managed
- Street cleansing and litter picking across Brent's highways, parks, open spaces and housing estates managed and/or owned by BHP
- Grounds maintenance across all Brent parks, cemeteries, open spaces and housing estates managed and/or owned by BHP
- Burial services
- Winter services (alternatively could be procured through the LOHAC contract for highway services)

## **3.2 Vision for the public realm contract**

3.2.1 Councillors have highlighted the problems caused for residents when boundary issues affect the quality of service e.g. different people litter pick on street and in parks and different teams of people mow the grass in Brent's parks and on BHP estates.

3.2.2 Therefore, the contract aims to deliver a new vision for the Public Realm in Brent, bringing together a single contract that has total accountability for waste, cleansing and grounds maintenance. The council wishes to create a greater emphasis on improving the appearance of all public places and to help implement Brent's Place Making Guide. It is a holistic approach, allowing the elimination of boundaries and a coordinated programme of activity in line with key principles planned for maintaining Brent's public places to a good standard. The vision for this contract is to:

- Improve the way Brent 'looks and feels' to visitors, businesses and residents including good quality open spaces and a clean and tidy area
- Encourage greater consideration by residents and communities of how to generate less waste, emphasising reduction, reuse, recycling and composting;
- Promote a greater sense of civic pride and a stronger local identity.
- Make a positive impact on social, environmental and economic sustainability.

3.2.3 From this contract, the council is seeking to achieve the following objectives:

- Deliver good quality services and demonstrate continuous improvement, whilst seeking to achieve high performance throughout the life of the contract;
- Value for money services with on-going cost improvements year on year, particularly through maximising economies of scale and other efficiencies;
- Help the Council achieve its economic and social regeneration objectives through proposals such as apprenticeships, local recruitment, wage levels and supporting and developing the local supply chain.

- Deliver sustainable services which reduce the council carbon footprint by aiming for a carbon neutral service;
- A flexible contract, encouraging innovation and taking account of changing legislation and policy, particularly with respect to climate change;
- Change public perception and behaviours where ultimately residents and visitors will improve, and take pride in, the appearance of Brent's public places, reduce their carbon footprint, minimise the amount of waste they produce and maximise the amount of waste they segregate for reuse, recycling, composting and recovery.

### **3.3 Procurement process**

3.3.1 The specification for the Contract will be output based with particular quality standards the Contractor will be required to achieve. An output specification sets out the high level expectations and asks all bidders to use their experience and innovation to tell us how best to deliver a high quality service at the best price. Then, during the competitive dialogue these proposals are extensively assessed and negotiated until the preferred standard specification and price is agreed. These detailed proposals then become contractual and can be enforced as part of the contract.

3.3.2 The Council has agreed to follow a competitive dialogue process which is broadly set out below:

- Pre-qualification stage – this will lead to a minimum of 3 bidders and up to a maximum of 5 bidders being invited for the next stage.
- Invitation to Submit an Outline Solution (ISOS) - At this stage the output specification is sent out to the shortlisted bidders who provide their initial proposals to meet the specification. The proposals are then evaluated and it is envisaged that the top 3 scoring organisations are then taken forward to the next stage.
- Invitation to Submit a Detailed Solution (ISDS) - The shortlisted bidders are invited to submit a detailed solution that are then discussed and fine-tuned. The ISDS is then evaluated and any shortlist for progressing to the next stage is agreed.
- Close of Dialogue and Call for Final Tenders (CFT) - At this stage the council formally declares the Closure of Dialogue and requests final tenders. These are evaluated and the preferred bidder and reserve bidder announced. The council then finalises clarifications only with the preferred bidder.
- The contract is awarded by the Executive.

### **3.4 Contract award criteria**

3.4.1 Officers have considered a range of options to get the best price and quality for residents. Overall, Officers want to maintain quality but with the current budget pressures the council need to get the best possible price. To achieve this, the recommendation is:

- 60% quality and 40% price/commercial considerations split for ISOS and ISDS

- 40% quality and 60% price/commercial considerations for Final Tenders.

3.4.2 The table below sets out the full set of pre-tender considerations.

Ref	Requirement	Response	
(i)	The nature of the service	Waste collection service including how recycle materials are managed, cleansing, grounds maintenance, burial service and winter service.	
(ii)	The estimated value	Based on current budgets the contract value would be up to £16.1 m per annum.  Based on the current budgets, over the full life of the contract the value is approximately £145m.	
(iii)	The contract term	Up to a maximum period of 16 years with an initial term of 9 years and a subsequent term of up to 7 years on condition of satisfactory performance. The contract will commence on 1 April 2014 for waste, street cleansing and recycling and 1 September 2014 for grounds maintenance.	
(iv)	The tender procedure to be adopted	Competitive Dialogue	
(v)	The procurement timetable	Adverts placed	17 <sup>th</sup> December 2012
		Issue of PQQ	17 <sup>th</sup> December 2012
		Bidders Day	8 <sup>th</sup> January 2013
		Deadline for PQQ submissions	21 <sup>st</sup> January 2013
		Shortlist drawn up in accordance with the Council's approved criteria	January/February 2013
		ISOS stage (including panel evaluation)	February 2013 to April 2013
		ISDS stage (including panel evaluation)	May 2013 to July 2013
		ISFT stage (including panel evaluation)	August 2013 to September 2013
		Report recommending	September/October 2013

Ref	Requirement	Response
		<p>contract award circulated internally</p> <p>BHP tenant and leaseholder consultation</p>
		<p>Executive approval</p> <p>October 2013</p>
		<p>Award Contract</p> <p>October/November 2013</p>
		<p>Mobilisation</p> <p>October/November 2013 – March 2014</p>
		<p>Contract Start Date (Waste collection and street cleansing)</p> <p>1 April 2014</p>
		<p>Contract Start Date (Grounds Maintenance)</p> <p>September 2014</p>
(vi)	The evaluation criteria and process	<p>Shortlists have been drawn up in accordance with Brent's Standing Orders and Contract Procurement and Management Guidelines namely the pre-qualification questionnaire and thereby meeting the Council's financial standing requirements, health, safety and environmental standards, technical capacity and technical expertise.</p> <p>The panel will evaluate the tenders against the following:</p> <p>- For ISOS and ISDS the criteria will be 60% quality and 40% price/commercial considerations.</p> <p><b>Price/Commercial 40%</b></p> <ul style="list-style-type: none"> <li>• Price</li> <li>• Performance and payment mechanism</li> <li>• Cost certainty</li> <li>• Commercial innovation</li> <li>• Maximising efficiencies on services over the life of the contract</li> </ul> <p><b>Quality 60%</b></p> <ul style="list-style-type: none"> <li>• Demonstrating compliance with the specification</li> <li>• Proposed systems and working methods</li> <li>• Detailed operational and mobilisation plans</li> <li>• Proposals for enhancement of services</li> <li>• Demonstrating delivery of customer excellence</li> </ul>

Ref	Requirement	Response
		<ul style="list-style-type: none"> <li>• Approach to innovation and sustainability</li> <li>• Contract performance</li> </ul> <p>- For the final tenders the criteria will be 60% price/commercial considerations: 40% quality.</p> <p><b>Price/Commercial 60%</b></p> <ul style="list-style-type: none"> <li>• Price</li> <li>• Performance and payment mechanism</li> <li>• Cost certainty</li> <li>• Commercial innovation</li> <li>• Maximising efficiencies on services over the life of the contract</li> </ul> <p><b>Quality 40%</b></p> <ul style="list-style-type: none"> <li>• Demonstrating compliance with the specification</li> <li>• Proposed systems and working methods</li> <li>• Detailed operational and mobilisation plans</li> <li>• Proposals for enhancement of services</li> <li>• Demonstrating delivery of customer excellence</li> <li>• Approach to innovation and sustainability</li> <li>• Contract performance</li> </ul>
(vii)	Any business risks associated with entering the contract	See paragraphs 3.4.4, 3.4.9, 3.4.11 of the 15 October 2012 report to the Executive.
(viii)	The Council's Best Value Duty	This procurement process and on-going contractual requirement will ensure that the Council's Best Value obligations are met.
(ix)	Any staffing implications, including TUPE and pensions	See Sections 7
(x)	The relevant financial, legal and other considerations	See Sections 4 and 5



## 4.0 Financial implications

- 4.1 A key objective of the contract is to demonstrate value for money and deliver efficiency savings. An independent evaluation of the current market for these services identified savings of at least £1.3m per annum. As a result, taking into account current annual budgets, the contract value will be up to £16.1m per annum (as set out below).

Current services budget	£m
Refuse collection & street cleansing	14.0
Grounds maintenance	2.9
Brent Housing Partnership	0.5
Total	17.4
Less one council savings target	(1.3)
Proposed contract value per annum	16.1
Proposed contract value 9 years	145.0
Proposed contract value 16 years	257.0

- 4.2 Costs incurred in delivery and management of the contract, ie one-off project costs, procurement and legal support, are to be met from the One Council programme. Redundancy costs are to be met from the Council's central redundancy provision. The financial model that underpins the savings assumption takes into consideration that the Council will provide a depot that will be run by the contractor.

## 5.0 Legal implications

- 5.1 Members are referred to the Legal Implications in the report to the Executive of 15 October 2012.
- 5.2 The report to the Executive of 15 October 2012 indicated that the Officers wish to procure the contract in accordance with the competitive dialogue procedure. The EU Regulations provide that the competitive dialogue procedure may only be used in for the procurement of particularly complex contracts where the council considers the use of the open or restricted procedure will not allow the award of the contract. Despite the fact that the number of organisations collaborating in the procurement has decreased, it is still considered that the contract will satisfy the description of a particularly complex contract in that the council is not able to properly define the technical means capable of satisfying its needs or objectives. In reaching this conclusion Officers have had regard to, inter alia, the requirement of the contract to achieve service alignments between the council and BHP with the complications of staggered start dates for the different services.
- 5.3 Officers are in the process of liaising with BHP to ensure there are effective inter-organisations arrangements in relation to the procurement and also in relation to the subsequent operation of the contract. Officers will need to ensure appropriate legal, financial and other relevant advice is obtained in establishing suitable governance arrangements, to include clear accountability and liability of organisations.

5.4 The Public Services (Social Value) Act 2012 was brought fully into force on 31 January 2013. Given that the procurement process for the public realm contract commenced in December 2012, its provisions will not apply. As indicated in paragraph 3.2.3 however, Officers are mindful of the need for the contract to help achieving economic and social regeneration objectives.

## **6.0 Diversity implications**

6.1 No further diversity implications have been identified beyond those set out in the Executive report of October 2012.

## **7.0 Staffing / accommodation implications (if appropriate)**

7.1 No further staffing implications have been identified beyond those set out in the Executive report of October 2012.

7.2 The Executive agreed on 15th October 2012 to the following recommendation: *“That the Executive agree to procure a new depot as set out in paragraph 3.7 of the report. If a suitable site is identified, due to the reasons set out in paragraph 3.7, that the final terms of any acquisition including the purchase price be delegated to the Director of Regeneration and Major Projects and the Director of Finance in consultation with their respective Lead Members.”*

7.3 Officers have now acquired a site situated within an industrial location which will be made available to bidders during the procurement process and which is expected to serve the depot functions of the public realm contract.

7.4 The feasibility study undertaken by officers working alongside planning and highways consultants Peter Brett Associates has identified the following as achievable on site:

- parking bays for waste vehicles
- car parking spaces for staff
- warehouse/ vehicle/ plant storage
- administration/ staff facilities
- potential vehicle washing area
- open area for outdoor storage

## **Background papers**

Report to the Executive Managing the Public Realm - 15 October 2012

## **Contact officers**

Jenny Isaac, Assistant Director of Neighbourhood Services  
Tel 020 8937 5001  
Email [jenny.isaac@brent.gov.uk](mailto:jenny.isaac@brent.gov.uk)

Sue Harper  
Director of Environment and Neighbourhood Services

	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Director of Environment and Neighbourhood Services</b></p>
Wards Affected: ALL	
<p><b>Review of Dog Control Orders in parks and open spaces</b></p>	

**1. Summary**

- 1.1 This report provides information on the current Dog Control orders, the informal feedback that has been received since their implementation in April 2012 and recommends one change to the Dog Control Orders currently in force in Brent's parks and open spaces.

**2 Recommendations**

- 2.1 That members agree to reduce from six to four the maximum number of dogs that one person can walk such that the Control Order is changed to:

**The maximum number of dogs which may be taken onto Brent's parks and open spaces** The Dog Control Orders restrict the maximum number of dogs to be controlled by one person to four. It is an offence for one person to be in charge of more than four dogs in any of the borough's parks or open spaces.

- 2.2 That Members, for the avoidance of doubt agree to retain, without change, Orders that address:
- **Areas where dogs would be excluded in Brent's parks and open spaces** (paragraph 3.3)
  - **Areas where dogs are to be kept on leads in Brent's parks and open spaces** (paragraph 3.4)

### 3 Detail

- 3.1 In November 2011 the Executive agreed the introduction of Dog Control Orders in Brent's parks and open spaces, under Section 55 of the Clean Neighbourhoods and Environment Act 2005. The agreed orders are set out below.

***The maximum number of dogs which may be taken onto Brent's parks and open spaces*** The Dog Control Orders restrict the maximum number of dogs to be controlled by one person to six. It is an offence for one person to be in charge of more than six dogs in any of the borough's parks or open spaces.

***Areas where dogs would be excluded in Brent's parks and open spaces*** The Dog Control Orders designate a number of areas where dogs are not permitted at any time. This applies to all playgrounds, multi-use games areas, tennis courts, netball courts and bowling greens. It will be an offence for anyone in charge of a dog to take the dog onto, or permit the dog to enter, or to remain in such designated areas. This does not apply to registered blind people, deaf people or other people with disabilities who make use of trained assistance dogs. The Orders will also apply to any new playgrounds, multi-use games areas, tennis courts, netball courts and bowling greens.

***Areas where dogs are to be kept on leads in Brent's parks and open spaces.*** The Dog Control Orders designate areas where dogs must be kept on a lead. These include all 32 of the smaller/pocket parks listed in Appendix 1, areas containing flower beds, walled gardens and other such areas where the walking of dogs 'off lead' is deemed inappropriate. This does not apply to registered blind people, deaf people or other people with disabilities who make use of trained assistance dogs.

- 3.2 The orders were published on the 2<sup>nd</sup> of April 2012 and came into force on the 10<sup>th</sup> April. As part of the introduction of the Orders the Sports and Parks Service together with the Council's Animal Welfare team and in conjunction with the Mahew Animal Home organised a series of 'Roadshows' in seven of the Boroughs Parks to raise awareness of the new Orders and to promote responsible dog ownership.
- 3.3 Unfortunately the weather for the Roadshows was extremely wet and very few people attended. During the six month period since publishing the Orders the Sports and Parks service has received no feedback in relation to the areas where 'dogs are excluded' or where 'dogs must be kept on a lead'.
- 3.4 11 requests have been received from the wider public, asking the Council to reduce the maximum number of dogs walked at the same time still further. In addition, we have received complaints both verbally, in person at the roadshows and by e-mail from park users expressing concern regarding people walking six and more dogs at Fryent Country Park and The Welsh Harp Reservoir. These sites are particularly popular with professional dog walkers however due to the size of the sites, the number of access points and the

varying times visited by the professional dog walkers enforcement can be difficult.

3.5 The 'Schools without Walls' organiser has also expressed concern regarding the number of dogs that approach the groups of children who use the park for outdoor classroom activities.

3.6 The Kennel Club recommendations for dog walkers are that no more than six should be walked at any one time. However it appears that most responsible professional dog walking firms/people limit the number to four as they believe this is the maximum that can be controlled at any given time. Interestingly professional 'dog walkers' must have insurance and the insurance companies will only 'cover' a maximum of six dogs. Our research has shown that most legitimate companies have insurance for no more than 4 dogs. Examples are listed below.

<http://www.thepetaupair.co.uk/services.html>  
<http://www.mukypups.com/services.html>

3.7 Some (not all) professional dog walkers have adhered to the current Orders by ensuring that there is a second person with them if they are walking more than six dogs but the complaints still relate to the two people being unable to safely manage, control and clear up after more than six dogs.

3.11 Feedback was received from 2 professional dog walkers and their comments included: '*That they are able to control large groups of dogs and it poses no problem to other parks users*' and '*that it has little impact at Fryent Country Park*' and the '*Council should operate a licensing scheme for dog walkers*'. The introduction of a licence scheme was considered but it would be costly and difficult for the Service to implement and enforce so is not recommended.

#### **4 Financial Implications**

4.1 The revised Orders, if agreed, will be implemented using existing Council budgets and existing Council officers to enforce the orders. Responsible dog ownership in parks is considered to have a positive financial implication to the Council and to society; conversely irresponsible dog ownership increases the costs of keeping parks clean. The focus will continue to be to educate dog owners about responsible dog ownership rather than issuing fines. As such, officers do not believe that the introduction of these orders will generate a significant level of income.

#### **5.0 Legal Implications**

5.1 The Council as a "Primary Authority" has the power under section 55 of the Clean Neighbourhoods and Environment Act 2005 ("The Act") to make Dog Control Orders providing for an offence or offences relating to the control of dogs in respect of any land in its area. The previous legal implications contained within the Executive Report dated 14 November 2011 and which is appended as Appendix 2 go into some detail as to the statutory framework

together with the Councils powers under the 2005 Act for the purposes of implementation of such Orders so will not be repeated here.

- 5.2 In considering whether to make a Dog Control Order, the Council must be able to show that the Order is a necessary and proportionate response to problems caused by the activities of dogs and those in charge of them. Accordingly, the interests of those in charge of dogs, needs to be balanced against the interests of those affected by the activities of dogs. In view of the adverse comments received by way of complaints Members as part of the decision making process need to consider whether they deem it appropriate and reasonable to amend the Order so there is a tighter control of the total number of dogs being walked by an individual person at any one time on Brent's parks and open spaces.
- 5.3 Regulation 5 of the Dog Control Orders (Prescribed Offences and Penalties, etc) Regulations 2006 provides that an Order can subsequently be amended or otherwise varied by the Council to reflect the proposed changes as referred to in paragraph 2.1 above by the drafting of an amended Order in the prescribed form.
- 5.4 Members were advised at paragraphs 5.7 and 5.8 of the previous Executive Report that the introduction of Dog Control Orders would satisfy the Councils general powers of social and environmental well-being under section 2 of the Local Government Act 2000. However, this particular section was repealed on the 4 April 2012 and replaced with the Councils general power of competence under the Localism Act 2011 which in principle can equally be extended to the proposal to amend.
- 5.5 Should Members be minded to agree the proposals as set out in the body of this report then the appropriate delegation should be afforded to the Director of Environment and Neighbourhood Services (or any officer acting under her control and direction) to determine a date when the amended order shall come into force. This needs to be at least 14 days after the amended Order is made. On a procedural note there is also a requirement to advertise the making of the amended order at least seven days prior to it coming into effect.

## 6 Diversity Implications

- 6.1 An Equality Impact Assessment (EIA) was undertaken during the drafting of the initial Orders. This has been reviewed in light of the recommendation to reduce to four, the maximum number of dogs that an individual can walk. The potential area of impact is economic as it may impact on how some professional dog walkers operate. However there is no evidence to suggest that the proposed change will negatively affect any one particular protected characteristic under the Equality Act. In general the proposed change will have a positive impact for most people who visit Brent's parks and open spaces.
- 6.2 As per the initial EIA, the Dog Control Orders do not apply to trained assistance dogs and so disabled, blind and deaf dog owners with such dogs would not be affected.

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

7.1 None.

### **Background Papers**

**Appendix 1:** Parks and Open Spaces where dogs are to be kept on leads

Executive Report, 14 November 2011: Dog Control Orders in parks and open spaces

Revised Equality Impact Assessment

### **Contact Officers**

Paul Hutchinson  
Technical and Operations Manager, Sports and Parks Service

SUE HARPER  
Director of Environment and Neighbourhood Services

## Appendix 1: Parks and Open Spaces where dogs are to be kept on leads

Parks and Open Spaces	Whole Space / Part
Barham Park	Walled Garden
Brondesbury Villas	Whole
Cambridge Square	Whole
Chalk Hill Linear Park	Whole
Chalkhill Water Garden	Whole
Chapter Road	Whole
Crouch Road	Whole
De Havilland Park	Whole
Dudden Hill	Whole
Furness Road	Whole
Gladstone Park	Walled garden
Goldsmith Lane	Whole
Grange Museum Wildlife Park	Whole
Kimberley Road	Whole
King Edward VII Sports Ground	Entrance and cricket wicket
King Edward VII Wembley	Flower gardens
Kingsbury Green	Whole
Mapesbury Dell	Whole
Milton Avenue	Whole
Northwick Park	Cricket wicket
Preston Park	Cricket wicket
Queens Park	Whole
Roe Green	Walled garden
Roundwood Park	Entrance and Flower Gardens
Roundwood Road	Whole
Springfield Park	Whole
St. Mary's Road	Whole
The Compass	Whole
The Shrine	Whole
Vale Farm	Cricket wicket
Village Way	Whole
Villiers Road	Whole

The orders will also apply to any future or proposed Parks and open spaces where deemed appropriate





**Executive  
11 February 2013**

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

Wards Affected:  
ALL

**Transportation Major Works Programme 2013-14**

## 1.0 SUMMARY

- 1.1 In 2012-13 roughly £7.5 million will have been spent improving Brent's transport infrastructure: resurfacing 7 miles of road and 4 miles of footway and building over 20 schemes to improve safety and accessibility for our residents.
- 1.2 In 2013-14 over £10.2 million will be spent improving Brent's roads, footways and transport infrastructure. This is a 36% increase and will be funded by Brent Council, Transport for London (TfL) and Section 106 funds from developers.
- 1.3 Of the total £10.2 million investment, £5.1 million has been allocated to Brent by TfL to support Brent's Local Implementation Plan (LIP) with a further £724,000 for Principal (A) roads. Details of the LIP and A road programme are provided in this report.
- 1.4 It is proposed to allocate £3.5 million of Brent capital to maintain the highway network, subject to approval of the Budget and Council Tax report on 11 February 2013 and full Council approval on 25 February 2013.
- 1.5 This report sets out recommendations for how Brent's £3.5 million capital budget should be allocated through a prioritised programme of:
- Major and minor pavement upgrades;
  - Road resurfacing; and
  - Improvements to the public realm.

## 2.0 RECOMMENDATIONS

- 2.1 That the Executive notes the proposed £10.2M investment in Brent's transport infrastructure, an increase of 36% above that in 2012-13.
- 2.2 That the Executive agrees to invest the Brent highways capital programme for 2013/14 of £3.5 million as follows:

	% of Brent capital Budget	Amount (£ 000's)
<b>Footways</b>		
Major footway improvements (long sections)	44%	1,525
Footway improvements (short sections)	4%	150
Public realm improvements	3%	125
<b>Sub-total</b>	<b>51%</b>	<b>1,800</b>
<b>Carriageways</b>		
Resurfacing of unclassified roads	38%	1,300
Resurfacing of B & C Class roads	4%	150
Resurfacing of short sections	4%	150
<b>Sub-total</b>	<b>46%</b>	<b>1,600</b>
Contingencies for TfL schemes	3%	100
<b>Total</b>	<b>100%</b>	<b>3,500</b>

2.3 That the Executive approves the proposed 2013/14 highway improvement schemes and reserve schemes listed in Appendices 2 & 3.

2.4 That the Executive note the funding of £5.147million from TfL to fund a wide range of transport improvements for Brent's residents through the LIP programme (set out in Appendix 5) and the £724,000 Principal A Road maintenance programme (set out in Appendix 2).

### 3.0 DETAIL

#### 3.1 Highway Improvements in 2012-13

3.1.1 Our focus is to improve and maintain the roads, footways and transportation network to enhance the environment and improve the safety of Brent residents, and those passing through the Borough.

3.1.2 By 31 March 2013, roughly £7.5 Million (funded by Brent, TfL and S106) will have been spent on improving Brent's transport infrastructure:

- 38 roads (7 miles in length) will have been resurfaced;
- 4 miles of footways will have been resurfaced and improved;
- 6 major improvement schemes will be delivered, including:
  - Sudbury Town Centre improvements
  - Harrowdene Road Traffic Calming
  - Wembley Corridor Accessibility scheme
  - Ealing Road Safety Scheme
  - Willesden Green Accessibility improvements
  - Donnington Road 20MPH Zone

- 16 local improvement schemes will be delivered including;
  - Dudden Hill Lane Safety Scheme
  - Willesden High Road Safety Scheme
  - Kenton Road Safety Scheme
  - Chichele Road Safety Scheme
  - School Travel Plan Engineering Measures
  - Bus stop accessibility improvements

3.1.3 Appendix 1 lists major footway upgrades and road resurfacing works carried out in the borough during 2012/13.

## 3.2 Improving the condition of Brent's roads in 2013-14

3.2.1 Brent's roads are one of its most important physical assets. The table below sets out their condition by indicating the percentage of each length of road type where maintenance should be considered.

Year	% of roads where maintenance should be considered		
	A class roads	B and C class roads	Unclassified roads
2008/2009	8%	9%	23%
2009/2010	11%	9%	23%
2010/2011	9%	7%	27%
2011/2012	9%	6%	26%

3.2.2 The outcomes show that attention needs to be paid to unclassified roads, which make up 80% of all borough roads. Maintenance requirements are prioritised from the results of an independent network condition survey with input from experienced local engineering staff whom assess a wide range of factors including:

- Information received from Councillors, MPs, residents, road users and other stakeholders;
- Levels and locations of accident claims (e.g. Claims for trip hazards);
- Structural integrity of the road or footway and the associated safety implications;
- Amount of pedestrian and vehicular usage; and
- Proximity to schools.

3.2.3 It is recommended that £1.3 million (37%) of the Brent capital funding for transport is allocated to improve the condition of the unclassified network, which will deliver approximately 6 miles of improvements to unclassified roads during 2013-14. This is an 18% increase in last year's budget allocation. Appendix 2 contains details of streets which have been selected as a result of the above assessment process.

3.2.4 To improve the condition of Brent's A Roads, TfL has allocated £724k, which is prioritised on the basis of a London-wide condition survey. Specific improvement schemes that have been prioritised for the A (principal) road network are set out in Appendix 2.

3.2.5 A network condition survey undertaken during 2012 has been used to identify sections of the B and C road network requiring improvement. Given the currently stable condition of the B and C road network it is recommended that £150k (4%) of the Brent capital funding for transport is allocated for improvements. Members should note that additional sites may be identified from the results of a further condition survey due in January 2013.

3.2.6 There are short sections of road on the Borough’s road network that have deteriorated over the course of the year, and are therefore in need of resurfacing. These are often lengths of 50 metres or less. These areas can cost a significant amount of over a long period of time due to the need to carry out periodic maintenance repairs to potholes. It is therefore proposed to invest £150k (4%) of the Brent capital funding for transport for this year to resurface shorter sections of road throughout the Borough where there are on-going maintenance requirements identified by highway safety inspectors.

**3.3 Improving the condition of Brent’s footways in 2013-14**

3.3.1 Brent’s footways are key to our residents and businesses. The table below sets out the condition of the busiest footways in the borough (prestige areas in town centres and busy urban shopping areas). High usage footways form approximately 10% of the network.

<b>Year</b>	<b>% of the high usage footways where maintenance should be considered</b>
<b>2008/2009</b>	20%
<b>2009/2010</b>	17%
<b>2010/2011</b>	27%
<b>2011/2012</b>	12%

3.3.2 The condition of this network improved considerably during 2011/12 through the introduction of a more frequent inspection regime and delivery of an extensive programme of improvements.

3.3.3 However, there has been a notable increase in requests for footway repairs and responsive maintenance during the current financial year. It is therefore recommended that £1.525 million, approximately 44% of this year’s Brent capital funding for transport, be assigned to improving the condition of footways in the Borough. This is an increase of approximately 25% over last year’s budget allocation. Appendix 1 contains details of the footways which have been selected for improvement as a result of this process.

3.3.4 There are some short sections of footway that are in poor condition and these can cost a significant amount of over a long period of time due to the need to carry out periodic maintenance. Investment in resurfacing will, over time, reduce the need for revenue investment to make repairs, enabling us to deliver more repairs on the remainder of the network. It is therefore proposed to invest £150k (4%) of this year’s Brent capital funding for transport to resurface short sections of footway that need strengthening or upgrading using more durable materials.

3.3.5 Appendix 6 is a key to the abbreviations used for borough wards in appendices 1-4. The plan in Appendix 7 illustrates the location of proposed maintenance works during 2013-14.

### **3.4 Reducing the risk of flooding in Brent**

3.4.1 There are approximately 24,500 road gullies in the borough. These will all be cleaned as part of a cyclic maintenance programme procured through the new London Highways Alliance Contract (LoHAC). The cleaning cycle will include:

- 3,300 high-priority (regularly blocking) gullies cleaned every six months;
- 1,300 medium-priority gullies cleaned each year; and
- 14,100 gullies cleaned every eighteen months as part of a rolling programme.

3.4.2 There are occasions where cleaning will not resolve surface water flooding problems and gullies and drainage pipes will require replacement.

3.4.3 For 2013-14 DEFRA has allocated Brent £216,000 of direct grant ring-fenced revenue funding, to be used to deliver drainage improvements in the borough. This drainage programme includes:

- The installation of land drainage at following locations:
  - John Billam Sport Ground, Woodcock Hill
  - Silver Jubilee Park, The Mall
  - Vale Farm
  - Northwick Park
- Replacement of the highway drainage system to prevent flooding outside 10 to 22 Woodcock Hill, Kenton;
- Install new or repair existing gullies at over 80 locations in the borough; and
- Inspect and clear watercourses at:
  - Tramway Ditch, Stag Lane, NW 9
  - Northwick Park, Kenton
  - London Road Ditch
  - Park View ditch, Wembley
  - Dors Close ditch, Birchen Grove
  - Fryent Way ditch

### **3.5 Public Realm**

3.5.1 The Public Realm programme involves three key areas of highways major works programme investment:

- A. Works to strengthen footways and soft verges;
- B. Works to improve areas of “marginal” land that are part of the public highway but are not footways, verges or carriageways; and
- C. Works to maintain, upgrade, rationalise or replace directional and regulatory highway signs.

3.5.2 It is therefore proposed to allocate £125,000 (3%) of the 2013/14 Brent capital funding for transport to these areas of work.

### **3.6 Improving Brent's bridges and structures**

- 3.6.1 The Council are responsible for 53 highway structures, including 38 bridges and 15 culverts. The majority of bridges are small structures spanning brooks. Funding for bridge maintenance is allocated by Transport for London on a regional priority basis. The London Bridge Engineering Group is currently reviewing the pan-London programme and funding will be confirmed in February 2013. Appendix 4 includes information on the boroughs higher priority schemes, but there are higher priority schemes elsewhere in London.
- 3.6.2 Although funding has not been confirmed, it is likely that an allocation of £150,000 will be made by TfL for strengthening the two bridges on Twyford Way.

### **3.7 Improving Brent's Transport Infrastructure**

- 3.7.1 The Council have been allocated £5.1 million Local Implementation Plan (LIP) funding from TfL in 2013-14 for supporting transport infrastructure improvements, sustainability and road safety education. This is an increase of 26% from the £4.084 million allocation for 2012-13. Appendix 4 provides details of the agreed funding allocations.
- 3.7.2 Through the LIP programme it is proposed to deliver four major schemes during 2013-14, including;
- Harlesden Town Centre Improvement Scheme;
  - Engineers Way Public Realm and Accessibility;
  - Chevening Road Area 20MPH Zone; and
  - A5 Corridor (Kilburn High Road) Improvements.

### **3.8 Minimising Disruption**

- 3.8.1 Regular meetings are held with companies that carry out work on the highway to combine programmes and plan to minimise congestion. These consultation meetings are held to ensure that schemes that have been prioritised do not conflict with planned developments, regeneration schemes or utility works. However, where unplanned works commence during the year, it may be necessary to defer one or more schemes. Where this is the case, the next prioritised reserve scheme will take the place of the deferred scheme, which will then become a priority for the next financial year. Schemes that are not completed within 2013/14 will be included in the following years highways major works programme.

### **3.9 New Contract arrangements for delivering schemes in Brent**

- 3.9.1 The Executive of 10 December 2012 approved the award of the London Highways Alliance Contract (LoHAC) to Conway AECOM as the Councils method for the delivery of highways services and improvement schemes from 1 April 2013.
- 3.9.2 This collaborative contract was procured by TfL in partnership with the London Boroughs included the development of a common specification enabling

authorities to adopt best practice and a collaborative approach encouraging innovation and efficiencies to optimise value for money.

- 3.9.3 Inflationary contract price increases will be based on the 'Price Adjustment Formulae Indices(Highways Maintenance) 2010', developed by the Highways Term Maintenance Association (htma), the Civil Engineering Contractors' Association and the BCIS. This index incorporates 21 different indices all of which have an effect on the cost of delivering a highways maintenance contract and this ensures that the contract rates track closely to delivery costs.
- 3.9.4 The LoHAC frameworks contain a price adjustment clause which will be applied annually. The percentage uplift/ reduction to be applied to the contract price list will be calculated based on the change in work category index over the previous twelve months as an annual average to mitigate against anomalies. The increase is due after the first year of the contract and will not impact on the programme.
- 3.9.5 We do not anticipate any resource implications in delivering the 2013/14 highways major work programme.

#### 4.0 FINANCIAL IMPLICATIONS

- 4.1 The table below summarises the major works funding available for highways and transport infrastructure improvements available for 2013-14. Overall investment in Brent's transportation infrastructure has increased by 20% above 2012-13.

	<b>% of Available Budget</b>	<b>Amount (£ 000's)</b>
<b>BRENT CAPITAL</b>		
<b>Footways</b>		
Major footway upgrade	44	1,525
Footway upgrades – short sections	4	150
Improvements to the public realm	3	125
<b>Sub-total</b>	<b>51</b>	<b>1,800</b>
<b>Carriageways</b>		
Major resurfacing of borough roads	37	1,300
Major resurfacing of B&C roads	4	150
Road resurfacing – short sections	4	150
<b>Sub-total</b>	<b>46</b>	<b>1,600</b>
Contingencies for TfL schemes	3	100
<b>SUB-TOTAL BRENT CAPITAL</b>	<b>100</b>	<b>3,500</b>
<b>TfL FUNDING</b>		
A roads	11	724
LIP schemes and measures	77	5,147
S106 (est.)	12	800
<b>SUB-TOTAL OTHER MAJOR WORKS</b>	<b>100</b>	<b>6,671</b>
<b>TOTAL MAJOR WORKS FUNDING</b>		<b>10,171</b>

4.2 In 2013-14, the Brent capital funding for transport is provided by unsupported borrowing. These funds have to be repaid over the following years. Using the council's consolidated rate of interest, it is currently estimated that the council will repay the £3.5 million borrowed at an annual cost of £250,000 to the council's revenue budget for 25 years from 2014-15.

## 5.0 LEGAL IMPLICATIONS

5.1 Section 41 of the Highways Act 1980 ("The Act") places a duty on the Council as Highway Authority to maintain the public highway. Breach of this duty can render the Council liable to pay compensation in permitted circumstances if a person using the highway is injured as a result of the Council's failure to maintain it. There is also a general power under section 62 of the Act to improve highways.

## 6.0 DIVERSITY IMPLICATIONS

6.1 The public sector duty is set out at Section 149 of the Equality Act 2010. It requires the Council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic. A protected characteristic is defined in the Act as:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;(including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

6.2 The proposals in this report have been subject to screening and officers advise Members that there are no diversity or Public Sector Equality Duty implications, which require partial or full assessment. The works proposed under the highways main programme do not have different outcomes for people within the nine protected characteristic groups.

6.3 Design criteria used in all highway work considers the special requirements of various disabilities. The highway standards employed are nationally recognised by such bodies as the Department for Transport. This programme of works continues the upgrade of disabled crossing facilities at junctions which were not constructed to modern day standards. All new junctions are designed to be compliant at the time of construction. It is also noted that strengthened areas of footway are far less susceptible to damage and will therefore aid the movement of pedestrians that may find it difficult to walk on uneven pavements.

## 7.0 STAFFING / ACCOMMODATION IMPLICATIONS

7.1 There are no staffing or accommodation implications from this report.



## 8.0 BACKGROUND INFORMATION

None.

### **Sue Harper** **Director of Environment & Neighbourhoods**

- Appendix 1 Road and footway improvements completed in 2012/13
- Appendix 2 Road improvements for 2013-14
- Appendix 3 Footway improvements for 2013-14
- Appendix 4 Bridge improvements for 2013-14
- Appendix 5 LiP schemes for 2013-14
- Appendix 6 Ward abbreviations
- Appendix 7 – Plan illustrating location of maintenance schemes 2013-14

## APPENDIX 1 Improvements completed in 2012-13

### Major road improvements completed in 2012/13

Road Name	Ward	Length metres
Heber Road	MAP	205
Walton Close	DOL	80
Ashcombe Park	DNL	260
Normanby Road	DNL	210
Wrottesley Road	KGN	660
Dawlish Road	MAP	130
Winchester Avenue	QBY	650
Chevening Road (St.Laurences Close to Brondesbury Park)	QPK	520
Rainham Road	QPK	205
Birchen Grove (Blackbird Hill to Runbury Circle)	WHP	485
Lonsdale Avenue (Beatrice Avenue to Cecil Avenue)	WEM	315
Scarle Road	WEM	490
Beaconsfield Road	WLG	165
Chapter Road (244 to Park Avenue)	WLG	705
Kingsmead Avenue	WHP	285
St.Michaels Road	MAP	195
Swinton Close	BAR	55
Peter Avenue	BPK	455
Granville Road	KIL	340
Woodcock Hill (Preston Road to Draycott Avenue)	KEN	530
Harlesden Gardens (St.Johns Avenue to Crownhill Road)	HAR	225
Priory Park Road	SUD	90
Woodgrange Avenue	KEN	435
Stanley Park Drive	ALP	205
Peploe Road	QPK	300
St.Andrews Road	WLG	145
<b>Total length</b>		<b>8.34km (5 miles)</b>

### Classified road improvements completed in 2012/13

<b>B&amp; C Roads</b>		
Road Name	Ward	Length metres
Abbey Road (Commercial Way to Ealing boundary)	STN	310
Great Central Way (Yeats Close to NCR underpass)	STN	330
	<b>Total length</b>	<b>0.64km (0.4 miles)</b>

## Principal A Roads

Road Name	Ward	Length metres
A4089 Ealing Road(Glacier Way to Bridgewater Road)	ALP	350
A404 Harrow Road (Roundtree Road to Rugby Avenue)	SUD	480
A407 Walm lane (from Station Parade to High Road Willesden)	WLG/MAP	440
A404 Harrow Road (from Jesmond Avenue to Flamstead Avenue)	WEM/TOK	220
A404 Harrow Road (from Victoria Avenue to Monks Park)	TOK	320
A4005 Bridgewater Road (from Whitton Avenue to Nos 146)	ALP	440
A404 Watford Road by Northwick park hospital	NPK	280
A407 High Road Willesden (Dudden Hill lane to Huddlestone Road)	WLG	750
A4088 Dudden Hill Lane (Clifford Way to Lennox Gardens)	DNL	340
	<b>Total length</b>	<b>3.62km (2.2 miles)</b>

## Major footway improvements completed in 2012/13

Road Name	Ward	Length metres
Sudbury Court Road (Elms Lane to Sudbury Court Drive)	NPK	1030
Regal Way (Preston Road to Westward Way)	KEN	880
Parkside	DOL	620
Coniston Gardens	FRY	630
Elms Park Avenue	SUD	460
Princes Avenue (North Way to Stag Lane)	QBY	1000
Tatum Road	STN	190
Brondesbury Road (Donaldson Road to Hazelmere Road)	KIL	370
Montpelier Road	PRE	810
Chambers lane (Dobree Avenue To Sidmouth Road)	BPK	310
Attewood Avenue	WHP	460
	<b>Total length</b>	<b>6.76km (4 miles)</b>

## Appendix 2 Road improvements planned for 2013-14

### Funded by Brent Capital Budget in 2013-14

*Napier Road	£24k	KGN
*Grove Way	£28k	TOK
*The Grove	£37k	FRY
*Kingsley Road	£28k	KIL
*Scudamore Lane	£16k	QBY
*Shelly Gardens	£23k	NPK
*Longfield Avenue	£25k	PRE
*Bruce Road	£36k	STN
*Lewis Crescent	£21k	STN
*Brook Road (NCR to Crest Road)	£78k	DOL
*Bowrons Avenue	£66k	WEM
Carlyon Road	£38k	ALP
Preston Hill	£139k	BAR/KEN
College Road	£62k	BPK
Blenheim Gardens	£91k	MAP
Alderton Close	£25k	WHP
Charterhouse Avenue	£85k	SUD
Abercorn Gardens	£20k	KEN
Chevening Road (Chamberlayne Road to Keslake Road)	£91k	QPK
Dryburgh Gardens	£40k	QBY
Avenue Road	£25k	KGN
Belton Road	£46k	WLG
Harlesden Gardens (Crownhill Road to Park Parade)	£42k	KGN
Cairnfield Avenue	£116k	DLN
Thirlmere Gardens	£98k	PRE
<b>Total</b>	<b>£1300k</b>	
<b>Reserve Schemes</b>		
Mount Road	£36k	DOL
Cranhurst Road	£52k	ALP
Dorothy Avenue	£56k	MAP
Bowater Close	£12k	FRY
Oakleigh Court	£17k	QBY
Pebworth Road	£74k	NPK
Kenmere Gardens	£31k	ALP
Sandhurst Road	£113k	QBY
Holycroft Avenue	£21k	PRE
<b>CARRIAGEWAY SURFACING NON-PRINCIPAL CLASSIFIED (B&amp;C) ROADS PROGRAMME 2013/14</b>		
Brondesbury Park (High Road to Sidmouth Road)	£68k	BPK
Further sites to be prioritised based on survey results in January 2013.		

\* Reserve scheme from 20012/13 programme

## A-Road improvements to be funded by TfL in 2013-14

<b>Road Name</b>	<b>Total</b>	<b>Ward</b>
A404 Harrow Road (Furness Road – Scrubs Lane)	96k	KGN
A4006 Kingsbury Road (Valley Drive to -Roe Green)	286k	FRY
A4006 Kenton Road (Gayton Road – Hawthorn Road)	288k	KEN
A4088 East Lane (Peel Road – Pembroke Road)	54k	PRE
	<b>Total</b>	<b>£724k</b>

All the above schemes identified by the results of a London-wide SCANNER survey and to be funded by TfL

All schemes are subject to co-ordination with internal and external agencies.

## APPENDIX 3

### Footway improvements to be funded by Brent Capital Budget in 2013-14

Road Name	Total	Ward
*Kempe Road	£168k	QPK
*Lea Gardens	£59k	TOK
*Cecil Avenue	£117k	WEM
*Northwick Avenue	£208k	NPK
*Greenhill Park	£78k	HAR
Alverstone Road	£161k	BAR
Chatsworth Road (Mapesbury Avenue to Christchurch Avenue)	£152k	BPK
Denzil Road	£127k	DNL
Verney Street	£123k	WHP
Sherrick Green Road	£228k	DNL
Beaumont Avenue	£104k	SUD
<b>Total</b>	<b>£1525k</b>	
<b>Reserve Schemes</b>		
(Dependent on sufficient funding be available following completion of schemes of a higher priority).		
Garden Way	£137k	STN
Donnington Road	£201k	KEN
Chapter Road (Balmoral to Deacon Road)	£217k	WLG
Elmstead Avenue (Preston Road to Princess Avenue)	£117k	PRE
Springfield Mount	£129k	FRY
Odessa Road	£66k	KGN
Hampton Rise	£32k	KEN
Cedar Road	£98k	MAP
Dalmeny Close	£44k	SUD
Thurlby Road	£126k	WEM

\* reserve scheme from 2012/13 programme

All schemes subject to co-ordination with internal and external agencies.

## APPENDIX 4 Potential bridge schemes for 2013-14

<b>Bridge Assessment &amp; Strengthening Programme Bid (Funding to be confirmed February 2013)</b>		<b>Value</b>
LoBEG Chair and Sector Leader Admin	Administrative costs	£30,000
Ledway Drive - B67	Assessment	£8,000
Northview Crescent C02	Assessment	£8,000
Allendale Road B33	Strengthening	£40,000
Mead Platt C09	Strengthening	£95,000
North End Road - B62	Strengthening	£30,000
The Rise- B06	Strengthening	£40,000
Twybridge Way (1) B49	Strengthening	£75,000
Twybridge Way (2) B50	Strengthening	£75,000
	<b>Total Bid</b>	<b>£401,000</b>

**APPENDIX 5 - 2013-2014 Brent Council, Transport for London funded "Local Implementation Plan" (LIP) Programme.**

**2013/14 Spending Submission was submitted on 5<sup>th</sup> October 2012 in line with Transport for London guidance and the Council's overarching Local Implementation Plan objectives, which serves to deliver the Mayor's Transport Strategy at the same time as addressing localised problems/issues. The programme will be formally reported to the 7<sup>th</sup> February 2012 Highways Committee and this table summarises scheme titles, what they (broadly) seek to address, and financial allocations.**

**INFRASTRUCTURE SCHEMES**

The proposed schemes are made up of:

1. Previously committed (multi-year funded) projects;
2. Neighbourhoods or corridor schemes with a significant record of road collisions resulting in deaths, serious and minor injuries;
3. Support for overarching borough regeneration commitments and major improvement schemes ( e.g. Wembley, Harlesden town centre);
4. Proposals, suggestions and concerns received from Brent's members, residents and businesses; and
5. Schemes that support the delivery of Brent's TfL approved three-year transport plan - the second Local Implementation Plan (LIP) 2011/14.

Page 142

Scheme	Description	Value
<b>A5 Corridor, integrated transport interventions.</b>	Road danger reduction (RDR) led urban realm improvements. Addressing poor crossing facilities, wide carriageways and parking/loading/unloading issues. New street trees to be introduced. Thrust of the initiative is to focus on the stretch of highway/footway from Chichelle Rd to Exeter Rd which presents something of a "missing link" between the Cricklewood Broadway Outer London Fund (OLF) initiative, and the Brent/Camden proposals for improvements to Kilburn High Road, from Kilburn Underground station towards Maida Vale. Spans LIP3 (14/15 onwards).	£174,000
<b>Ealing Road (north) - from Bridgewater Rd to High Rd, Wembley inc. High Rd Wembley Jctn with Lancelot Rd.</b>	Road danger/congestion reduction interventions along a hugely busy corridor. Addressing poor quality local crossing facilities and dated urban realm. Loading/unloading issues exasperate congestion issues, causing delays to bus services particularly during peak (morning and evening) times midweek, and Saturday mornings. Low volume of local cycle parking and general poor cycling infrastructure provision. Likely to span LIP-3 (14/15 onwards).	£50,000
<b>Willesden High Road</b>	Walking led urban realm improvements along a busy town centre corridor. Finishing fund relating to a Local Implementation Plan (LIP)-1 intervention, spanning 2008/09 onwards. Essentially, scheme snagging and potential footway renewal.	£30,000



<b>Harrow Road, Sudbury (Small Town Centre Area)</b>	Measures to accommodate changes to bus use/vehicle types coupled with pedestrian improvements/desire-line interventions. Upgrading of the local public realm. Planting of street trees where practicable.	£50,000
<b>Bus Stop Accessibility Programme</b>	Ensuring bus user accessibility to Brent's bus stops. Examples include higher kerb-lines to facilitate wheelchair/ramp access and ensuring bus passengers do not alight onto grass verges. Including 'JIM' Route 182 development of future year design improvements to facilitate smoother passage of buses along this former Flagship/3G route.	£85,000
<b>Chevening Road - Harvist Road Area - merge TMO with Aylestone Avenue Area 20mph zone</b>	Road danger reduction and associated vehicle speed reduction measures/traffic calming/introduction of a 20mph speed limit.	£180,000
<b>Site specific waiting &amp; loading restriction reviews</b>	Development and delivery of new/review existing waiting & loading restrictions/addressing problematic locations in the borough.	£60,000
<b>Wembley Regeneration - Wembley Park Urban realm improvements</b>	Wembley Park Urban realm, pedestrian accessibility and road danger reduction benefits linked to 'North End Road' proposal/opening up regeneration area.	£35,000
<b>Wembley Regeneration - Wembley Triangle - Placemaking &amp; Urban realm improvements</b>	Wembley Triangle <sup>1</sup> - placemaking & urban realm. Linked to widening of over-bridge/nr Wembley Stadium station. Capacity improvement led intervention.	£50,000
<b>Wembley Regeneration - Empire Way/Engineers Way Signals and Civic Centre area Urban realm improvements</b>	Delivery of accessibility and public realm improvements along Engineers way including enhanced pedestrian facilities on Empire Way signal junction.	£300,000
<b>School Travel Plans and routes to/within the vicinity of schools. Engineering measures including new/improved pedestrian crossing</b>	Development and delivery of accessibility and pedestrian safety measures around and on the routes to various schools, including places with barriers to walking in the borough. Examples include Carlton Vale/Fernhead Rd (Falcon Rd) and Dudden Hill Lane (north-west of Burnley Road).	£270,000

<b>facilities</b>		
<b>Kenton Road Junction with Claremont Avenue</b>	Road danger reduction interventions...continuation/completion of 2012/13 scheme (implementation)	£70,000
<b>Greenhill Park - Nicoll Road Area. Neighbourhood Scheme</b>	Rationalising parking, assessing rat-running and potential speeding issues, addressing road casualty figures, improving the urban realm, planting street trees	£150,000
<b>Major Schemes Harlesden Town Centre Delivery of Brent's LIP-2 (2011-2014) "Major Scheme"</b>	Providing major transport, casualty reduction and public realm to the Harlesden Town Centre. Implementation to take place Jan 2013 to 2014	£2,500,000
<b>Harlesden Town Centre (LIP Contribution to Major Scheme)</b>	Supporting LIP funding for Brent's LIP-2 "Major Scheme" – Urban Realm and Road Danger Reduction improvements. Large redevelopment of Harlesden town centre. Possible improvements to "routes in" to Harlesden town centre to be picked up in LIP-3, 2014/15 and beyond.	£400,000
<b>Challenge Close, Harlesden</b>	Developing the urban realm and improving linkage/accessibility to an open/green space on the edge of Harlesden Town Centre, strengthening links to the Harlesden Town Centre (Major Scheme) project.	£35,000
<b>Local Transport Funding</b>	Local Transport Funding forms a £100,000 pot of funding that boroughs can use to enhance projects in their capital programme. As an example, in 2012-13, some of the funding went towards Road Safety based theatre, within Brent's schools	£100,000
	<b>Total</b>	<b>£4,539,000</b>
<b>"SOFT" MEASURES (NON CARRIAGEWAY/FOOTWAY INFRASTRUCTURE)</b>		
These are generally non-infrastructure measures or measures that do not involve major capital works on the footway/highway, or measures that are primarily sustainable transport/road safety education led.		
<b>LIP Policy, programme and Monitoring (Design/consultation funding for future year Corridor &amp;</b>	Development work relating to future year's LIP schemes/programme	£5,000

<b>Neighbourhoods projects)</b>		
<b>Car Clubs – TMOs, signs and lines</b>	Funding for promoting the concept of car clubs and attempting to increase for demand for car clubs - particularly in the north of Brent. If demand increases and new car club locations are suggested by operators, then an element of the "local transport fund" may be used for signs/lines/TROs.	£5,000
<b>Installation of Electric Vehicle Charging Points (EVCPs)</b>	To facilitate the delivery of electric vehicle charging points (EVCPs) in Brent, building on previous year's work and the planned implementation of 2 new points in 2012/13 working alongside Sainsburys, at their Kenton and Alperton stores.	£30,000
<b>Environmental health initiatives - Air Quality</b>	Continued support for Brent's Environmental Health team for localised air quality monitoring linked to motor-borne air pollution/roadside diffusion tubes and reports/studies linked to this area. Linkage with WestTrans/sub-regional air quality monitoring.	£15,000
<b>Urban Realm / Street Trees</b>	To facilitate the planting of new, shallow-rooting street trees linked to urban realm improvement projects where projects listed here are being delivered across Brent.	£15,000
<b>School Travel Plans (non-engineering measures) programme</b>	"Smarter Travel" interventions linked to the development of School Travel Plans (STPs) across Brent. Budget used for supporting materials for STP work within schools.	£25,000
<b>"Bike It" project, Sustrans/Brent</b>	A partnership project with Brent NHS, Sustrans have been commissioned to lead on this targeted cycling development project, offering training and promoting the health/lifestyle benefits of cycling.	£30,000
<b>Travel awareness programme</b>	On-going travel awareness work, such as events and promotional activities, magazine articles and adverts to further promote and raise awareness for sustainable transport across Brent.	£15,000
<b>Education, Training &amp; Publicity (ETP) initiatives</b>	Road danger reduction related activities across the borough, such as awareness raising campaigns and other promotional activities related to making a Brent's roads safer for all users. Increased allocation which now incorporates the highly successful and well received "Theatre in School" Programme.	£50,000
<b>Adult &amp; child cycle training programme</b>	An annual programme of cycle training activity delivered on behalf of the Council by Cycle Training UK, officers are pleased to be able to slightly increase the allocation back to the 2008/09 level of £100k/annum.	£100,000

<b>West-sub region Travel Planners</b>	Brent's contribution to the travel-planning support provided to the borough by the West London Travel Planners - based in Ealing (via the <i>WestTrans</i> Partnership).	£30,000
<b>Workplace Travel Plans – Brent-wide</b>	To support the work of Brent's policy/sustainable transport team relating to the development of workplace travel plans within the borough.	£10,000
<b>School Buses Escort Programme</b>	Continued support for addressing anti-social behaviour on key bus routes in Brent whereby funding is used for a human presence on troublesome routes/services to ensure successful operation of public transport in the borough and limiting police time.	£30,000
	<b>Total</b>	<b>£360,000</b>
<b>FUTURE INITIATIVES</b>		
Budget for design and consultation work during 2013/2014. More detailed work leading to build/scheme delivery would take place in 2014/2015. These initiatives are predominantly road safety/road danger reduction-led initiatives - the primary and single most important objective being to significantly reduce road casualties at the identified/listed locations.		
<b>Brentfield - Hillside (Conduit Way to Wesley Rd)</b>	Collision Casualty/Road Danger Reduction Programme: Accidents within 36 month period ending April 2012: <b>27</b> accidents resulting in <b>30</b> casualties ( <b>KSI=3</b> , Pedestrians = 5, right turns = 9)	£20,000
<b>Forty Lane (Barn Rise to The Paddocks) &amp; Bridge Road (Forty Lane to Wembley Park Station):</b>	<b>Preliminary design &amp; consultation.</b> Collision Casualty/Road Danger Reduction Programme (to include loading/unloading & parking issues in the area). Accidents within 36 month period ending April 2012: <b>52</b> accidents resulting in <b>63</b> casualties ( <b>KSI=4</b> , Pedestrians =14, right turns = 21, dark=18)	£43,000
<b>Harrow Road -NW10 (45 m West of Trenmar Gardens to Wakeman Road)</b>	<b>(build/implementation)</b> Collision Casualty/Road Danger Reduction Programme Accidents within 36 month period ending April 2012: <b>23</b> accidents resulting in <b>25</b> casualties ( <b>KSI=5</b> , Pedestrians = 6, right turns = 9)	£85,000
<b>Neasden Lane (Denzil Road to High Road, Willesden)</b>	<b>Preliminary design &amp; consultation.</b> Collision Casualty/Road Danger Reduction Programme - Accidents within 36 month period ending April 2012: <b>20</b> accidents resulting in <b>24</b> casualties ( <b>KSI=2</b> , Pedestrians =3, dark=6)	£20,000

<b>Neasden Lane - Tanfield Avenue - Dudden Hill Lane:</b>	<b>Preliminary design &amp; consultation.</b> Collision Casualty/Road Danger Reduction Programme - Accidents within 36 month period ending April 2012: <b>20</b> accidents resulting in <b>25</b> casualties ( <b>KSI=3</b> , Pedestrians =2, dark=8)	£20,000
<b>Willesden Lane (Coverdale Road to Aldershot Road)</b>	<b>Preliminary design &amp; consultation.</b> Collision Casualty/Road Danger Reduction Programme - Accidents within 36 month period ending April 2012: <b>36</b> accidents resulting in <b>33</b> casualties ( <b>KSI=4</b> , Pedestrians =8, Cyclists = 8)	£20,000
<b>Salisbury Road (Winchester Road to Harvist Road junction)</b>	<b>Preliminary design &amp; consultation.</b> Collision Casualty/Road Danger Reduction Programme - Accidents within 36 month period ending April 2012: <b>19</b> accidents resulting in <b>21</b> casualties ( <b>KSI=2</b> , Pedestrians =7, Cyclists = 7)	£20,000
<b>Kingsbury Road (Small Town Centre Area Scheme) - Including Urban Improvements and traffic improvements</b>	<b>Preliminary design &amp; consultation.</b> Accidents within 36 month period ending April 2012: <b>35</b> accidents resulting in <b>39</b> casualties. Major Scheme "Step 1" pro-forma, to be submitted in 2014, and preliminary consultation/'conceptual design' work to commence once resources are identified.	£15,000
<b>Carlton Vale Cycling Improvements</b>	<b>Preliminary design &amp; consultation</b> Improved cycling facilities and safety measures	£5,000
	<b>Total</b>	<b>£248,000</b>
	<b>Grand Total</b>	<b>£5,147,000</b>

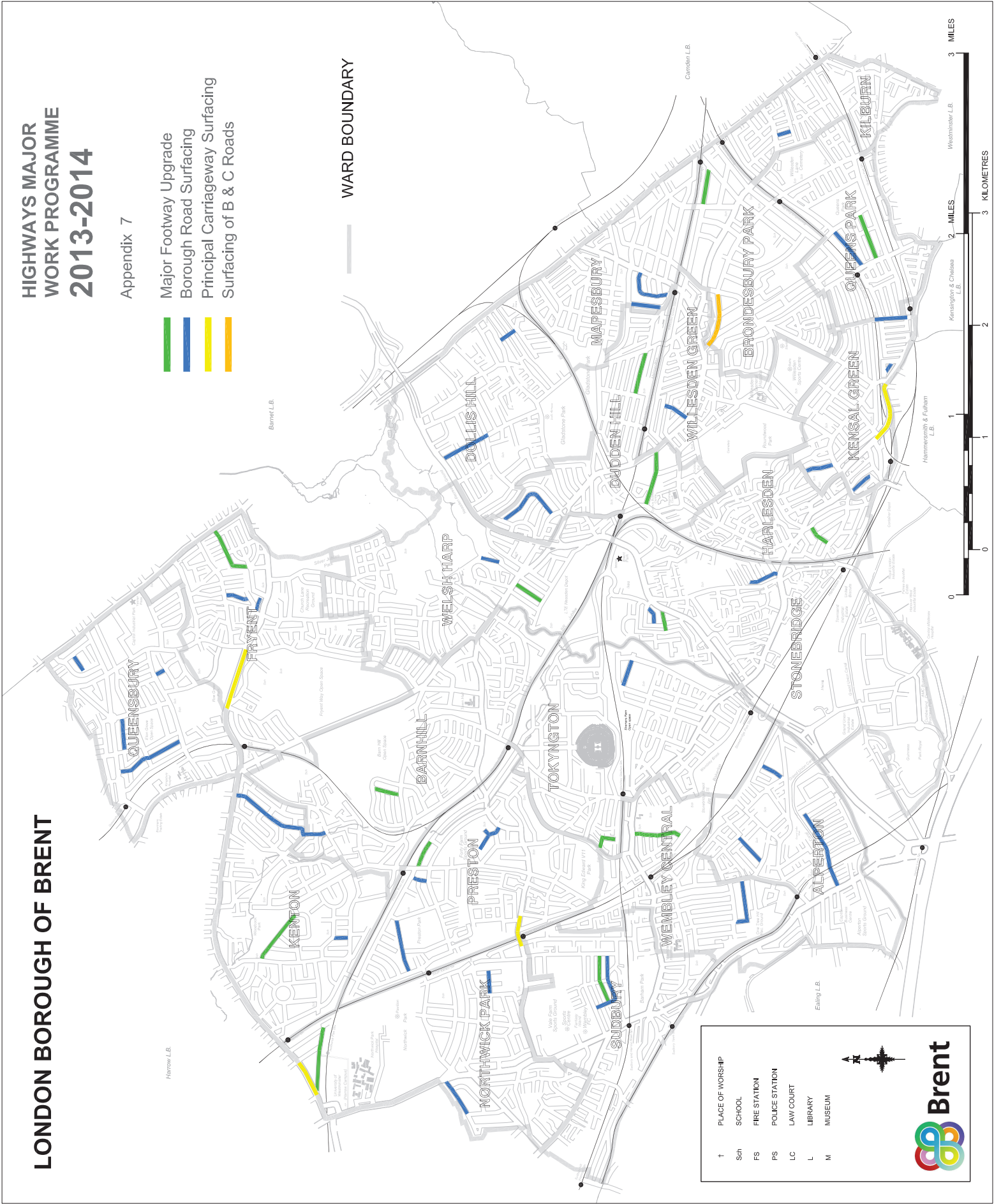
Page 14

## APPENDIX 6 - WARD ABBREVIATIONS



<u>WARD</u>	<u>ABBREVIATION</u>
- ALPERTON	ALP
- BARNHILL	BAR
- BRONDESBURY PARK	BPK
- DOLLIS HILL	DOL
- DUDDEN HILL	DNL
- FRYENT	FRY
- HARLESDEN	HAR
- KENSAL GREEN	KGN
- KENTON	KEN
- KILBURN	KIL
- MAPESBURY	MAP
- NORTHWICK PARK	NPK
- PRESTON	PRE
- QUEENS PARK	QPK
- QUEENSBURY	QBY
- STONEBRIDGE	STN
- SUDBURY	SUD
- TOKYNGTON	TOK
- WEMBLEY CENTRAL	WEM
- WELSH HARP	WHP
WILLESDEN GREEN	WLG

-  Major Footway Upgrade
-  Borough Road Surfacing
-  Principal Carriageway Surfacing
-  Surfacing of B & C Roads

WARD BOUNDARY



PLACE OF WORSHIP	
t	SCHOOL
Sch	FIRE STATION
FS	POLICE STATION
PS	LAW COURT
LC	LIBRARY
L	MUSEUM
M	

This page is intentionally left blank





**Executive**  
11 February 2013

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

Wards Affected:  
ALL

**Housing Revenue Account (HRA) Budget 2013/14 and Rent  
Increase Proposals for Council Dwellings for 2013/14**

## 1.0 Summary

- 1.1 This report presents to Members the revised (probable) HRA budget for 2012/13 and the draft HRA budget for 2013/14 as required by the Local Government and Housing Act 1989. Members are required to consider these budget estimates and the associated options, taking account of the requirement to set a Housing Revenue Account (HRA) budget that does not show a deficit and in particular Members need to consider and agree the level of HRA dwelling rents and service charges for 2013/14.
- 1.2 The report also sets out an update on the 30 year HRA Business Plan which takes account of the HRA Self Financing regime which was introduced in April 2012.
- 1.3 The report also includes proposals for setting the rent and service charge levels for 2013/14 for the non HRA Brent Stonebridge dwellings.

## 2.0 Recommendations

It is recommended that members:-

- 2.1 Approve the revised (probable) budget for 2012/13 (Appendix 1 Table 1).
- 2.2 Agree the savings/budget reductions for 2013/14 as set out in paragraph 3.45.3.

---

Meeting  
Date

Version no.  
Date

- 2.3 Agree the HRA budget growth for 2013-14 of £3.877m as set out in paragraph 3.45.4.
- 2.4 Approve an average overall rent increase (excluding service charges) from April 2013 of £3.82 per week, which is an average overall increase of 3.74%, as set out in further detail in paragraphs 3.25 to 3.29.
- 2.5 Agree to increase HRA Council Dwelling service charges by 2.6% from April 2013.
- 2.6 Approve the HRA budget for 2013/14 (Appendix 1 Table 1).
- 2.7 Note the updated HRA Business Plan.
- 2.8 Agree an average overall rent increase of £3.68 per dwelling per week on the Brent Stonebridge Dwellings, which is an average overall rent increase of 3.1% as set out in paragraph 3.59.
- 2.9 Agree to increase the service charges on the Brent Stonebridge Dwellings by an average of 11.8% or an average of £0.93 per dwelling per week (note this includes a new charge for digital tv) as set out in paragraph 3.62.

### 3.0 **Detail**

- 3.1 This report addresses the budgets associated with the Council's Housing Revenue Account (HRA). The HRA contains the income and expenditure relating to the Council's Landlord duties in respect of approximately 8,879 dwellings. These dwellings are statutorily accounted for separately from the Council's other services / activities which generally form part of the Council's General Revenue Fund.
- 3.2 The HRA has regulations that differentiate it from the General Fund. The current basis of HRA regulations were introduced in April 1990 as a result of the Local Government and Housing Act 1989. These regulations set out the framework for the operation of the HRA. The HRA budget for 2013/14 has also been compiled on the basis of the new HRA self financing framework, which was introduced in April 2012.
- 3.3 The HRA is a 'ring-fenced' account receiving no subsidy from the Council's General Fund nor subsidising the General Fund. Whilst the subsidy position is clear, this does not mean that there are no financial transactions between the HRA and General Fund. For example, transactions between the accounts include central costs (representing the proportion of activities undertaken by non-HRA staff that can be attributed to the HRA).
- 3.4 The Council's average weekly rent for 2012/13 is approximately £102.41 (excluding service charges). This takes account of the 7.14% average

increase that was previously agreed in setting the 2012/13 rent levels. The Council's rent setting policy has been to adopt the Government's rent restructuring policy (that is the government's policy of influencing rent setting principles so that rents both in the council and 'Registered Social Landlords' (RSLs) sectors converge). Under this policy, rents are due to converge in 2015/16.

- 3.5 The Council's housing stock continues to reduce and in 2013/14 it is estimated that it will reduce by a further 319 dwellings, comprising 15 'Right to Buy (RTB) Sales', and 304 planned demolitions (South Kilburn and Barham Park). The Council's total housing stock is forecast to be 8,560 by March 2014.
- 3.6 The HRA Budget report of February 2012 noted the implementation of the government's proposals for housing reform, mainly through the Localism Act and the need for the council to develop its response to significant change in the direction of national policy, alongside new freedoms and flexibilities at the local level. Since then, further significant change has been, or is in the process of being, introduced in the welfare system, some of which has implications for housing.
- 3.7 In July 2012, the Executive approved the council's Tenancy Strategy. This document is primarily intended to provide guidance to Private Registered Providers (mainly housing associations) on the council's approach to the Affordable Rent Regime, which has replaced the Affordable Housing Development Programme and provides for the development of new homes at rents of up to 80% of local market levels, and the use of fixed term tenancies. Broadly, the Strategy has supported development through the AR regime, albeit with clear guidance that seeks to keep local rent levels affordable, and the use of fixed terms. The council will adopt a similar approach to fixed terms in its own stock, while making some changes to the current allocation scheme. The allocation scheme will be the subject of a detailed report to Executive in April 2013, following a statutory twelve week consultation period commencing in December 2012.
- 3.8 A range of changes have been made to the welfare system and in particular to Housing Benefit. For the HRA, the key change is the introduction of the so-called "bedroom tax", under which households will face a cut in Housing Benefit if they have rooms that are not used. Any under-occupiers in the council stock, other than those over pensionable age who are exempt, may face cuts in HB and may also, many of them for the first time, be required to pay some Council Tax when the national system is replaced by a local scheme in April 2013. The council already offers incentives to under-occupiers to move and the current and proposed allocation schemes both give high priority and financial assistance to tenants in this situation who would like to move to a smaller home. The new allocations scheme will consider what additional assistance can be provided to assist those who may be affected by the benefit changes, as part of the council's wider strategy to respond to welfare reform.

- 3.9 The changes outlined above, together with other issues, require the council to review its Housing Strategy and the sub-strategies that support it, including the Homelessness Strategy. Work on a revised version has begun and internal consultation commenced in January 2013, ensuring that the new strategy takes full account of the revised allocation scheme, on which consultation will run in parallel, and the findings from the work being undertaken on asset management within the HRA, as well as other projects already underway or planned such as the development of the council's Employment Offer. External consultation on the new Housing Strategy will commence later in the year.
- 3.10 This report also contains rent increase proposals for the 332 dwellings that transferred, following a ballot, from the Stonebridge Housing Action Trust (HRA) to Brent Council in August 2007. These dwellings are maintained outside the HRA, in the General Fund, and the rent increase proposals for these dwelling are separate from the consideration of the main HRA budget, and are set out from paragraph 3.51 below.

### **Reform of Council Housing Finance 2012**

- 3.11 A new HRA self financing system for Council Housing was implemented in April 2012.
- 3.12 Under HRA self financing, the Council's HRA continues to be a ring-fenced account for the income and expenditure for Council dwellings, but the housing subsidy system was abolished and replaced by self financing (in exchange for a one off repayment of a proportion of debt).
- 3.13 HRA self financing is intended to allow local authority landlords to support their own stock from its own rental income.
- 3.14 The stated objectives of self financing are:-
- To give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency; and
  - To give tenants the information they need to hold their landlord to account, by replacing the current opaque system with one which has a clear relationship between the rent a landlord collects and the services they provide.
- 3.15 Rent policy – The Government have assumed under self financing that local authorities follow national rent policy. This will include:
- The existing formula rent;

- The existing guideline rent – which converges with the formula rent by 2015/16, and then follows that with rent increases of RPI plus 0.5%;
- A limit on individual rent increase of RPI plus 0.5% plus £2; and
- Continuation of the existing HB limit rent, where the limit rent will be set and increased in line with national policy, and rent charged above the limit rent cannot be recovered by HB subsidy.

3.16 Borrowing Limit – in order to ensure that borrowing is affordable nationally, each local authority was set an HRA borrowing limit under self financing, and it will not be possible for that limit to be exceeded. Where a local authority's Housing Capital Financing Requirement (HCFR) is less than the limit set for self financing valuation, a headroom to increase borrowing under self financing will be created. The government determinations for self financing set out that Brent's borrowing limit will be £199.291m. As our HCFR is estimated to be £140.598m on 1 April 2013, we will have an estimated head room to increase borrowing of approximately £58.693m.

3.17 Depreciation and Impairment– Up to March 2012, council's had to put a sum equal to their Major Repairs Allowance (MRA) into a Major Repairs Reserve (MRR). Money put into this pot could only be spent on major repairs or on repaying housing debt. This was intended to ensure that councils make appropriate provision for capital works. Under the new HRA self Financing regime, from April 2012, there is no MRA. Instead, the amount to be paid into the MRR under self financing will need to be drawn from a local assessment of capital spending needs and should be based on an assessment of depreciation (the cost of replacing or renewing all the time limited components of the stock plus an amount for the fabric of the building). The Government recognises that councils will need time to implement component based depreciation and therefore they have proposed a five year transitional period under which councils may choose to use the uplifted MRA in the self financing valuation as the figure which must be funded in the MRR. Our draft budget for 2013/14 includes £14.052m for depreciation comprising £10.558m from the self financing settlement valuation and a further uplift of £3.494m. Under the transitional period, Councils' will be able to reverse out any impairments as a below the line adjustment. There is a significant risk for depreciation and impairment after the 5 year transitional period as any increases will hit the HRA bottom line.

3.18 Treasury Management - The abolition of the Housing Subsidy system meant that Councils had to allocate existing borrowing costs at 1 April 2012 between the HRA and the General Fund. Any new HRA borrowing costs will be attributed to the HRA in line with proper accounting practices.

### **HRA Business Plan**

3.19 The HRA business plan provides long term financial forecasts of the effects of the council's HRA spending, investment and rent-setting decisions, based on the authority's current income, expenditure and investment expectations. This hard data is combined with key assumptions on how costs and incomes might change in future to produce projections of what the authority can reasonable expect to happen, using the best available information.

3.20 The Council's HRA Business plan is now updated regularly. A detailed report called HRA Self Financing sets out the detail of our current HRA Business Plan and is attached as Appendix 2. The key highlights from the current HRA Business Plan are:-

- Viability - the Council's HRA is viable over 30 years.
- Revenue Position – the HRA operating account remains in surplus throughout the 30 year plan. The baseline forecasts strong positive cashflows from rents, which the authority would use to pay for both its operating costs and the assumed levels of capital investment. The cashflows also enable the Council to repay any additional debt required to finance the required investment in the existing stock, while maintaining a minimum revenue balance of £200 per dwelling.

Under the baseline position, HRA balances are held at the minimum level until additional debt taken out to deliver the stock investment programme has been repaid. Balances start to accumulate from 2029/30 (year 18 of the business plan).

- Capital Programme - The 30 year forecasts show that the Council is also able to deliver its capital programme in full, based on the current profile of works. The programme currently peaks in years 3 to 5 of this programme which relates to delivery of the initial stock investment works identified by the 2011 stock condition survey
- Debt and Financial Headroom – The business plan shows that the HRA would take on additional debt of £53.9m during the first 5 years of the business plan to pay for the stock investment programme. This would result in a total peak debt of £193.9m in year 5 (2016/17), a figure that is £5.4m below the authority's debt cap (this will be confirmed as part of the development of the asset management strategy).

The baseline assumptions mean that debt would remain close to the peak debt level for years 6 and 7 (2017/18 to 2018/19), after which the authority would be able to start repaying the external debt taken on to pay for baseline stock investment. The additional debt taken on would be completely extinguished in 2029/30 (year 18). The authority's existing HRA debt would continue to be repaid in line with the due dates of existing loans.

- 3.21 Officers will now keep the HRA 30 year Business Plan up to date. The next key step will be to update the HRA Business Plan with the key decisions that are made following the production of the HRA Asset Management Strategy.

### **HRA Asset Management Strategy**

- 3.22 Officers are developing an HRA asset management strategy that will plan for the longer-term and that will provide for investment and development decisions to provide quality housing, aligned to housing need and demand, and that provides for the sustainable and optimum performance of the HRA business plan, and that contributes to the achievement of the council's housing and regeneration priorities.
- 3.23 The strategy will encompass stock re-balancing, new development, stock investment and plans for the implementation of the strategy. In particular the new strategy will allow the Council to make choices about whether to increase the supply of new homes, accelerate the delivery of the repairs and maintenance backlog or improve the quality of the housing stock.
- 3.24 The HRA asset management strategy will be central to managing the new HRA Housing business. It is currently in the development stage and will be reported to members for approval in due course. It is likely that the asset management strategy when agreed will be used to update the business plan and will determine the investment priorities and use if applicable and affordable, of borrowing headroom.

### **Rent Restructuring and Rent Setting 2013/14**

- 3.25 The Communities and Local Government Department (CLG) continues to implement rent restructuring. Whilst it remains the responsibility of the Council to set rents, there is strong encouragement to set them in accordance with the 'national formula'. For 2013/14 rent setting purposes, the date for convergence under rent restructuring continues to be 2015/16 and the methodology is the same as used in 2012/13 but with factors rolled forward one further year.
- 3.26 For 2013/14, under the national formula, rents will increase at an individual level by 2.6% (Retail Price Index at September 2012) *plus* 0.5% real increase *plus* 1/3rd towards the target rent. At an individual level, rent increases will be limited to an increase of no greater than 2.6% plus 0.5% plus £2, and will also be subject to the following rent level caps by bed size:

Size	Cap £
Bedsits	132.15
1 Bed	132.15
2 Bed	139.92
3 Bed	147.70
4 Bed	155.47
5 Bed	163.23
6 Bed	171.02

- 3.27 By following the Rent Restructuring formula at individual dwelling level, Brent's overall average rent for 2013/14 should increase by 3.74%.

The following table analyses the amount of rent decrease/increase in £1 bands, and shows the number of tenants effected within each of those bands:-

Banding	No
Below £-3	21
Between £-2 and £-1	37
Between £-1 and £0	240
Between £0 and £1	541
Between £1 and £2	584
Between £2 and £3	649
Between £3 and £4	681
Between £4 and £5	2898
Between £5 and £6	3143
Between £6 and £7	7
Between £7 and £8	4
Over £8	11
<b>Total</b>	<b>8,816</b>

- 3.28 Rents can also be expressed in terms of increases in rents by property size as demonstrated in the table below:-

No of Beds	Average % increase
0	5.61%
1	4.87%
2	4.00%
3	2.82%
4	1.80%
5	1.11%
6	2.04%

- 3.29 The table below is an analysis of the rents, (using rent restructuring policy) by percentage band, showing the number of properties and the average weekly increase/ (decrease) in cash terms. The average overall rent rise for 2013/14 is £3.82 or 3.74% per week. Sixty eight per cent of tenants receive some form of Housing Benefit.



Band	No of Properties	Ave increase in £ per property	Rental Increase £ over Previous Yr
Below -4.50%	9	(9.08)	(4,252)
-4.5% to -3.50%	3	(4.67)	(729)
-3.5% to -2.50%	5	(3.51)	(914)
-2.5% to -1.50%	27	(1.87)	(2,628)
-1.5% to 0%	275	(0.44)	(6,239)
0% to 1%	677	0.62	21,795
1% to 2%	759	1.88	74,275
2% to 2.5%	211	2.57	28,176
2.5% to 3%	351	3.07	56,012
3% to 4%	802	3.84	160,007
4% to 5%	1,664	4.71	407,927
5% to 6%	3,979	4.84	1,000,556
6% to 7%	28	4.33	6,301
7% to 8%	11	5.28	3,021
8% to 9%	2	6.46	671
9% to 10%	8	8.55	3,556
Over 10%	5	10.82	2,814
<b>Total</b>	<b>8,816</b>	<b>3.82</b>	<b>1,750,350</b>

3.30 Dwelling Relets – Since April 2012, in order to escalate the move to target rents, the relet rent on a new occupancy (except all internal transfers, successions, assignments and mutual exchanges) are set at the target rent for that dwelling.

### **Welfare Reforms**

3.31 The Welfare Reform Act includes a number of significant implications, both for social rented sector landlords and for their tenants. The intention is that these reforms will reduce people's reliance on benefits and encourage a back to work culture. The provisions include:

1. Universal Credit
2. Direct payment of housing benefit to tenants
3. Changes to non-dependant deductions
4. Under-occupation

There are however significant concerns that the implementation of the welfare reforms will lead to a reduction in rent income for landlords like Brent, with an associated increase in the level of tenants rent arrears. In Brent sixty eight per cent of our tenants receive some form of Housing Benefit.

Further details on the Welfare Reforms and how this may impact on our ability to collect rent income are set out below:-

### Universal Credit

- 3.31.1 Income based job seekers' allowance and employment support allowance, tax credits and housing benefit will be scrapped and replaced with Universal Credit from October 2013 for new claimants, with everyone else migrating to universal credit by 2017. In conjunction with the introduction of the universal credit, there will be a cap on benefits to a maximum of £500 per week for a family, and £350 per week for a single person. The cap was due to be implemented in Brent from April 2013, but this has been delayed, and is likely to be implemented in the summer 2013. Single persons are not likely to be affected by the overall benefit cap, but there are **50** council tenants in family sized accommodation who are likely to be affected.

### Direct Payments

- 3.31.2 Under the current system claimants receive their JSA or ESA from the Department of Works and Pensions, Tax Credits are paid by HMRC and Housing Benefit is administered by the local authority on behalf of Central Government.

Council tenants' housing benefit is currently paid directly into their rent accounts and we are guaranteed receipt of that money once entitlement has been established. However once Universal Credit is implemented all components will be paid directly to tenants monthly in arrears.

As universal credit does not take into account what tenants' outgoings are, and where tenants are struggling to manage, the additional monies they receive may go towards other household expenses and not rent payments, for which they will have total responsibility. For example, a tenant whose tax credit and JSA amounts to £450 per week, will only be entitled to £50 towards his/her housing costs (due to the cap). If the weekly rent is £125, they will have to find £75 as their contribution towards the weekly rent, and they will also have to pay the £50 they were awarded in their universal credit.

We can apply to have the housing cost element of the universal credit paid directly to the rent account for certain vulnerable tenants. However, the decision as what amounts to vulnerable is still awaited, and individual requests will have to be made for each tenant who might fit the criteria.

### Non-dependant deduction

- 3.31.3 A non-dependant deduction is the amount adults in a property are expected to contribute towards the rent of a property. The tenant's housing benefit entitlement is reduced by that amount.

Under the existing HB regulations, there is no non-dependant deduction for persons between the ages of 18 and 24 who are in full time education. There is no non-dependant deduction for 16 and 17 year olds and those on pension credit in any circumstance.

Until March 2011, the non dependant deduction had remained the same for the previous 10 years. In April 2011 the maximum non-dependant deduction

was increased from £47.75 per week to £60.60; in April 2012 the maximum was increased to 73.85 per week. The net effect of this provision is to take tenants outside the threshold for benefits.

There will be staged increases in the rates of non-dependent deductions in the income-related benefits from April 2011.

By April 2014, these increases will bring the rates to the level they would have been had they been fully up-rated since 2001 to reflect growth in rents and council tax. By 2014 the deductions will be somewhere between 60% and 90% higher, meaning some tenants will be floated off HB altogether as the higher rate of non-dependant deduction rises to £100 per week.

#### Under-Occupation

- 3.31.4 Under-occupying tenants will be affected by the Bedroom Tax which is being implemented from April 2013. The new provisions are that if a tenant is under-occupying a property by one bedroom, they will lose 14% of the housing cost, and if under-occupying by two bedrooms or more will lose 25% of benefits.

There are new criteria as to who is entitled to have a bedroom for bedroom tax purposes.

- Any two children of the same gender aged under 16
- Any 2 children aged under 10

The bedrooms used by foster children are deemed to be spare bedrooms and subject to the reduction in housing costs.

There are approximately **600** Brent council tenants affected by the new under-occupation rules

#### What is BHP doing to mitigate the impact of Universal Credit

- 3.31.5 BHP has devised an Action Plan which they have been working towards over the last few months. They are also working with partners, for example, they are part of the Council's Welfare Reform Project Group and feed into that Action Plan and Communications Strategy. The action plan includes, for example:

- Establishment of a welfare reform/early intervention team;
- Analysis of effected tenants;
- Communication with affected tenants including letters, factsheets, visits, and surgeries;
- Presentations to tenants groups;
- Review of under-occupation scheme; and
- Review income management procedures.

### **Brent Housing Partnership (BHP) Management Fee**

- 3.32 The Council's Housing stock is currently managed by Brent Housing Partnership (BHP), which is an Arms Length Management Organisation and was established in 2002. The original management agreement between the Council and BHP expired in September 2012. The Council's Executive agreed on 16 July 2012 to enter into a long term management agreement with BHP for the purposes of managing the Council's Housing stock. The Executive agreed on 20 August 2012 to extend the original management agreement until March 2013, at which time it will be replaced by a new long term management agreement in line with the decision of the Executive of 16 July 12.
- 3.33 The agreement between the Council and BHP requires each year that a management agreement fee is negotiated and agreed. The fee will be consistent with delivery plan requirements and the general requirement to reduce operating costs on a year by year basis. In general terms the management fee negotiations have in the past been based upon 2% to 3% efficiency savings including pro rata reductions based upon loss of stock under management. This formula has facilitated continuous reductions in the management fee and thus enables BHP to manage future risk in a coherent manner. For 2013/14 the agreed management fee will take account of the efficiency review being undertaken as part of the ALMO optimisation - one of the review objectives is to achieve a minimum 13.6% reduction in the Housing management budget over a five year period. Under the current management agreement the risk for changes to employer pension contributions remains with the Council. For 2012/13 the rate for BHP increased from 15.8% to 17.8% and this will continue to be the rate for 2013/14. BHP's accounts have until 2010/11 been published in accordance with the United Kingdom General Accepted Accounting Practice (UK GAAP). The accounts to 31<sup>st</sup> March 2012 were unqualified but were for the first time produced under the Statement of Recommended Practice (SORP) 10 following on from BHP becoming a Registered Social Housing Provider on 1<sup>st</sup> April 2011.
- 3.34 BHP has achieved operating surpluses derived from a combination of the activities of its Direct Labour Organisation (DLO), the management of Brent Council's direct leasing scheme (for homeless households) and the management fee itself. These surpluses are negated through accounting requirements concerning pension liabilities (FRS17) and the revaluation of acquired properties as required by SORP 10. Surplus cash, with the consent of the Council, has been invested, on a temporary basis, in support of BHP's acquisition strategy (that materially assists the Council with its housing priorities).
- 3.35 The purpose of cash surpluses is to enable BHP to manage its affairs on a prudent basis. As at 31<sup>st</sup> March 2012, BHP's revenue reserves were £5.5m but after deducting a £14.4m pension deficit reserve, the net reserves are a negative £8.9m. BHP also has loans outstanding with the Council to the value of £45m as at April 2012 relating to Granville New Homes and the Settled

Homes Initiative. The loan balance at December 2012 was unchanged at £45m. BHP needs to generate sufficient resources each year to be able to repay these and thus avoid the need for the Council to write off large sums.

- 3.36 BHP has sought to plan for budget reductions and savings to reflect stock loss and efficiency savings on an annual basis and to be in a position to anticipate the financial climate rather than respond to changes on an ad hoc uncoordinated basis.
- 3.37 BHP has achieved savings through a combination of reductions in posts, undertaking some functions directly that were formerly carried out by external companies and taking on additional services with no increase in the management fee (e.g. Disabled Facilities Grants (DFGs)). BHP continues to review its services with the Council and a comprehensive shared services review has been undertaken over the last 12 months. BHP's Value for Money strategy (that has board approval) has confirmed that BHP's preferred approach is to use the systems thinking to drive out waste and improve service delivery. The improvement in the repairs service via systems thinking has confirmed the validity of this methodology and thus it is being rolled out to the whole of the company. Currently Housing Management, Estate Services and Leasehold Services are subject to review.
- 3.38 In 2006/07 BHP offered a voluntary redundancy scheme that enabled 16 staff to be managed out of the organisation and in September 2010 a further voluntary redundancy scheme was approved by the board which was integral to a general review of the company's structure. In total a further 16 posts were removed from the establishment which represents approximately 10% reduction in staffing costs. The shared services review and a further restructure in March 2012 led to a reduction of a further 18 posts, including for the first time at BHP compulsory redundancies. The total annual savings from the three restructures is more than £1.5m per annum.
- 3.39 BHP is further reviewing its operations in the light of the service reviews and consideration has been given to the Council Housing Finance Review which has been having a considerable impact on council housing finances since April 2012. BHP is currently working with the Council on a new long term management agreement and this is due to start in April 2013. The previous 10 year management agreement expired in September 2012 and was extended until March 2013. The view of BHP's board is that the business remains a 'going concern'.
- 3.40 The BHP management fee for 2013-14 will be based on the provisions set out in the new management agreement, which will be in place from April 2013.

### **Risks**

- 3.41 BHP has a risk management strategy that identifies the 'top ten' risks and is regularly reported to its board. As part of the development of the budget,

officers have sought to consider the main associated risks. These risks are set out below:-

- 3.41.1 Performance on rent collection remains generally good. As indicated in last year's report the current economic environment creates a challenge for BHP and the income management officers in particular. However, the introduction of Universal Credit is going to create further challenges, particularly with regard to the collection of rent. There are changes which could materially affect collection performance e.g. paying benefits direct to tenants, reduced HB for those on job seekers allowance, and the bedroom tax.
- 3.41.2 The recovery of Leaseholder Service Charges (Major Works) remains a challenge for officers and compliance with legislation is often difficult. In addition there are often differences between tenants and leaseholders in respect of works undertaken. For instance work to a communal area may well be considered favourably whilst a leaseholder may view such expenditure as not strictly necessary under the lease and thus not recoverable.

### **Revised Budget 2012/13**

- 3.42 A summary for the forecast outturn for the HRA for 2012/13 is contained on Table 1 on Appendix 1. It can be seen that net expenditure is predicted to be £2,186k in 2012/13, which when compared to the budget of £2,186k, shows that the forecast outturn is in line with budget. Additionally the surplus balances brought forward from 2011/12 exceeded the budget by £1,572k. Taking account of this, the 'surplus carried forward' to 2012/13 is forecast to be £1,972k which is £1,572k more than the surplus of £400k that was budgeted. This additional £1,572k will be available to support one-off expenditure in the 2013/14 budget.
- 3.43 Table 2 on Appendix 1 sets out the detailed virements associated with this forecast outturn. The major adjustments that affect the overall net expenditure are included in column 3, and are as follows:-
- Depreciation MRA – This budget is being forecast to reduce by £459k and this will be used to part off set the forecast £1,007k reduction in the Rental Income budget.
  - Rental Income - Following a detailed review of income from Council tenanted dwellings, Officers now forecast that rent income in 2012/13 will be £1,007k less than budgeted. This is mainly due to decanting of dwellings at South Kilburn and Barham Park. This forecast includes the impact of short life properties in regeneration areas.
  - General Management - this expenditure budget is forecast to under-spend by £308k and takes account of the BHP efficiency optimisation.

- Special Management- This expenditure budget to forecast to under-spend by £240k and takes account of additional income relating to increased energy cost on HRA activities that benefit the wider community.
- HRA surplus brought forward – the final audited HRA for 2011/12 showed a surplus of £2,268k, which exceeded the budget of £696k by £1,572k. The main reasons are variances relating to repairs and maintenance expenditure, rental income from Housing dwellings, provision for bad debts, income from investment income, interest charge, general management cost, and cost of providing landlords services, such as electricity.

### **Draft HRA Budget 2013/14**

- 3.44 In considering the budget estimates for 2013/14, Members need to consider the policy and legislative framework within which the estimates have been formulated.
- 3.45 Estimates have been compiled on the basis of the Council's corporate guidance for budget preparation and the 'budget envelope' as agreed by the former Housing Committee – that is the spending budgets should be adjusted in relation to the stock numbers. The advantage of this approach (which ignores fixed costs) is that managers are able to reduce their expenditure on a planned basis. The budget as set out on table 1 on appendix 1 has specifically been prepared on the basis as set out in the following paragraphs:-
- 3.45.1 Allowance for inflation – Budgets have been prepared on an outturn basis and include an allowance of 1% for pay. The Employer's Superannuation Contributions for BHP staff remains at 17.8%, and for Council Staff will increase by 0.5% to 27.4%. For non pay price rises, a general increase of 0% has been used, except for repairs which is 2.21% and cleaning, grounds maintenance which is 3.75%, and gas servicing which is 1.1% in line with their contracts.
- 3.45.2 Capital Charges –the capital charges take account of details forecast of premia, discounts, and interests rate movements. Capital charges are expected to decrease by £920k which is mainly associated with a reduction of HRA premia costs.
- 3.45.3 Stock Loss/Efficiency Savings – The rent budget has been updated to reflect anticipated stock loss (Barham Park, South Kilburn and Right to Buy). Applicable expenditure budgets have been reduced 3.5% to reflect the estimated stock loss in 2013/14, plus a further efficiency savings arising from one Council and other reviews (including the BHP optimisation review). The rent loss is forecast to be £936k, and total savings included in the draft budget are £862k. The net impact of Stockloss/efficiency savings is £74k.

3.45.4 Growth – the draft budget includes £3.877m Growth, and Members are asked to agree this. The draft growth includes:-

- Bad Debt Provision - It is proposed to increase the budget for bad debt provision by £500k from £658k to £1,158k in order to provide additional resources to meet the anticipated increase in rent arrears due to the welfare reforms. This revised budget will mean that the HRA have budgeted to collect 97.7% of the rent due.
- Welfare Reform Team –BHP have are seeking growth of £200k for to contribute to the costs of a new team deal with the preparation and effects of the Welfare Reforms and in particular Universal credit direct payments.

Sixty Eight per cent of Brent's tenants receive some level of Housing Benefit. The introduction of universal credit will result in all tenants being paid their benefits directly and they will then have to budget and manage their commitments directly and make arrangements to pay LLB their rent. Studies from the DWP pilots have shown that collection rates have been significantly affected with the average collection rate falling to 92%. Feedback has shown that tenants need significant one to one support and advice in areas such as opening bank accounts, budgeting, claiming entitlements correctly. There is also a massive knowledge gap in tenants' awareness of forthcoming changes in welfare. This is despite a widespread information campaign by BHP including dedicated welfare reform newsletters, public meetings, individual addressed letters to tenants etc. Officers in BHP spoke to approx. 90 tenants by phone in December who will be affected by the bedroom tax. The vast majority of the tenants were unaware of the changes.

BHP proposes to create an additional new team by the 1<sup>st</sup> April 2013 comprising of 5 officers and 1 team leader. The purpose of the team will be two fold. Firstly they will manage the rent accounts of all new Brent Council tenants, including undertaking new tenant visits, assisting with benefit claims, supervising their rent accounts very closely and building a personal one to one relationship with these tenants to try and establish good payment practices from the beginning and then consistent during their tenancies. This team will also deal with the additional work issues arising from Brent Councils decision to introduce flexible tenancies and in particular 12 month introductory tenancies.

The other main purpose of the team will be to go out into the community and meet and advise tenants on a one to one basis to advise them of welfare reforms, give them advice on their options



and also provide practical help with opening bank accounts and budgeting etc.

- Void Repairs - £200k - The current void repairs budget is insufficient to meet the cost of works associated with the current turnover. The budget has overspent in the last three years (offset by underspends elsewhere). For 2012-13 BHP are forecasting spend of £2.18m against a budget of £1.6m. It is considered unrealistic to work with a void repair budget which is known to be significantly too low for such an important service. BHP is therefore asking for a proportion of the annual deficit to be funded through growth as it is recognised that it would be difficult for the Council to find the whole deficit at present.

There will more pressure to deliver the expected service in this area but with insufficient funding, this will lead to a year on year budget over spend. Failure to carry out void repairs will result in properties not being let and with the waiting list forever growing, this is an unacceptable position.

- Depreciation - £2.977m, comprising an ongoing sum of £1.405k which is the available unallocated resource after all other HRA budgets for 2012-13 has been compiled, and use of one off useable reserves £1,572k - the budgeted surplus HRA working balances brought forward from 2011/12. These additional resources will be used in line with the new asset management strategy which is being developed and will allow the Council to make choices about whether to increase the supply of new homes, accelerate the delivery of the repairs and maintenance backlog or improve the quality of the housing stock.

This growth of £3.877m represents a real increase in HRA expenditure for 2013/14. This allocation includes £1.572m which is a one off budget allocation for major works for 2013/14 only, and £2.305m which is ongoing.

- 3.45.5 Funded from balances/reserves – The 2012/13 budgets included £2.186m for Major Works that was funded from balances (£296k) and reserves (£1.890m) – this one-off budget has been eliminated from the 2013/14 budget. This report proposes that a further £1.572m from HRA balances be used on a one off basis on the 2013-14 budget for major works.
- 3.45.6 One off funding from balances - £1,572k – see growth above
- 3.45.7 An average rent increase of 3.74% per dwelling per week. This will yield £1.750m.
- 3.45.8 An average service charges increase of 2.6% has been included for 2013/14 (in line with the September 12 RPI indices). This will yield £74k.

3.45.9 The draft budget for 2013/14 is set out on table 1 on appendix 1. Also the detailed movement for each budget head, comparing the 2012/13 budget with the draft budget for 2013/14 is shown on table 3 on appendix 1. The draft budget shows a balanced budget. The table below shows the key summary movement from 2012/13 (as explained above):-

Description	£000
Inflation	365
Capital Charges	-920
Stock Loss/Efficiency Savings (net)	74
Growth	3,877
One off expenditure in 12-13	-2,186
Funded from balances/reserves in 12-13	2,186
One-off funding from balances	-1,572
Rent Increase	-1,750
Service Charge increase	-74
<b>Total</b>	<b>0</b>

\*growth comprises £1.572m one off allocation for 2013/14, and £2.305m ongoing.

### **Other Budget Strategy Options**

- 3.46 Clearly, it is open to Members to consider other options. Officers have produced a strategy that in their view is prudent, realistic and in line with Council policy. The basis of the report is structured as in previous years, that is officers give advice as to the resources available for next year based upon current policies and give indications as to the income required for a 'balanced budget' based on those policies. It is for Members to determine the appropriate level of rents/growth/reductions within the law. Any budget proposals must be achievable in both financial and housing operational terms.
- 3.47 Members could consider raising rents above convergence levels however account will need to be taken of the impact of rent rebate subsidy limitation, whereby increasing actual rents above the rent limit would trigger the 'rent limitation rule' whereby only approximately 40% of the product of a rent rise above this threshold would be available to fund HRA expenditure. The rent rebate limit for 2013/14 has not yet been published, but is expected to be around 3.75%.
- 3.48 Alternatively, Members could raise rents at a rate below convergence levels (i.e. less than 3.74% on average), or indeed freeze or reduce average rents. This would mean that the Council would not be following rent restructuring policy and is likely to have a significant impact on the HRA Business Plan, and members would need to agree additional specific savings over and above those savings already included in this report and/or reduce the proposed growth. Any additional savings would need to come from operational or service related costs (such as repairs or major works).

If we did not increase our rents for 2013 -14 as set out in this report then:-

- then we would not converge our rents under rent restructuring – scheduled for 2015-16;
- We would forego the £1.75m additional income for 2013-14. This is likely to mean that we that will have £1.75m less to spend on major works or capital charges associated with major works or other HRA asset strategies;
- There would be a cumulative cash impact of over £53m on the 30year HRA Business plan;
- We would not be able to meet all our HRA stock investment needs;
- It will take longer to repay our HRA debt; and
- It will restrict the ability to fund options that may be identified in the HRA asset management strategy.

3.49 The following table sets out the income generated by various percentage rent increases ranging from 0% to 3.74%, and the table sets out the additional savings that would need to be identified in order to achieve a balanced budget:-

Percentage Increase	0%	1%	2%	3%	3.74%
	£m	£m	£m	£m	£m
Income Generated	0	0.492	0.965	1.431	1.750
Additional Savings to be Identified	1.750	1.258	785	319	0

### **Brent Housing Partnership (BHP) and the Consultation Process**

3.50 On 24 January 2013 BHP's Finance and Audit Sub Committee met and received a briefing from the Assistant Director - Housing and the Assistant Director Strategic Finance on the draft HRA budget proposals for 2013-14. The BHP Finance and Audit Sub Committee agreed the following resolution:-

*BHP agrees with the recommendation to increase rents on average by 3.74%. We recognise that this will place be an additional financial burden on the 32% of Brent Council tenants that currently are not in receipt of housing benefit. However BHP recognises that Brent is now operating a self financing housing business and that this increase is necessary to ensure the success of the Council's business plan.*

### **Non HRA Stonebridge Dwellings**

3.51 In addition to the Council's dwellings contained within the HRA, the Council also continues to hold dwellings outside the HRA i.e. in the General Fund. These dwellings were formerly held by the Stonebridge Housing Action Trust (HAT) and they were transferred to Brent Council in August 2007 when the HAT was wound up.

- 3.52 The Council currently owns 332 properties under this scheme, and one is currently void. A further 14 properties are let on a leasehold basis.
- 3.53 Hillside Housing Trust, part of the Hyde Housing Group, manages these properties on the Council's behalf through a PFI contract.
- 3.54 Council dwellings are normally held in the HRA. However in order to avoid any negative impact of these dwellings on the Council's HRA, the Secretary of State issued a direction under section 74(3)(d) of the 1985 Housing Act, for the properties in this scheme to be held outside the HRA i.e. in the General Fund.
- 3.55 The income and expenditure associated with these Stonebridge dwellings (which will be broadly neutral in 2013/14) will be included in the Council's General Fund budget.
- 3.56 Last year, for 2012/13, the Council agreed an average rent increase of 6.3% and an average service charges decrease of 0.7%. The overall average increase in 2012/13 was 5.8%.
- 3.57 The Council has the responsibility for setting rents and service charges for these Brent Stonebridge Dwellings (in consultation with Hillside Housing Trust, and in line with the terms of the PFI contract).

#### Rents

- 3.58 The framework for the annual rent setting for the Brent Stonebridge dwellings is contained in the 30 year PFI contract between Hyde Housing (Hillside Housing Trust) and the Council. As all Brent Stonebridge dwellings are now at target rent, the PFI contract sets out that rent increase/decrease for next year should be based on the following formula (note that for 2013/14, the RPI is the Retail Price Index at September 2012, which was 2.6%):-

- All Hillside Brent Tenants' rents are now at target rent – they should be increased by 2.6% (RPI) plus 0.5%. This means that they should increase by 3.1%

- 3.59 Taking account of the framework set out in the PFI contract, the following table sets out the 2012/13 actual rent and the proposed rent levels for 2013/14.

	<b>Rent 2012-13 £</b>	<b>Rent 2013-14 £</b>	<b>Increase £'s</b>	<b>Increase %</b>	<b>No</b>	<b>Total Increase £</b>
1 Bed Flat	94.64	97.57	2.93	3.1%	85	12,951
2 Bed Flat	112.05	115.52	3.47	3.1%	45	8,120
1 S/croft Elders	94.64	97.57	2.93	3.1%	15	2,285
2 S/croft Elders	112.05	115.52	3.47	3.1%	3	541
2 Bed House	121.71	125.48	3.77	3.1%	36	7,057
3 Bed House	133.38	137.51	4.13	3.1%	77	16,537

Meeting  
Date

Version no.  
Date

4+ Bed House	140.41	144.76	4.35	3.1%	71	16,060
<b>Annual Total</b>	<b>2,052,093</b>	<b>2,115,644</b>	<b>3.68</b>	<b>3.1%</b>	<b>332</b>	<b>63,551</b>

This table shows that the range of the weekly rent increase is from £2.93 to £4.35, and that the average overall rent change (excluding Service Charges) for 2013/14 will be an increase of £3.68 per week, which is an average increase of 3.1%. Members are asked to agree this.

This will increase the average rent (excluding service charges) from £118.87 to £122.55 per week and will result in an increase of £64k in rent income per annum (when comparing the full year effect of 332 dwellings), which will, in line with the PFI contract, be offset by a reduction in the unitary charge in 2013/14. The overall impact of this will therefore be broadly neutral on the Council's budget.

### Service Charges

- 3.60 All of the costs used in calculating the Hillside Service Charges are based on the estimated actual costs of providing those services. For 2013/14 these charges have initially been uplifted by 2.6% in line with the September 12 RPI, but then reduced to reflect efficiencies achieved in some contracts due to wider and more efficient tendering across the whole Hyde Group. Hyde carried out a programme of digitalisation in flats that required this work in order to maintain TV aerial services after the non digital switch off in 2012. The total cost of this work is spread over the six years between April 2013 and March 2019. This averages out at £1.88 per flat per week and accounts for nearly all the increase in service charges. The tenants of houses remain responsible for their own tv aerials as set out in their tenancy agreements and were therefore not included in the tv aerial works.
- 3.61 Hillside does not divide the Service Charges up according to bed size of the units but the Service charges are directly worked out by the costs of providing the services that every block receives. This is why the service charges for a one bedroom flat average more than a two bedroom. For 2013/14 one bedroom costs last year were higher than those of the two bed flats.
- 3.62 As a result of this process, Hillside Housing Trust have indicated that they propose to increase average service charges in 2013/14 by an average of 11.8%. The following table sets out the average proposed Service charges in 2013/14 and compares this to the Service Charges for 2012/13:-

	<b>Average Service Charges 2012-13</b>	<b>Average Service Charges 2013-14</b>	<b>Increase £'s</b>	<b>Increase %</b>	<b>No</b>	<b>Total £</b>
1 Bed Flat	14.23	16.08	1.85	13.0%	85	8,177
2 Bed Flat	13.55	15.44	1.89	13.9%	45	4,423
1 S/croft Elders	38.47	39.73	1.26	3.3%	15	983
2 S/croft Elders	38.47	39.73	1.26	3.3%	3	197
2 Bed House	0.60	0.85	0.25	41.7%	36	468

Meeting  
Date

Version no.  
Date

3 Bed House	0.60	0.84	0.24	40.0%	77	961
4+ Bed House	0.60	0.83	0.23	38.3%	71	849
<b>Annual Total</b>	<b>136,352</b>	<b>152,409</b>	<b>0.93</b>	<b>11.8%</b>	<b>332</b>	<b>16,057</b>

This table shows that overall the proposals for Service Charges will be an average increase for 2013/14 of £0.93p per week, being an average increase of 11.8% over 2012/13 charges. The impact at individual level will depend upon the specific dwelling type and the service charges allocated to that dwelling. This proposal will increase the average service charge from £7.90 to £8.83 and will result in £16k more service charges income per annum (when comparing the full year effect of 332 dwellings), which will, in line with the PFI contract, be used to pay a reduced unitary charge in 2013/14. The overall impact of this will therefore be broadly neutral on the Council's budget.

3.63 The combined effect of the proposals for rents and service charges changes at Stonebridge for 2013/14 are set out in the following table:-

	<b>Average Rents &amp; Service Charge 2012-13</b>	<b>Average Rents &amp; Service Charge 2013-14</b>	<b>Increase</b>	<b>Increase</b>	<b>No</b>	<b>Total Increase</b>
	<b>£</b>	<b>£</b>	<b>£'s</b>	<b>%</b>		<b>£</b>
1 Bed Flat	108.87	113.65	4.78	4.4%	85	21,128
2 Bed Flat	125.60	130.96	5.36	4.3%	45	12,542
1 S/croft Elders	133.11	137.30	4.19	3.1%	15	3,268
2 S/croft Elders	150.52	155.25	4.73	3.1%	3	738
2 Bed House	122.31	126.33	4.02	3.3%	36	7,525
3 Bed House	133.98	138.35	4.37	3.3%	77	17,497
4+ Bed House	141.01	145.59	4.58	3.2%	71	16,909
<b>Annual Total</b>	<b>2,188,445</b>	<b>2,268,054</b>	<b>4.61</b>	<b>3.6%</b>	<b>332</b>	<b>79,608</b>

This table shows the combined impact of the proposed average rent and Service Charge increase at Stonebridge for 2013/14. The net impact on tenants will on average be an increase of £4.61 or 3.6%, although the actual impact will depend upon the dwelling type and the specific service charges that are being incurred by that dwelling.

## **Conclusion**

3.64 Officers consider their role to produce a realistic and prudent budget within the policy guidelines and dealing with solutions to problems within the internal Housing Service budget process. All these budget adjustments are clearly outlined in Appendix 1. Therefore, officers consider the advice contained in this report forms a reasonable basis for setting next year's rents and budgets.

## **4.0 Financial Implications**

- 4.1 This report is wholly concerned with financial issues associated with setting the HRA budget for 2013/14 under the new self financing system for council housing, and for setting the level of rents for Council dwellings in 2013/14.
- 4.2 Members are advised of their duty to approve a budget that meets the statutory requirements as contained in Part VI of the Local Government and Housing Act 1989. Sections 76 (2) and (3) of that Act requires Members to ensure that their proposals are realistic and that the Council's Housing Revenue Account does not show a debit balance.

## 5.0 Legal Implications

- 5.1 Under section 74 of the Local Government and Housing Act 1989 ("the 1989 Act"), the Council is required to keep a separate Housing Revenue Account of sums falling to be credited or debited in respect of its housing stock. Sections 75 and 76 of the 1989 Act set out the rules for establishing and maintaining that account. Under section 76 of the 1989 Act, the Council is required to formulate in January and February of each year proposals for the HRA for the following year which satisfy the requirements of that section and which relate to income, expenditure and any other matters which the Secretary of state has directed shall be included.
- 5.2 In formulating these proposals the Council must secure that upon their implementation the HRA will not show a debit balance assuming that the best assumptions and best estimates it can make at the time prove to be correct. Put simply, the legislation requires the Council to prevent a debit balance, to act reasonable in making assumptions and estimates and to act prudently.
- 5.3 The 1989 Act also requires the authority to review the proposals from time to time and make such adjustments as are necessary to ensure that the requirements, as set out above, continue to be met. This report sets out the revised estimates for the current financial year and also the proposals for the coming year.
- 5.4 The Council may make such *reasonable* charges as it so determines for the tenancy or occupation of their dwellings and shall review those rents and charges from time to time. In so doing the Council shall have regard to the principle that the rents for different types of houses should bear broadly the same proportion to private sector rents for those different types of houses. This means that the difference between the Local Authority rent for, say, a bedsit and a two bed house with a garden should be broadly comparable to the difference between the rents for those types of dwellings in the private sector. In making such reasonable charges officers have given consideration to the Government's policy aims of introducing social housing rents that will ultimately produce rents being set (both in the council and Registered Provider/RSL sectors) on a nationally determined basis (whilst taking into account local factors such as the value of dwellings). This aim is not

prescriptive in so much it remains the responsibility of the local housing authority to set rents.

- 5.5 The rent income estimates included for 2013/14 are based upon the Governments Rent Restructuring formula and adjusted for RTB etc.
- 5.6 The decisions recommended in this report are an exercise of the Executive's rent-setting function and must take into account the implications of the Council's overall budget.
- 5.7 Under section 76(8) of the Local Government and Housing Act 1989, the Council is required to prepare a statement of the revised estimates and new proposals within one month of the proposals and this requirement will be satisfied by Council approval of the overall budgets for 2013/14 on 25 February 2013, when the Full Council will meet.
- 5.8 The Secretary of State issued a Direction (under section 74(3)(d) of the Local Government and Housing Act 1989) in March 2008 which allows the Council to hold outside the Housing Revenue Account the rent accounts of the Council owned properties on the Stonebridge estate that were transferred from the Stonebridge HAT to the Council in 2007.
- 5.9 Section 313 of the Housing and Regeneration Act 2008, which adds section 80B to the Local Government and Housing Act 1989, makes it possible for councils and specified properties belonging to Councils to be excluded from the subsidy system subject to agreement with the Secretary of State and it allows the Secretary of State to make directions in relation to such agreements.
- 5.10 BHP was granted Registered Provider status by the Tenants Services Authority ("TSA") in April 2011. The Localism Act 2011 abolished the TSA and transferred its regulatory functions to the Homes and Communities Agency (HCA).
- 5.11 Sections 167 to 175 and schedule 15 of the Localism Act 2011 includes provisions for a new self financing HRA system from April 2012. This new system will enable the Council to operate a Housing Revenue Account which will allow the Council to keep all of its rental income and use it to support its own housing stock. The Act includes powers for the Secretary of State to set a maximum limit on the amount of housing debt that each authority can hold.
- 5.12 Once the Executive decides on the setting of the rents in respect of the Council's housing stock that is managed by Brent Housing partnership and the Brent Stonebridge Dwellings that are managed by Hillside Housing Trust, notices of variation will be served on the tenants pursuant to section 103 of the Housing Act 1985 to notify them of the changes in rent which will come into effect from 1 April 2013.



5.13 The Welfare Reform Act 2012 and regulations made under this Act make a number of changes to the way housing benefit operates. The details of those changes are set out in paragraphs 3.31 and 3.31.1 to 3.31.5 above in this report.

## **6.0 Diversity Implications**

6.1 This report, in the main deals with the rent setting and budget proposals for the Council's HRA. Officers are not proposing any major changes to the operation of this account. In particular this report deals with a number of strategic issues and does not in itself deal with specific operational ones. Operational housing management issues are, in the main, the responsibility of Brent Housing Partnership (BHP) and this service is monitored by the Housing Service by reference to the agreements between Brent Council and its wholly owned subsidiary – BHP.

6.2 Earlier this year BHP published an Equalities Strategy 2012-2015 containing several equalities objectives and these continue to be monitored by BHP's Service Delivery Sub Committee. In addition BHP has been assisting the council in its submission for the 'excellence' level in the Equality Framework for Local Government. BHP has set up an equalities project group for its own external equalities accreditation scheme and anticipates a submission to be made during the spring of 2013.

6.3 BHP operates a devolved budget from Brent to further improve the management and processing of adaptations. For the financial year ending 31st March 2011, 126 major adaptations taking an average of 85 days to complete were carried out for council tenants costing £649k. These works included the provision of level access showers, stair lifts, ramping to allow wheelchair access, kitchen adaptations.

In the same period, 190 Minor Adaptation (works valued under £1k) taking an average of 4 days to complete were carried out costing £37k. These works included the provision of hand / grab rails, key safes.

6.4 The Welfare Reform Act and the regulations made under this Act will have some far reaching effects for tenants and consequently the ability to maximise rental income for the council. For example there will be a cap of £350 for single people and £500 for single parent households. The housing cost element of the Universal Credit is given the lowest priority, so that a single person's housing cost is taken into account after all other benefits have been calculated. It is, therefore, possible that the housing cost element may not cover a substantial part of the rent that is due.

Whilst the impact is not purely financial, the arbitrary figure being used to determine what households are expected to live on does not take into account their outgoings and as a result many people will be placed under the poverty line at a time when there are mounting fuel, food and transport costs.

## **7.0 Staffing/Accommodation Implications**

- 7.1 Decisions made by the Executive on expenditure and rent levels can materially affect staffing numbers for council officers and Brent Housing Partnership. There are no direct proposals for staffing arising from this report, however the HRA budget does fund the management fee for Brent Housing Partnership and they are implementing an efficiency review as part of the ALMO optimisation, and some staff may be affected by that review. Also some staff that maybe affected by the Council's ongoing One-Council reviews". The impact on these staff will be reported separately, under the specific reviews.
- 7.2 BHP staff will be relocating from Chancel House into the Council's new Civic Centre in 2013/14.

## **8.0 Background Information**

None

### **Any person wishing to inspect the above papers should contact:**

Eamonn McCarroll  
Assistant Director – Strategic Finance  
Finance and Corporate Resources  
5<sup>th</sup> Floor  
Mahatma Gandhi House  
34 Wembley Hill Road  
Wembley  
Middlesex HA9 8AD

Tel: 020-8937-2468

Email: [eamonn.mccarroll@brent.gov.uk](mailto:eamonn.mccarroll@brent.gov.uk)

ANDREW DONALD

Director of Regeneration and Major Projects

<b>HRA Probable Budget 2012-13 and Draft Budget 2013-14</b>				
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
	<b>Original</b>	<b>Revised</b>	<b>Probable</b>	<b>Draft</b>
<b>Description</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2013-14</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Provision For Bad Debts	658	658	658	1,158
Rent & Rates	1,638	1,759	1,759	1,744
Services	590	590	590	590
Capital Financing	11,456	11,456	11,456	10,536
Depreciation (Major Repairs Allowance (MRA))	13,720	13,720	13,261	14,052
Leaseholder Service Charges Income	-3,120	-3,120	-3,120	-3,120
Rent Income	-50,518	-50,518	-49,511	-50,399
Non Dwelling Rent	-379	-379	-379	-379
Other Income	-142	-59	-59	-59
General Management	11,813	11,805	11,497	11,490
Special Management	4,942	4,807	4,567	4,557
Housing Repairs	11,528	11,467	11,467	11,402
<b>Net Expenditure</b>	<b>2,186</b>	<b>2,186</b>	<b>2,186</b>	<b>1,572</b>
Surplus B/Fwd	-696	-696	-2,268	-1,972
To/(from) Earmarked Reserve	-1,890	-1,890	-1,890	0
Surplus C/Fwd	400	400	1,972	400
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Nb. The revised budget 2011-12 results from a reclassification exercise and is neutral on the HRA



<b>HRA Budget Summary - Revised Budget Vs Probable Budget 2012-13 Variance</b>					
<b>Description</b>	<b>(1) Revised Budget 2012-13 £000's</b>	<b>(2) Budget Reclass £000's</b>	<b>(3) Other Virements £000's</b>	<b>(4) Probable Budget 2012-13 £000's</b>	<b>Other Virements Explanation</b>
Provision For Bad Debts	658	0	0	658	
Rent & Rates	1,638	121	0	1,759	
Services	590	0	0	590	
Capital Financing	11,456	0	0	11,456	
Depreciation (MRA)	13,720	0	-459	13,261	Forecast reduction in depreciation
Rent Income	-50,518	0	1,007	-49,511	Forecast increase in rent income for Council Dwellings decants and demolitions at Barham Park and South Kilburn
Leaseholder Service Charges	-3,120	0	0	-3,120	
Non Dwelling Rent	-379	0	0	-379	
Other Income	-142	83	0	-59	
General Management	11,813	-8	-308	11,497	BHP efficiency optimisation
Special Management	4,942	-135	-240	4,567	Additional income relating to increased energy charges that benefit the wider community
Housing Repairs	11,528	-61	0	11,467	
<b>Net Expenditure</b>	<b>2,186</b>	<b>0</b>	<b>0</b>	<b>2,186</b>	
Surplus B/Fwd	-696	0	-1,572	-2,268	Audited additional surplus from 2011-12
From Earmarked Reserve	-1,890	0	0	-1,890	
Surplus C/Fwd	400	0	1,572	1,972	Additional surplus carried forward to 2013-14
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

HRA Budget Summary - Probable Budget 2012-13 Vs Original Budget 2013-14 Variance				
Description	(1) Draft Probable Budget 2012-13 £000's	(3) Variance £000's	(4) Draft Original Budget 2013-14 £000's	Variance Explanation
Provision For Bad Debts	658	500	1,158	Growth associated with Welfare Reforms
Rent & Rates	1,759	-15	1,744	Efficiency/Stock Loss £-15k
Services	590	0	590	
Capital Financing	11,456	-920	10,536	HRA Premia £-967k, discounts £11k, other £36k
Depreciation (Major Repairs Allowance)	13,261	791	14,052	Expenditure funded by one-off balances in 2012-13 £-2,186k, one off growth expenditure proposed to be funded by one off balances in 2013-14 £1,572k, and Growth for HRA Major Works £1,405k
Rent Income	-49,511	-888	-50,399	Stock reduction through right to buy sales and regeneration at Sik Kilburn and Barham Pk £936k, 2013-14 rent increase £-1,750k, and 2013-14 service charges increase £-74k.
Leaseholder Service Charges	-3,120	0	-3,120	
Non Dwelling Rent	-379	0	-379	
Other Income	-59	0	-59	
General Management	11,497	-7	11,490	Inflation £70k, stock reduction/efficiency savings £-277k, and £200k growth for new team to prepare for Welfare Reform.
Special Management	4,567	-10	4,557	Inflation £149k and stock reduction/efficiency savings £-159k.
Housing Repairs	11,467	-65	11,402	Inflation £146k, stock loss/efficiency savings £-411k, and growth £200k for void repairs.
<b>Net Expenditure</b>	<b>2,186</b>	<b>-614</b>	<b>1,572</b>	
Surplus B/Fwd	-2,268	296	-1,972	Expenditure funded by one off balances on 2012-13
Transfer From Earmarked Res	-1,890	1,890	0	Expenditure funded by one off balances on 2012-13
Surplus C/Fwd	1,972	-1,572	400	Use of balances to fund one off expenditure on Major Repairs
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## HRA self-financing

London Borough of Brent  
December 2012



## Contents

<b>1.</b>	<b>Introduction .....</b>	<b>3</b>
	1.1. Background.....	3
	1.2. What is HRA self-financing? .....	3
<b>2.</b>	<b>The self-financing settlement .....</b>	<b>4</b>
	2.1. The rationale .....	4
	2.2. How was the self-financing debt calculated? .....	4
	2.3. The settlement for Brent .....	4
<b>3.</b>	<b>HRA business planning .....</b>	<b>5</b>
	3.1. Why produce an HRA business plan? .....	5
	3.2. Brent’s HRA business plan .....	5
<b>4.</b>	<b>Key business planning assumptions for Brent .....</b>	<b>6</b>
	4.1. Summary of assumptions .....	6
<b>5.</b>	<b>The baseline HRA business plan .....</b>	<b>7</b>
	5.1. Revenue position .....	7
	5.2. Capital programme.....	8
	5.3. Debt & financial headroom .....	9
<b>6.</b>	<b>Sensitivity analysis .....</b>	<b>11</b>
	6.1. Sensitivities tested.....	11
	6.2. Results .....	11
	6.3. Key messages .....	12
<b>7.</b>	<b>Conclusions &amp; Recommendations .....</b>	<b>13</b>
	7.1. Conclusions.....	13
	7.2. Recommendations.....	14

Sector is the trading name of Sector Treasury Services Limited, which is authorised and regulated by the Financial Services Authority (FSA) for the provision of the investment advisory services it provides as part of its treasury management service. Registered in England No. 2652033. Sector’s housing and consultancy services (excluding treasury management services) are provided by Capita Business Services Ltd, registered in England no. 2299747. The registered office of Sector Treasury Services Ltd and Capita Business Services Ltd is 71 Victoria Street, Westminster, London SW1H 0XA. We operate as part of Capita plc



# 1. Introduction

## 1.1. Background

In the autumn of 2008 the (then) Government announced that it was conducting a review of the way in which the Housing Revenue Account was funded. In the summer of 2009 it consulted on the “principles” of a scheme of self financing but provided no real financial detail.

This consultation was followed just before the 2010 General Election with a second stage consultation on the financial detail of the self-financing proposals. The incoming coalition government allowed the consultation to run its course then conducted its own “review of the review”, after which it laid out slightly modified plans to introduce a self-financing system for all council housing in England from April 2012. These plans were outlined in the CLG document: *Implementing self-financing for council housing* (February 2011) and the subsequent paper *Self Financing: Planning the transition* (July 2011).

At the end of November 2011 the CLG issued the draft determination of self financing valuations, which provided the financial settlement for authorities at the outset of the new arrangements.

The introduction of HRA self-financing was the most fundamental reform of housing finance since 1989.

## 1.2. What is HRA self-financing?

HRA self-financing aims to solve a number of weaknesses associated with the previous HRA subsidy system. That system had been in place for some time (it was introduced by the 1989 Local Government and Housing Act), and was altered and adjusted on an annual basis by successive governments. Its weaknesses included:

- Annual settlements, which caused funding uncertainty and discouraged long term strategic decision-making
- The costs of debt were largely met by subsidy and so there was a lack of incentive for authorities to manage their debt actively
- An increasingly unpopular national redistribution of resources, which saw the vast majority of authorities paying into a national pot
- The system was not transparent and was very difficult to understand

The self-financing settlement abolished the subsidy system and redistributed debt between authorities on the basis of a Government assessment of their ability to service the debt. This had the effect of increasing the debt held by most authorities, but in return they no longer had to pay into the national pot.

The changes mean that all authorities now get to keep all of the rent they receive from tenants. However, authorities are also now fully responsible for managing their owned income and expenditure and no longer have the “safety net” previously provided by the subsidy system, if anything should go wrong.

## 2. The self-financing settlement

### 2.1. The rationale

The self-financing settlement calculated a self financing valuation for each local authority, based on the net present value of projected cashflows over 30 years. The projected cashflows used were based on adjusted subsidy allowances and guideline rents for each authority. The idea was to use the valuation as a basis for redistributing the national housing debt, so that it was more closely allocated in line with an authority’s ability to repay the debt

### 2.2. How was the self-financing debt calculated?

The adjusted allowances included:

- Management and Maintenance
- Major Repairs, including Disabled Facilities Allowances
- Debt Management Costs
- The impact of projected right to buy sales

These were allowances deducted from assumed income (based on subsidy guideline rents) to show the net assumed income for each year, which was then discounted to provide a ‘valuation’ for each authority’s stock. This valuation represented the opening debt allocation for the authority on day one of self-financing. The valuation was deducted from its assumed existing council housing debt (as used in the subsidy system). Authorities took on debt where the valuation was higher than their assumed subsidy debt. If the assumed subsidy debt was higher than the valuation, then some of the Council’s debt was repaid.

### 2.3. The settlement for Brent

Brent was in the minority of authorities that had debt repaid as part of the self-financing debt settlement. The council’s debt under the subsidy system was assumed to be £397.3m but the self-financing valuation indicated a debt of £199.3m. Accordingly, the authority’s debt was reduced by £198m.

As well as allocating debt to authorities, the self-financing settlement also imposed a cap on future levels of debt. This measure was at the insistence of HM Treasury and forms part of the system of national controls over local authority debt. In almost all cases the debt cap was set at the level of the self-financing valuation, and for Brent the debt cap is £199.3m.

While the debt cap is set at the level of the self-financing valuation, it remains higher than the actual debt held by Brent, after the self-financing debt reduction. This was because the authority's actual debt was £59.3m lower than assumed in the self-financing calculation.

## 3. HRA business planning

### 3.1. Why produce an HRA business plan?

The HRA subsidy system was abolished on introduction of the HRA self-financing regime. This means that authorities now get to keep all of the rent they generate from tenants and use it to pay for improvements to their stock, new stock and better services for tenants. However, it also means that there is no longer a subsidy system to help protect councils from changes in economic conditions, or from the effects of weak decisions.

The HRA business plan provides long term financial forecasts of the effects of the council's spending, investment and rent-setting decisions, based on the authority's current income, expenditure and investment expectations. This hard data is combined with key assumptions on how costs and incomes might change in future to produce projections of what the authority can reasonable expect to happen, using the best available information.

Through sensitivity analysis the HRA business plan also demonstrates what happens to the HRA if key assumptions prove to be inaccurate (e.g. if inflation runs at a higher or lower rate, if pay rises are higher or lower than expected, or if an alternative rent increase is set). These sensitivities can be used as part of an essential early warning system that assesses the impact of potential changes in circumstances as they become apparent. This type of regular assessment is crucial in helping the authority to make early decisions that help to keep the HRA in balance, while delivering substantial levels of investment in council housing.

### 3.2. Brent's HRA business plan

Sector have produced a set of 30 year financial projections for Brent's HRA, based on the best available evidence and reasonable assumptions. The information we have used includes:

- The Brent rent roll
- The Council's own HRA budgets
- The stock condition survey prepared by Savills in 2011
- The actual loan portfolio for HRA debt
- Supplementary information prepared by Brent staff and the Brent Housing Partnership

In preparing the baseline business plan forecasts we have discussed and demonstrate the effects of different assumption levels with Brent staff. The sections below outline the key data and assumptions that we have used.

## 4. Key business planning assumptions for Brent

### 4.1. Summary of assumptions

The key assumptions used in preparing the baseline HRA business plan for Brent are described below:

#### Economic factors

We have assumed that general inflation will run at 2.5% pa throughout the business plan. However, since this is clearly an assumption that is outside of the authority's control we have also considered the effects of different inflation rates in our sensitivity analysis (see section 6, below).

The interest paid on any new borrowing undertaken by the authority to deliver its investment plans is also a key variable. We have assumed such borrowing would be at rates of between 4.25 and 5% in the baseline model.

#### Stock numbers

Our projections assume a stock of 8,960 tenanted dwellings at 1 April 2012. This includes 15 equivalent equity share units. We have also assumed a further 3,375 leasehold dwellings.

The main changes to stock numbers are expected to be as a result of the South Kilburn and Barham Park regeneration projects. Our forecasts show the effects of the stock reducing by 1,384 tenanted units and 246 leasehold dwellings over the first 10 years of the plan.

We have also allowed for a small number of right to buy sales, which reflect the levels of sales assumed in the self-financing settlement.

#### Rents & other income

Average rents have been assumed at £102.28 per week for a 52 week year. Rent increases are projected in line with rent restructuring for the next three years, after which increases will be at general inflation plus ½%. This is consistent with the current Government rent guidance.

Service charges and other income are projected to rise in line with inflation.

Void levels have been based on current rates of 1.56% a year. Rent loss from bad debts has been assumed at 1.3% in year 1 (in line with budget), but we have allowed for this to increase as a result of planned welfare reforms to 1.8% in year 2, 2.8% in year 3, 3.8% in year 4 and 4% from year 5. We have also allowed for a phased reduction in rent loss after the implementation of welfare reform, with levels returning to 3.5% in year 8 and 3.0% from year 9 onwards.

Rent loss assumptions are a key variable and difficult to predict at present. Accordingly, we have also tested the effects of alternative assumptions as part of our sensitivity analysis.

### Operating costs

Management and service costs have been based on the HRA budget, with provision for an additional £100,000 pa to be spent on implementing and managing the impact of welfare reform from 2013/14. We have also used existing budgets as the basis for day to day repairs, void works and cyclical maintenance.

### Capital programme

Throughout the plan we have assumed that £600,000 pa would be spent on aids and adaptations. For years one and two the business plan reflects capital investment in line with BHP spending plans. Thereafter, capital spending is based on the profile of stock condition works identified by Savills in their 2011 stock condition survey report.

There is no provision in the business plan for any new build or regeneration schemes.

### Capital resources

The business plan relies on the use of revenue contributions to capital outlay (RCCO) and borrowing (up to the level of its debt cap) to pay for the costs of investing in the stock. In calculating the level of RCCO available in any one year we have assumed that the HRA retains a minimum balance of £200 per tenanted property.

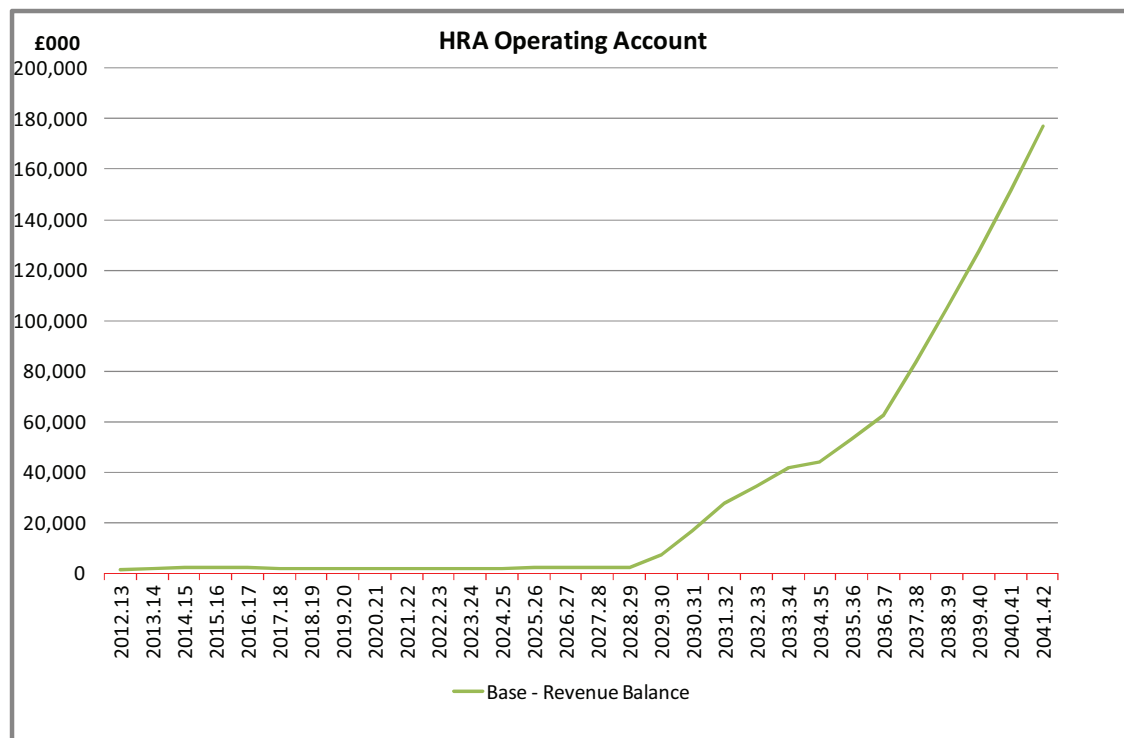
## 5. The baseline HRA business plan

### 5.1. Revenue position

The baseline HRA business plan for Brent forecasts strong positive cashflows from rents, which the authority would use to pay for both its operating costs and the assumed levels of capital investment. The cashflows also enable the Council to repay any additional debt required to finance the required investment in the existing stock, while maintaining a minimum revenue balance of £200 per dwelling.

The chart below shows the profile of revenue balances over the 30 year period covered by the business plan projections:

Figure 1. HRA revenue balances

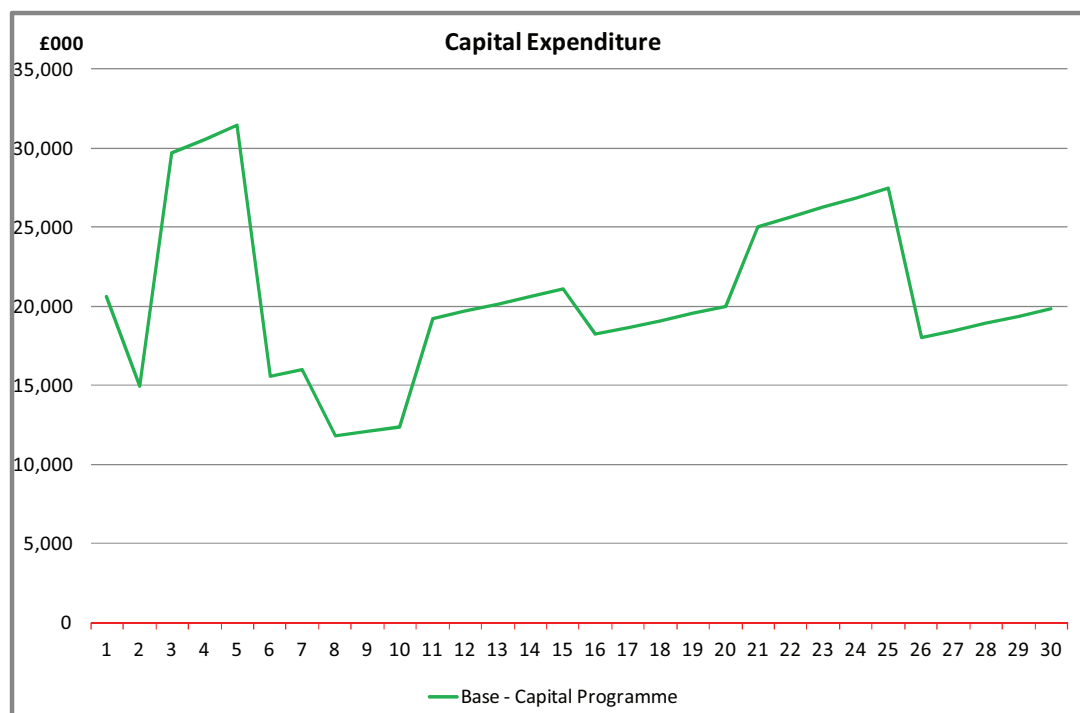


Under the baseline position HRA balances are held at the minimum level until additional debt taken out to deliver the stock investment programme has been repaid. Balances start to accumulate from 2029/30 (year 18 of the business plan).

### 5.2. Capital programme

The 30 year forecasts show that the Council is also able to deliver its capital programme in full, based on the current profile of works. The annual costs of delivering this programme (including the effects of prelims, fees, and inflation) are shown in the following table.

Figure 2. HRA capital programme



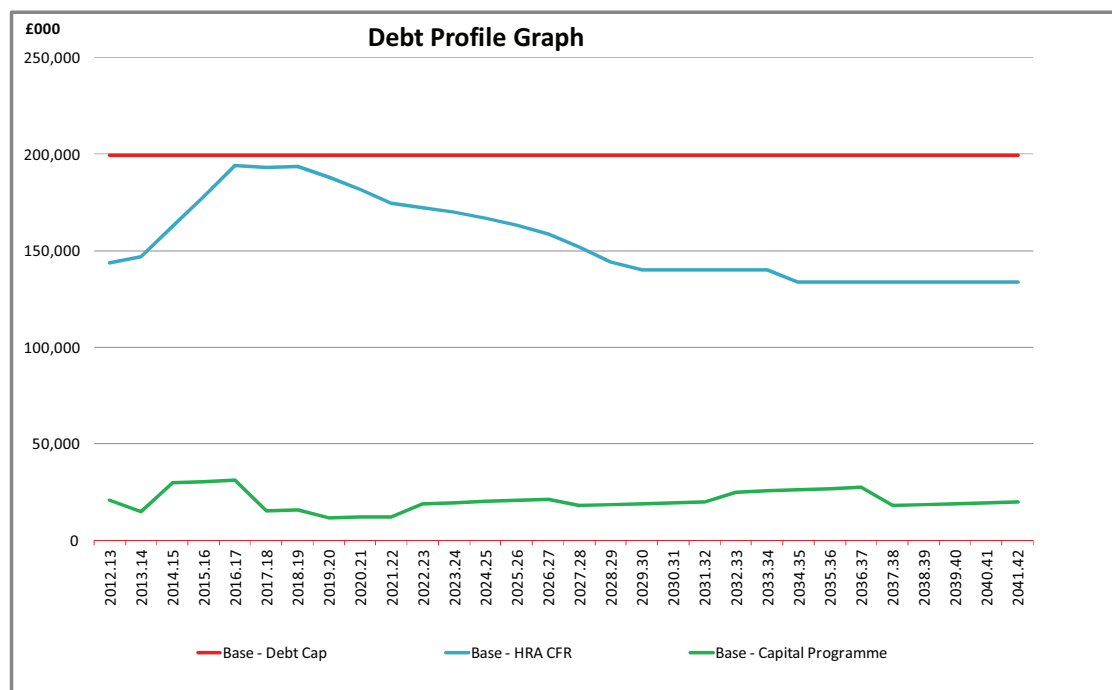
The peak in years 3 to 5 of this programme relates to delivery of the initial stock investment works identified by the 2011 stock condition survey.

### 5.3. Debt & financial headroom

Using the assumptions in Section 4 of this report the HRA would take on additional debt of £53.9m during the first 5 years of the business plan (2012/13 to 2016/17) to pay for the stock investment programme. This would result in a total peak debt of £193.9m in year 5 (2016/17), a figure that is £5.4m below the authority’s debt cap. The business plan assumes that this additional debt would be borrowed from the Public Works Loans Board.

The baseline assumptions mean that debt would remain close to the peak debt level for years 6 and 7 (2017/18 to 2018/19), after which the authority would be able to start repaying the external debt taken on to pay for baseline stock investment. The additional debt taken on would be completely extinguished in 2029/30 (year 18). The authority’s existing HRA debt would continue to be repaid in line with the due dates of existing loans. The chart below summarises these projections.

Figure 3. HRA debt profile



This chart also shows the capital programme (green line) alongside the debt curve (blue line). The initial peak in the level of capital investment from 2014/15 to 2016/17 is the reason for the increase in borrowing required. A further increase in capital spending in 2022/23 is also responsible for the rate of debt repayment slowing down slightly (shown by a flattening of the blue line).

As well as assessing the impact of the assumptions on debt levels, the above chart also shows the headroom available to the HRA for additional borrowing. This is the gap between debt (blue line) and the debt cap (red line). At the debt peak in year 5 borrowing headroom is £5.4m, which means that the authority could borrow up to this amount in the first five years and still observe its debt cap. Headroom remains near this level until year 7 and then increases gradually as debt is repaid. The business plan projects that borrowing headroom would increase to £24.7m by year 10 and to £59.3m by year 20.

The headroom projections suggest that the HRA could increase its baseline capital programme as follows and still remain within its debt cap:

Figure 4. HRA debt profile

Period	Total headroom	Potential total increase in capital programme
2012/13 to 2016/17	£5.4m	£5.4m
2017/18 to 2018/19	£5.9m	£0.5m
2019/20 to 2021/22	£24.7m	£18.8m
2022/23 to 2031/32	£59.3m	£34.6m



Restrictions on headroom caused by the debt cap represent the key constraint for the scale and timing of the authority's future HRA capital programme.

## 6. Sensitivity analysis

### 6.1. Sensitivities tested

Alongside the baseline assumptions we have conducted a number of sensitivity tests, designed to explore the impact of a range of different cost assumptions. The key sensitivities we have analysed are:

- General inflation is 1% higher, at 3.5%, in years 2 to 5
- Management costs rise in line with inflation from years 7 to 10
- Management costs rise at ½% above inflation from years 7 to 10
- Repairs, maintenance & major repairs costs rise at ½% above inflation from years 7 to 10
- A rent freeze is implemented in year 2 (2013/14)
- Rent loss peaks 2% higher, at 6%

Considering each of these in turn enables the authority to read the baseline financial projections in the context of potential changes, and so gives an indication of key risks and potential opportunities.

### 6.2. Results

The table below summarises the results of our analysis, showing snapshots of key measures at 5, 10 and 20 years:

Figure 5. Results of the sensitivity analysis

Sensitivity	Peak Debt		Year additional debt repaid	5 year snapshot			10 year snapshot			20 year snapshot		
	Total £m	Year		Revenue Balance £m	Capital Shortfall £m	Headroom £m	Revenue Balance £m	Capital Shortfall £m	Headroom £m	Revenue Balance £m	Capital Shortfall £m	Headroom £m
<b>A Baseline</b>	193.853	5 (2016.17)	18 (2029.30)	2.499	0.000	5.438	2.097	0.000	24.733	27.614	0.000	59.291
<b>B Inflation +1%</b>	194.631	5 (2016.17)	17 (2028.29)	2.580	0.000	4.660	2.190	0.000	26.410	35.385	0.000	59.291
<b>C Mgt costs + inflation</b>	199.291	7 (2018.19)	22 (2033.34)	2.530	0.000	2.150	2.051	0.264	13.812	2.559	0.264	49.363
<b>D Mgt costs +½%</b>	193.853	5 (2016.17)	18 (2029.30)	2.499	0.000	5.438	2.091	0.000	24.098	23.543	0.000	59.291
<b>E R&amp;M +½%</b>	193.853	5 (2016.17)	19 (2030.31)	2.499	0.000	5.438	2.087	0.000	23.886	17.863	0.000	59.291
<b>F Rent freeze in 2013/14</b>	199.291	6 (2017.18)	24 (2035.36)	2.531	0.000	0.407	2.051	2.050	13.840	2.557	2.050	48.950
<b>G Rent loss +2%</b>	198.476	7 (2018.19)	22 (2033.34)	2.527	0.000	2.963	2.055	0.000	15.108	2.564	0.000	52.432

Each of the sensitivities tested introduces costs or removes income from the forecast in a slightly different way. In all cases the sensitivities tested enable the authority to deliver services and its capital programme for the first five years. However, the effects are more pronounced when the 10 and 20 year snapshots are considered, not least because some of the sensitivities do not impact until the medium term (e.g. items D and E in the above figure).

This sensitivity analysis demonstrates that:

- Any increase in net expenditure increases peak debt. This reduces capital headroom, removes the authority's capacity to borrow to pay for an enhanced capital programme and takes longer to repay the debt.
- Increasing management costs in line with inflation for the first 5 years (instead of cash-limiting them) would cause the authority to borrow up to its debt cap in year 7 (Sensitivity C, above). There would also be a small shortfall against the capital programme in year 7, under this sensitivity, which would need to be managed by rescheduling some works. This means there would be no headroom for additional capital works for the first 7 years of the business plan.
- Implementing a one year rent freeze (sensitivity F) has a significant impact on the health of the business plan. The reduced income available means that the authority reaches its debt cap in year 6 and is unable to pay for its stock investment programme in line with the current schedule. This would require the authority to delay delivery of works totalling £2m, unless it makes up for the rent freeze by implementing greater increases in the following years.

It is therefore very important that the authority keeps firm control of costs and maximises income in order to deliver its investment programme and generate resources to provide additional capital projects.

### 6.3. Key messages

Cost control is critical to delivering the authority's plans for investing in the stock, while maximising the resources available for other capital projects.

Ideally the authority should manage its HRA in line with its baseline HRA business plan. We also recommend introducing reporting and monitoring arrangements that keep track of progress against the business plan and review regularly the key assumptions. This will help the authority to ensure its business plan is kept up to date and will also help it to spot emerging risks and opportunities at an early stage. Early detection of risks and opportunities would put the authority in a stronger position for managing its exposure to risks and maximising the potential benefits from opportunities.

## 7. Conclusions & Recommendations

### 7.1. Conclusions

HRA self-financing has significant implications for the way council housing is managed. For the first time in over 20 years authorities are able to retain all of the income they receive in rent, but they are also now wholly responsible for keeping the HRA in balance, managing their housing debt and delivering their own capital programmes.

The balance of risk has also shifted. The safety net previous provided by the subsidy system is no more, and so authorities need to ensure that their decisions keep the HRA in balance, while delivering substantial stock investment programmes.

The baseline position for Brent shows that there are strong cashflows from current and future rents, based on implementation of the current National rent policy for council housing. These cashflows are sufficient for the authority to keep its HRA in balance and deliver the programme of stock investment works identified as part of its 2011 stock condition survey.

Our forecasts also show that heaviest need for investment in the existing stock is in the early years of the financial forecasts. This need to spend, along with a debt cap that restricts the authority's ability to borrow, means that there is limited headroom for the authority to borrow more to increase the size of its HRA capital programme over the medium term. However, this headroom starts to increase after delivery of the initial phase of the stock investment programme.

There are a number of factors that could affect delivery of the business plan. The key risks that we have identified are:

- Failure to exercise tight control of costs (both capital and revenue) can reduce the authority's ability to deliver its investment programme on time
- Implementation of lower rent increases than suggested by National policy for council housing rents also have a potentially significant adverse impact on the authority's ability to deliver its investment plans

Our sensitivity analysis helps to illustrate the potential risks facing the authority under self-financing. Maintaining an up to date HRA business plan along with regular review of the assumptions and further sensitivity form an essential part of the authority's early warning system for potential risks and opportunities.


It is also important that all capital and revenue budgets for the HRA are implemented within the framework set by the authority's business plan. This helps to ensure that services and improvements are delivered in line with the strategic plans.

## 7.2. Recommendations

We recommend that the Council notes the baseline position and sensitivity analysis outlined in sections 5 and 6 of this report.

We further recommend that the authority considers establishing its own mechanisms for regular review and agreement of the HRA business plan, which should incorporate:

- review of progress against the agreed business plan
- reassessment of business planning key assumptions
- testing of appropriate sensitivities
- identification of emerging risks and opportunities

	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Director of Regeneration and Major Projects</b></p>
Wards affected: ALL	
<p><b>Community Infrastructure Levy and S106 Planning Obligations</b></p>	

## 1.0 Summary

- 1.1 Government legislative changes mean the Community Infrastructure Levy will replace S106 Planning Obligations as the vehicle for funding the infrastructure that supports growth and development. Authorities will collect Community Infrastructure Levy contributions from developers to pay for the infrastructure requirements created by new development, with S106 Planning Obligations restricted in the main to site specific matters.
  
- 1.2 After two rounds of public consultation and an examination in public, the Council is now in a position to adopt the Brent CIL Charging Schedule. Concurrently, S106 arrangements will be revised through the adoption of the S106 Planning Obligations Supplementary Planning Document (Appendix 1), as agreed at Executive on 13<sup>th</sup> February 2012.

## 2.0 Recommendations

The Executive is requested to: -

- 2.1 Recommend that Full Council approve the Brent CIL Charging Schedule, with a CIL commencement date of 1<sup>st</sup> July 2013, subject to the procedures surrounding the settlement of such a date.
  
- 2.2 Authorise adoption of the S106 Planning Obligations Supplementary Planning Document, as agreed by the Executive on 13<sup>th</sup> February 2012, to come into effect concurrently with the CIL commencement date of 1<sup>st</sup> July 2013.
  
- 2.3 Authorise that CIL can be paid in instalments in line with the policy detailed below (3.2.3 and 3.2.4)

### **3.0 Background**

- 3.0.1 The Planning Act 2008 (“PA 2008”) and Community Infrastructure Levy Regulations 2010 (“the 2010 Regulations”) (subsequently amended in 2011 and 2012) have introduced legislative changes to the planning framework which make the Community Infrastructure Levy (“CIL”) the government’s preferred vehicle for the collection of pooled development contributions to fund the infrastructure needed to support growth and development. The new regulations restrict S106 agreements to necessary site related matters, and will limit the local use of S106 planning obligations for pooling developer contributions. CIL will replace the Council’s S106 standard charge on planning agreements. CIL is predicted to provide increased funding for infrastructure compared with S106, as CIL will apply to more development schemes, including smaller developments, which often contribute little under the current S106 system.
- 3.0.2 CIL is chargeable on most development resulting in a net increase of more than 100m<sup>2</sup> of floorspace or where one or more dwelling are created by the development. Material change of use, or conversion, of any land or building is not development for the purposes of CIL. Charities and minor development also have exemptions from CIL and Affordable Housing has relief from CIL.
- 3.0.3 Executive agreed to move towards the adoption of CIL in October 2011. After consulting on the Preliminary Draft Charging Schedule in the winter of 2011 and the Draft Charging Schedule in the summer of 2012, officers submitted the Draft Charging Schedule to the Planning Inspectorate in September 2012 and an Examination in Public was held in November 2012.

### **3.1 Brent CIL Charging Schedule**

Brent’s Draft Charging Schedule was examined at an Examination In Public (EIP) in November 2012 before an independent inspector. The Inspector considered representations made by objectors who wanted the CIL charge amended or removed and also considered the Council’s evidence in support of the CIL. The Planning Inspector’s Report (Appendix 2) sets out his conclusions on the main issues raised at the EIP. He finally concludes that, as amended, the Brent Community Infrastructure Levy satisfies the requirements of Section 212 of the PA 2008 and therefore meets the criteria for viability in the 2010 Regulations (as amended) and therefore recommends that the Charging Schedule be approved.

Prior to closing the EIP, the Inspector gave an opportunity for the public to be re-consulted on a change that the Council sought during the examination. This was to lower the CIL charge on retail warehouse clubs (from £40 per sqm to £14 per sqm) as a consequence of evidence submitted by Costco. The Council accepted Costco’s evidence and put forward the change. During the public consultation that took place after the hearing, there was one objection to the proposed change. The objector argued that warehouse clubs should be treated as other retail uses and this would be in line with statutory guidance

on the matter. The Inspector has rejected this argument in his report (paragraphs 45 and 46). The objector has made further representations to the Council arguing that the Council accepted that warehouse clubs were the same use as retail uses and that only now has the Council changed it's mind and that they are different uses. In response, the Council argues that in our position statement we specifically refer to warehouse club uses as sui generis uses (i.e. a different use from retail use) and that is how they are presented in the Charging Schedule. In the Council and Costco position statements, and our statement of common ground with Costco, there is not only acceptance of warehouse club uses being sui generis uses, but also reference to the recognition of the nature of Costco Warehouse Clubs being a combined warehouse/retail use (being 65% warehouse and 35% retail), a matter accepted by the Secretary of State.

To be clear, your officers accept the evidence for a £14 per sqm CIL rate for warehouse clubs and that warehouse clubs are sui generis in use. The Inspector concludes in paragraph 19 of his report that there is no reason why the Council should not choose to base its Charging Schedule on the Use Classes Order. New guidance issued in December of last year (para 35 of the CIL Guidance December 2012) notes that the definition of "use" for generating a Charging Schedule is not tied to the classes of development in the Town and Country Planning Act (Use Classes) Order 1987, although that Order does provide a useful reference point. Officers therefore conclude that there is a sound basis for adopting the Charging Schedule (attached as Appendix 3) and the proposed CIL rates set out below:

#### **Charging Schedule - Rates of CIL**

<b>Use</b>	<b>Charge per sqm</b>
Residential (Use Classes C3 & C4), Residential Institutions, except Hospitals, (Use Class C2), Student Accommodation, Hostels and HMOs (Sui Generis)	<b>£200</b>
Hotel (Use Class C1)	<b>£100</b>
Retail (Use Class A1), Financial & Professional Services (Use Class A2), Restaurants & Cafes (Use Class A3), Drinking Establishments (Use Class A4), Hot Food Take-aways (Use Class A5), Office (Use Class B1a), All Sui Generis uses except Student Accommodation, Hostels, HMOs, Public Transport Stations, Theatres, Water and wastewater infrastructure, Fire stations and fire service facilities, Police stations and police facilities, and Warehouse Clubs	<b>£40</b>
Warehouse Clubs (Sui Generis)	<b>£14</b>
Assembly and Leisure, excluding Public Swimming Pools (Use Class D2)	<b>£5</b>

<p>Light Industry and Research &amp; Development (Use Class B1b&amp;c), General Industrial (Use Class B2), Storage &amp; Distribution (Use Class B8), Health, Education, Public Libraries, Museums, Public Halls and Places of Worship (Use Class D1a-h), Hospitals (Use Class C2), Public Swimming Pools (Use Class D2), Public Transport Stations, Theatres, Water and wastewater infrastructure, Fire stations and fire service facilities, and Police stations and police facilities (Sui Generis)</p>	<p><b>£0 (Zero Charge)</b></p>
--	------------------------------------

**\*The above charge will apply across all of Brent, in addition to the Mayoral CIL of £35 per sqm.**

### 3.2 Implementation

- 3.2.3 The main purpose of this report is to formally adopt the Council's CIL Charging Schedule. Officers will produce a further report in around the summer of 2013 setting out options for CIL expenditure. CIL will apply to all planning permissions issued on or after the Charging Schedule comes into effect. Officers recommend Council approve a commencement date of 1<sup>st</sup> July 2013 to allow, where practicable, pending planning applications to be decided, business systems to be updated across services, final notice to be given to the development community as to the proposed change, and other transitional administration to be completed.
- 3.2.2 Officers will publish the Charging Schedule on the Council's website and also, as agreed at Executive on the 13<sup>th</sup> June 2012, issue a statement to the effect that the Council will make discretionary relief from the Community Infrastructure Levy in exceptional circumstances available in the borough and will consider in kind land payments in satisfaction of the Community Infrastructure Levy.
- 3.2.3 The CIL Regulations require that CIL be paid in full within 60 days of the commencement of any chargeable development, however also allow charging authorities to issue an instalments policy. Instalments policies aid the viability and deliverability of development proposals. Payment of CIL by instalments improves development cashflow, for which the difficulty of financing tends to be proportionate to the size of development, the level of costs and the length of the build programme. The Mayor introduced a Londonwide CIL on the 1<sup>st</sup> April 2012 which is intended to raise £300 million for Crossrail. Mayoral CIL in Brent is charged at £35/m<sup>2</sup>. The Mayor is expected to introduce an instalments policy which will apply to not only Mayoral CIL but, in the absence of local instalment policies, any CIL charges adopted by London boroughs. The Mayor's instalment policy requires
- Developments with a CIL liability value\* < £500,000 should make a single payment not more than 60 days after commencement.
  - Developments with a CIL liability value\* ≥ £500,000 should have the option to make two payments



- The greater of £500,000 or half the value of the total payment 60 days after commencement; and
- The remainder 240 days after commencement (i.e. 180 days + 60 days allowance).

3.2.4 Brent's Local Development Framework identifies a number of strategic development sites across the borough which have the capacity for sufficient development to potentially yield multimillion pound CIL payments. Officers recommend that a local instalment policy be introduced on the adoption of the Brent CIL which follows the Mayor's instalment policy, but introduces an additional payment structure for such larger strategic developments.

- Developments with a CIL liability value\*  $\geq$  £3,000,000 should have the option to make three payments
  - The greater of £1,000,000 or one third of the value of the total payment 60 days after commencement; and
  - The greater of £1,000,000 or one third of the value of the total payment 240 days after commencement; and
  - The remainder 450 days after commencement

\*CIL liability value = Mayoral CIL liability value (where no Borough CIL exists); or cumulative Mayoral + Borough CIL liability value (where Borough CIL exists)

### **3.3 Spending CIL: Strategic Infrastructure Plan & Regulation 123 List**

3.3.1 Brent's Infrastructure & Investment Framework (I&IF) was agreed as part of the Council's Local Development Framework Core Strategy in May 2009 and sets out the major infrastructure needs of the growth areas and other areas in the borough. In preparing for CIL officers updated the I&IF. Global infrastructure costs now stand at £406m, with significant pressure on school places requiring greater capital spend on education and driving the bulk of the uplift verses the 2009 figures.

3.3.2 Whilst the I&IF demonstrates demand for infrastructure to support growth it is not comprehensive and in particular is currently silent on the prioritisation of spend. Officers propose to draw up a Strategic Infrastructure Plan (SIP) to present to members in the spring. The SIP will build on the I&IF and provide a comprehensive picture of the borough's strategic infrastructure needs, then map out and assess the regenerative benefits associated with each infrastructure project. The I&IF already demonstrates that CIL, when combined with other sources of capital investment and funding, will not deliver all the borough's strategic infrastructure needs. Prioritisation is inevitable, and careful consideration of the regeneration benefits associated with identified infrastructure projects is therefore essential.

3.3.3 The SIP will also need to address the procurement challenges thrown up by

the introduction of CIL. Where previously developers often built out infrastructure works under S106 agreements, now the Council will increasingly have opportunities to directly procure infrastructure works to be funded through developer cash contributions secured through CIL. The Council will want to ensure the best possible value for money in such cases but will also need to coordinate closely with the developer community to ensure timely delivery and that development does not stall due to lengthy procurement process. The Council also recognises that in some cases, for example larger strategic development projects where infrastructure is heavily integrated into a broader capital construction programme, developers may be better placed to deliver infrastructure projects and joint procurement exercises may need to be undertaken. Specialist legal advice will be required in order to determine what options will be available to the Council within State Aid legislation and will inform the SIP procurement strategy.

- 3.3.4 The Council's Regulation 123 list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL will be derived from the SIP. In addition, the government had indicated through the Localism Act, that a proportion of CIL would be spent in accordance with the wishes of the local community. Further clarification of what this will mean has now been announced by the Planning Minister and it is anticipated that the necessary Order will be in place in the spring of this year. The proportion of CIL to be allocated for 'community spend' will be 15%, increasing to 25% within areas covered by an adopted Neighbourhood Plan. It is understood that in areas where there are no Parish Councils, the Council will control the spend and in areas covered by a Neighbourhood Plan, the Council will remain the accountable body. The government has also confirmed that there will be no relaxation or change at the present time to allow CIL receipts to be spent on affordable housing.

## **4.0 Legal Implications**

- 4.1 The legal implications detailing the statutory framework for CIL are already covered in the body of this report. As mentioned above, the Community Infrastructure Levy (CIL) is a new planning charge that came into force on 6<sup>th</sup> April 2010. It allows local authorities to raise funds through a tariff based approach from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed as a result of development. It applies to most new buildings and charges are based on the size and type of new development. If Members are minded to elect to levy CIL then the Council as a charging authority will have to prepare and publish a charging schedule. Details of this are contained in this report to which the Director of Legal and Procurement has had an input.
- 4.2 The charging schedule will sit within the Local Development Framework but will not form part of the statutory development plan nor will it require inclusion within the Local Development Scheme.
- 4.3 In permitted circumstances the Council will still insist on a developer entering into S106 obligations. However, this requirement will only be used where the identified pressure from a proposed development cannot effectively be dealt

with by conditions and the infrastructure requirement is not covered by CIL. Consequently, standard charging will therefore be removed from S106, which will now focus on these mitigations:

- New streets, Travel Plans, Permit Free schemes
- Sustainability, Code for Sustainability Homes, BREEAM
- Affordable Housing – including definitions, off site provisions and in-lieu contributions
- Street tree planting and landscaping
- Local employment and training provision
- Community and cultural facilities
- Other obligations, such as: public access / community agreements, public rights of way; community or affordable workshop space; servicing agreements; CCTV; highways improvements, adoption of new highways (S38 /S278 agreements); listed building improvements; allowance of future connection of the site to any Decentralised Heat / Energy network (in areas with a proposed DHE Network); contributions for loss of D1 space (Policy CP23); contributions for significant under provision of amenity space; join and adhere to the Considerate Contractors scheme.

- 4.4 As soon as practicable after the charging authority approves a charging schedule in accordance with section 213 of the PA 2008 it must comply with the following procedural steps—
- (a) publish the charging schedule on its website;
  - (b) make the charging schedule available for inspection at the places at which documentation was made available for the Draft Charging Schedule consultation
  - (c) give notice by local advertisement of the approval of the charging schedule, that a copy of the charging schedule is available for inspection, and of the places at which it can be inspected;
  - (d) give notice to those persons who requested to be notified of the approval of the charging schedule that it has been so approved; and
  - (e) send a copy of the charging schedule to each of the relevant consenting authorities.

## 5.0 Financial Implications

### **Estimated CIL receipts vs. Current S106 receipts**

- 5.1 CIL has the potential to form a major future source of revenue for the Council, supporting its infrastructure work and associated administrative costs. CIL is part of a new mix of funding including retained business rates and New Homes Bonus and provides an opportunity to link the Council's revenue generating activities and the LDF strategy to deliver regeneration and growth.
- 5.2 CIL is a new and different system of securing infrastructure to support development and is not intended to replicate S106 collection. The Council must set rates that meet infrastructure requirements and continue to bring forward viable development. Officers have set the proposed CIL rates with this

in mind. However, as a subsidiary exercise we have estimated projected receipt of both so that members could get some idea of potential outcomes. It is indeed the case that S106 and CIL are likely to be broadly similar on larger scale mixed sites. This is not a surprise because it means that both S106 and CIL are set at rates that have not or will not hamper development. Officers have also estimated the potential annual CIL take against S106. It is predicted that this may be slightly higher than overall S106 annual sums, mainly because CIL will be applied to a wider range of development sites and CIL will be applied to developments at a smaller scale than S106. The key principle that Members must have in mind is that CIL provides a reasonable sum for infrastructure without hindering development proposals. The intention is not to set CIL at a maximum – indeed any CIL sum that is too high will prevent development and add nothing to the overall fund. The real benefit of CIL is that CIL is not so restricted by area or type of infrastructure expenditure as S106 and can be planned and spent on a borough wide basis, linking with the Council's capital programme.

### ***Reimbursement of expenditure incurred and repayment of loans***

- 5.3 Charging authorities may not borrow on the strength of getting future CIL revenue to pay for a piece of infrastructure early, however CIL Regulations cover circumstances where a charging authority can apply CIL to reimburse expenditure already incurred on infrastructure. Where a charging authority, other than the Mayor, has borrowed money for the purposes of funding infrastructure, it may apply CIL to repay that money if certain conditions are met, most notably that the amount of CIL that can be applied to repay borrowed monies is conditional on Secretary of State direction.

### ***Payment and Non-Payment of CIL***

- 5.4 The Council will be able under certain conditions to accept one or more land payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development.
- 5.5 Late interest is chargeable at 2.5% above the Bank of England base rate from the due date of payment of CIL and in the case of non payment of CIL authorities can order relevant development activity to cease.

## **6.0 Diversity Implications**

- 6.1 Most S106 agreements are directly linked to planning policy requirements that have been the subject of public consultation and examination, and an equalities impact assessment. The planning strategy for Brent (London Plan and the LDF) reflects the needs of the borough's diverse community.

The Community Infrastructure Levy will assist the Council in funding a wide range of infrastructure projects across the Borough which will be not only support growth, but at the same time help to meet the needs of local people. The Localism Bill will require the Council to consult with communities regarding the CIL collected within their area and which infrastructure projects that CIL will be spent on, including local projects. This will require the

allocation of CIL to be both transparent and accountable, thereby helping to ensure an equitable distribution of CIL across the borough and that communities are given a level of infrastructure funding that is appropriate to the impact of new development within their area.

An Impact Needs / Requirement Assessment has been undertaken and is available as a background paper to this report.

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

- 7.1 A specialist vacant post within Planning was filled in November 2012, with the remit having been broadened to cover CIL. The Council has the ability to use a small proportion (up to 5%) of local CIL receipts to cover administrative costs; the Council are also entitled to a small proportion (up to 4%) of Mayoral CIL to cover the costs of collecting Mayoral CIL.

### **Background Papers**

CIL Executive Report dated 17<sup>th</sup> October 2011  
CIL Executive Report dated 13<sup>th</sup> February 2012  
CIL Executive Report dated 13<sup>th</sup> June 2012  
Impact Needs / Requirement Assessment 6<sup>th</sup> January 2012

### **Contact Officers**

Dave.Carroll@brent.gov.uk  
Head of New Initiatives  
Jonathan.Kay@brent.gov.uk  
Development Manager

ANDREW.DONALD  
Director Regeneration and Major Projects

This page is intentionally left blank

## **S106 Planning Obligations**

### **Summary**

Section 106 agreements (s106) are legal agreements between local authorities and developers, which are usually linked to planning permissions. These are also sometimes known as planning gain, planning benefits, community benefits or planning obligations. s106 agreements are used when there is a requirement to mitigate the impact of a development and the impact itself cannot, due to legislative restrictions, be dealt with through the imposition of planning conditions on the permission. Where they are required, developers would normally be expected to complete any s106 agreement before permission can be issued.

The introduction of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010, as amended, will result in significant changes to the way that developments contribute towards the provision of infrastructure that is required to support sustainable growth across the borough. Whilst previously contributions towards infrastructure were secured through s106 legal agreements, under a tariff, or standard, charging approach, in the future this approach will become less effective as a means of providing the necessary infrastructure due to restrictions on the pooling of contributions due to be introduced in April 2014. Instead, in the future, the Council will seek to secure contributions towards Infrastructure through the imposition of a Community Infrastructure Levy which will provide a more appropriate and flexible way of securing contributions towards infrastructure from new developments.

Despite these changes to infrastructure funding, s106 agreements will continue to provide a valuable means of securing other site specific mitigation required in order to make developments acceptable in planning terms. This could include ensuring that developments meet sustainability objectives or provide sufficient levels of affordable housing although s106 agreements could be used to secure a much wider range of measures providing that they are:-

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development.

This Supplementary Planning Document (SPD) proposes to replace the previous s106 Planning Obligations SPD, which included a standard charge, with a policy document focused on mitigating the direct impacts of development.

### **Scope of the Supplementary Planning Document (SPD)**

This document has been developed as part of the London Borough of Brent (LBB) Local Development Framework (LDF). The Town and Country Planning (Local Development) Regulations 2004, as amended, requires local authorities to go through an independent examination of their Development Plan Documents (DPD), and the Council has already adopted the Core Strategy 2010, and the Site Specific Allocations 2011. The Council is also progressing, in parallel with this document its Community Infrastructure Levy Charging Schedule.

This Supplementary Planning Document, once adopted, will form part of the Local Development Framework and will be a material consideration in the determination of planning applications. However, as the document is supplementary to higher level policy although it is required to go through a period of public consultation, it is not required to go through an independent examination.

### **Policy**

This SPD has been produced in accordance with the following planning legislation and policy documents.

- Community Infrastructure Levy Regulations 2010, as amended
- Planning Policy Statement 12 : Local Spatial Planning
- Circular 05/05 - Planning Obligations
- The London Plan 2011
- The London Borough of Brent LDF Core Strategy

In particular, this guidance is intended to supplement the policies and supporting text contained in the LDF Core Strategy. Within the Core Strategy the following policies are considered to be of particular relevance in terms of supporting the general imposition of appropriate planning obligations.

- CP14 – Public Transport Improvements
- CP15 – Infrastructure to Support Development
- CP18 – Protection and Enhancement of Open Space, Sports & Biodiversity
- CP19 – Brent Strategic Climate Change Mitigation and Adaptation Measures
- CP21 – A Balanced Housing Stock
- CP23 – Protection of existing and provision of new Community and Cultural Facilities



## Standard Heads of Terms

Wherever possible, on all major developments, and on other developments that would be unacceptable in planning terms without adequate mitigation, the Council will seek to secure measures through s106 agreements that would allow sustainable development to proceed. Whilst it is acknowledged that the Heads of Terms for any s106 agreement should be based on the specific impacts of the proposed development, many proposals raise similar planning issues and therefore the following list has been produced as a guide to those Heads of Terms that are most likely to be included within any s106 agreement. This list is not intended to be in any way exclusive, or exhaustive, in terms of the planning obligations that may be considered necessary by the Council to make a particular development acceptable in planning terms. For example, some sites may have specific constraints, such as exceptional heritage or flood risk sensitivities, which will require the drafting of bespoke Heads of Terms to provide the necessary mitigation.

<p>Transportation</p> <p>Prior to any Occupation, repave, or reinstate, the footway adjoining the development to Council standards.</p> <p>Adhere to a 'Permit-Free' scheme whereby occupants of the development would not be entitled to permits for any on-street controlled parking zone</p> <p>Prior to any Occupation, submit for approval and adhere to a Travel Plan, including the provision of further mitigation if the targets within the Travel Plan are not met. The Travel Plan should be compatible with the i-trace software, or any successor.</p> <p>Prior to any Occupation to submit for approval and adhere to a servicing agreement.</p> <p>Prior to occupation, undertake agreed access and/or highway improvements. If this involves work to the public highway this may need to be subject to an agreement under s278 of the Highways Act 1980.</p>
<p>Sustainability</p> <p>Sustainability - submission and compliance with the Council's Sustainability check-list ensuring a minimum of 50% score is achieved. Compliance with appropriate Code for Sustainable Homes/ BREEAM, and carbon reduction standards in line with current local and regional planning policies. Adherence to the Demolition Protocol, with compensation should it not be delivered.</p> <p>An appropriate reduction in the sites carbon emissions through on-site renewable generation, which has no detrimental effect on local Air Quality</p> <p>Design in and allow a future connection of the site to any Decentralised Heat / Energy Network (in areas with a proposed DHE Network).</p> <p>Provide compensatory measures for any adverse impacts on biodiversity</p>
<p>Housing</p> <p>Specify the quantity and type of Affordable Housing to be provided on site. Normally Affordable Housing provision will be required on sites which have the capacity to provide 10 or more homes</p>

and be defined and delivered at an appropriate level, tenure and unit size mix, including family accommodation, which contributes towards the wide range of borough household needs. Normally affordable housing provision will be required on-site, but in exceptional circumstances this may be provided off site or through cash in lieu contributions which may be pooled (subject to any legislative restrictions)

To secure the occupation of student housing to specified educational institutions

#### Public Realm & Open Space

Prior to any occupation provide street tree planting, and other landscape improvements, along the public frontage of the site.

To provide compensatory measures for any under provision of amenity space, when developments are assessed against the Council's amenity space standards

Provide, prior to occupation, and maintain a CCTV system.

#### Employment

Prior to a Material Start, inform in writing Brent In2 Work (or any successor) of the projected amount of construction jobs and training spaces. During construction target 1:10 of the projected amount of construction jobs to Brent residents and for every 1:100 jobs provide paid training for a previously unemployed Brent resident or Brent school leaver for a 6 month period.

Provide affordable employment or retail space within a development

#### Community & Cultural

Provide new, or compensatory, community or cultural facilities

Provide public access through a community agreement should the development include facilities suitable for community or cultural use

#### Miscellaneous

Payment of the Council's legal and other professional costs in (a) preparing and completing the agreement and (b) monitoring and enforcing its performance.

Join and adhere to the Considerate Contractors scheme

To ensure consistency and to provide developers with an outline of what is expected in terms of obligations, standard Heads of Terms have been established which will be provided to developers and agreed at the earliest point. The Heads of Terms will form an integral part of any report that may go before a planning committee, establishing the basic points of any agreement.

## **Infrastructure**

The infrastructure required to mitigate the impact of new development and support sustainable growth will predominantly be delivered through the Community Infrastructure Levy (CIL).

Sometimes the Council will still use s106 powers but this will be limited to funding local site specific measures in line with the tests set out in CIL regulations 122 and 123. For example to compensate for the loss of facilities existing on a development site, such as the loss of a school, open space or community facility or compensation for the loss of a site's value, e.g. nature conservation.

The Council will make discretionary relief from CIL in exceptional circumstances available in the borough, in line with the CIL regulations (55-58). The council will issue a statement to this effect after adoption of any local CIL charge in line with Regulations (56).

The Council will also consider in kind land payments in satisfaction (of whole or part) of the CIL amount due, in respect of any particular development, in line with CIL regulations 73 and 74.

In conclusion the main burden for infrastructure will fall on CIL. S106 Planning Obligations are intended to deal with mostly site related and local matters.

This page is intentionally left blank



The Planning  
Inspectorate

---

# **Report to London Borough of Brent Council**

**by Mike Fox BA (Hons) Dip TP MRTPI**

**an Examiner appointed by the Council**

**Date: 15 January 2013**

---

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

## **REPORT ON THE EXAMINATION OF THE DRAFT BRENT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

Charging Schedule submitted for examination on 14 September 2012

Examination hearings held between 13 and 14 November 2012

File Ref: PINS/T5150/429/9

## Non Technical Summary

This report concludes that the London Borough of Brent Community Infrastructure Levy (CIL) Charging Schedule provides an appropriate basis for the collection of the levy in the Borough. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk.

One modification is needed to meet the statutory requirements. This can be summarised as follows:

- Reduce the rate for retail warehouse clubs to £14 per square metre.

The specified modification recommended in this report is based on matters discussed during the public hearing sessions and does not alter the basis of the Council's overall approach or the appropriate balance achieved.

## Introduction

1. This report contains my assessment of the London Borough of Brent Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance (Charge Setting and Charging Schedule Procedures – DCLG – March 2010).
2. To comply with the relevant legislation the local charging authority has to submit what it considers to be a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the District.
3. The basis for the examination, on which hearings sessions were held on 13 and 14 November 2012, is the submitted schedule of September 2012. This includes three modifications which were made by the Council following the public consultation period of the original CIL document in July 2012. These minor modifications are all within the zero rated CIL category, and are:
  - replacing 'police stations' by 'police facilities';
  - after the term 'fire station' adding 'and fire service facilities'; and
  - including 'water and wastewater infrastructure' in the zero rated CIL category.
4. These specified minor modifications which have been posted on the Council's website since mid September do not alter the basis of the Council's overall approach or the appropriate balance achieved.
5. A further modification [**EM1**] has been suggested by the Council, to amend the charge for warehouse clubs from the full retail rate to a rate reflecting its sui generis use, of about one-third A1, with the remainder classified as B8.

The charge for warehouse clubs, which has been subject to public consultation, is considered in full later in the report.

6. The Council proposes a range of differing CIL rates for various uses, each one applying across the entire Borough.

**Is the charging schedule supported by background documents containing appropriate available evidence?**

*Infrastructure planning evidence*

7. The *Core Strategy*<sup>1</sup> sets out the main elements of growth that will need to be supported by further infrastructure. The accompanying IIF<sup>2</sup> identifies Brent's infrastructure requirements that will enable the proposed development to meet the needs of the Borough's existing and future population.
8. The IIF identifies scheme costs over the length of the plan period, delivery mechanisms and where funding has been secured for key sectors, such as education, transport, health facilities, community facilities, green infrastructure, open space and public realm. It points to a likely infrastructure funding gap of at least £224.8 million over the next 15 years, when the expected contributions from other sources are deducted from the total capital infrastructure cost of £406.8 million. The accuracy of the IIF was not challenged at the Examination, and I consider it is a sound basis for the preparation of the CIL.
9. The amount of CIL that could be collected is dependent on the quantum and type of development that would be completed over the 15 year period. If these reflect the *Core Strategy* and the proposed CIL rates, it is estimated that around £60-90 million of infrastructure funding could be secured. Although this would amount to a significant contribution, it would not close the funding gap. The figures, however, demonstrate the need to levy CIL in Brent.

*Economic viability evidence*

10. The Council commissioned a CIL *Viability Study (VS)*<sup>3</sup>, based on the well recognised residual valuation approach, using standard assumptions for a range of factors such as building costs, profit levels and fees. These assumptions are appropriately justified. This approach was tested against a number of variables across a wide range of sites in the Borough, including transacted sales values and average costs for contamination. Build costs were based on BCIS<sup>4</sup> data for both residential and commercial development.
11. The VS tested the viability of varying levels of CIL on a wide range of development scenarios, including a variation from 10% to 50% affordable housing, using a range of sales values and development densities. In addition

---

<sup>1</sup> London Borough of Brent Local Development Framework: *Core Strategy*; Adopted July 2010 [Document CD022].

<sup>2</sup> Brent *Infrastructure and Investment Framework (IIF)*; October 2011 [Document CD020].

<sup>3</sup> BNP Paribas Real Estate: *Community Infrastructure Levy: Viability Study (VS)*: Prepared for the London Borough of Brent; June 2012 [Document CD002].

<sup>4</sup> RICS Building Cost Information Service (BCIS).

to residential schemes, the VS tested a range of student housing schemes, and hotel, office and retail, developments and developments of industrial and warehousing floorspace.

12. Some developers argued that the Council's residual valuation approach was fundamentally flawed; that it was too arbitrary and unconnected with real scheme prices on the ground; and that a market led approach would be more realistic, and therefore more appropriate, for Brent. The SG (paragraph 22), however, states that:

"There are a number of valuation models and methodologies available to charging authorities to help them in preparing evidence on the potential effects of CIL on the economic viability of development across their area. There is no requirement to use one of these models, but the charging authorities may find it helpful in defending their CIL rates to use one of them."

13. The Mayoral CIL Examination Report<sup>5</sup> states that the market approach, while offering certainty on the price paid for a development site, suffers from being based on prices agreed in a historic policy context. This view is mirrored in the recently produced Draft SPG on planning obligations by the Mayor of London<sup>6</sup>, which was discussed during the Hearings. It states (paragraph 6.6) that the market value approach focuses heavily on historic values (i.e. those before the introduction of a proposed CIL) and is less useful in taking account of dynamic changes that may be made as a result of the introduction of a CIL. Whilst I accept that there is an arbitrary nature to the selection of some of the parameters of the residual valuation approach, the VS roots these parameters in reliable data sources.
14. In addition to its historic focus, the market approach also runs the risk of being over-complicated<sup>7</sup>. Although some of the figures and assumptions in the VS were criticised, no robust alternative Borough-wide calculations were submitted in evidence. A combination of these reasons leads me to conclude that the Council's basic methodology, set out in the VS, is not fundamentally flawed and is an appropriate and dynamic basis for the calculation of the CIL charging rate proposed by the Council. Moreover, there was an opportunity at the Hearings to comment on the basic components of the Council's methodology, which are illustrated in the diagram on page 9 of the VS; none of these were challenged. The residual valuation method also makes it easy to test different CIL options, as the VS effectively does.
15. Some representations argued for a differentiation of CIL rates by geographic zones, including designating the Wembley area with a lower rate of CIL in recognition of its growth area status and the importance of schemes in this

---

<sup>5</sup> Report to the Mayor of London: *Report on the Examination of the Draft Mayoral Community Infrastructure Levy Charging Schedule*; 27 January 2012 [Document CD021].

<sup>6</sup> Mayor of London: *Draft Supplementary Planning Guidance (SPG)-Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy*; November 2012 [Document S1].

<sup>7</sup> It was stated by a party making representations at the Mayoral CIL Examination Hearings, that it was estimated that if the market approach had been adopted, as many as 400,000 separate valuations would have been necessary, with clear adverse resource, sustainability and time implications.



area for meeting a significant proportion of the needs of the Borough as a whole<sup>8</sup>. Another suggestion was to divide the Borough into two CIL rates, to the north and south of the North Circular Road.

16. The Council commented that it would be difficult to clearly define specific CIL rate areas, and that such an approach would lead to anomalies and contention; moreover the SG advises against undue complexity and that any differentiation has to be justified on the grounds of economic viability, a point repeatedly made in paragraphs 34 to 40. No clearly defined separate markets, for housing (or any other uses), or robust viability evidence was submitted to support these representations, whilst the granting of favourable CIL rates on policy grounds alone could give a selective advantage, contrary to the EU State Aid provisions.
17. The evidence in the VS also shows that the differences in CIL rates by uses are significantly greater than their geographic variation across the Borough. Using both geographic zones and uses would lead to an excessively complicated charging schedule. Although Regulation 13<sup>9</sup> enables a Charging Authority to set different rates for zones or intended uses, I consider that the basis of the Council's differential CIL rates by Use Classes with a single charging zone is appropriate for Brent.
18. It was argued that the Council should clarify its intentions for allowing discretionary relief from CIL. In accordance with the Regulations (paragraph 55), 'exceptional circumstances' are intended to be exactly that, and in my view it would be inappropriate and unhelpful to try and define those rare circumstances in advance in a policy statement alongside the introduction of the CIL. Some representations which refer to exceptional circumstances appear in reality to be seeking a nil charging rate. In any event it is for the charging authority to decide whether or not to grant relief.
19. One representation stated that it was inappropriate to base the CIL on the established Use Classes, on the grounds that the Use Classes Order is a deregulatory tool. The Use Classes, however, are both very clear in their description of different types of development and familiar in the property world. There is no reason why the Council should not choose to base its charging schedule on the Use Classes Order.
20. The Council was criticised for having taken little notice of its neighbouring authorities in preparing its CIL. The Duty to Cooperate, however, does not apply to CILs and it would also be unreasonable to hold back the Brent CIL to accommodate the views of neighbouring authorities, several of which are not at such an advanced stage.
21. Concerns were expressed that individual schemes might be put at risk by the proposed CIL. Regulation 14, however, recognises that the introduction of CIL may put some potential development sites at risk, and that it is for the charging authorities to decide an appropriate balance across their area as a

---

<sup>8</sup> See *Core Strategy* policies CP1 and CP2.

<sup>9</sup> SI 2010/948: The Community Infrastructure Levy Regulations 2010 [Document CD017].

whole.

22. The Council was also criticised for lack of consultation, especially in relation to the IIF. Consultation on this document was carried out at the Examination of the *Core Strategy*. An updated version is available as a core document for the CIL Examination, and it can be accessed via the Council's website. I am satisfied that the Council's consultation in the preparation of the CIL has been in accordance with the Regulations, and the expectations of good practice.
23. Finally, some developers stated that the CIL would result in market uncertainty, and that it should therefore be delayed until more favourable economic conditions prevailed. This is unnecessary and unrealistic, and it would fuel additional uncertainty as to when the CIL rates would eventually be introduced. In many respects development can be an uncertain process. Under the CIL regime, however, the developer will have an 'up-front' figure, whilst the current S 106 situation, although more flexible, is also potentially more uncertain, and in many instances is introduced at a later stage in the development process.

### *Conclusion*

24. The draft Charging Schedule is supported by detailed evidence of community infrastructure needs. A key finding of the VS is that a minority of development scenarios showed a negative viability, irrespective of CIL; and clearly, some sites at the margin of viability are affected by differing rates of CIL. The majority of development schemes, however, should be able to absorb their respective CIL rates, including the Mayoral CIL of £35psm; and the proposed CIL would enable some of the schemes at the margins of viability to come forward for development. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

### **Is the charging rate informed by and consistent with the evidence?**

#### *CIL rates for residential development*

25. The proposed rate of residential and other forms of development, in one of the fastest growing local authority areas in England<sup>10</sup>, will lead to significant pressures for improved and additional social, economic and physical infrastructure. The *Core Strategy* makes provision for over 11,200 new homes by 2017/16.
26. The VS approach was tested against a number of variables across a wide range of sites in the Borough. These included transacted sales values (from £3,563 to £7,287 per square metre (psm) for residential development); residential densities (100 to 450 units per hectare); bedroom mix (35% 1 bed; 40% 2 bed; and 25% 3 bed); a gross to net floorspace ratio for flats of 85%; and average costs for resolving contamination issues. Build costs were based on BCIS data. Profit levels were factored in at 20% of gross development value for private housing and 6% for affordable housing, where the risks are

---

<sup>10</sup> Brent's population has increased from 263,454 in 2001 to 311,200 in 2011, and is projected to reach around 348,700-352,450 by 2026.

significantly lower.

27. The VS concluded, on the basis of the above considerations and a wide range of development scenarios, that a CIL rate of £300 psm appears to be the highest level that could be set without a significant impact on the viability of residential development for a majority of schemes. The SG (paragraph 29) states that authorities should avoid setting a charge right up to the margin of economic viability, and the VS follows this advice. The rate proposed allows for an appropriate viability cushion.
28. The majority of residential schemes in the Borough, assuming 50% affordable housing, in accordance with *Core Strategy* policy CP2 (70% rented and 30% intermediate housing, assuming nil grant), should be able to absorb the proposed CIL, which together with the Mayoral CIL would represent less than 5% of development costs. A key finding of the VS is that the imposition of CIL is not a critical factor in determining whether a scheme is viable, with the relationship between scheme value, costs and existing use value benchmarks being far more important. This is also true in relation to other uses.
29. Concerns were expressed that assumptions used in the VS were skewed towards sales costs that were too high and build costs that were too low, and ignored what is happening on the ground; and that the delivery of affordable housing would be restricted by the CIL in relation to the current S106 regime. My attention was drawn to adverts in newspapers for properties at lower prices than those presented in the VS. The VS figures are based on newbuild, whilst second hand prices are more variable.
30. The Council's consultants considered that a 5-10% increase in build costs would not cause currently viable schemes to become unviable, although above 10% it would be marginal. Although some representations stated that sales prices were unlikely to increase in the short to medium term, the Council's evidence indicates that there is likely to be an increase in house prices over the CIL period. This view is confirmed by information which shows that sales for new housing have recently exceeded their 2007 values, and by three independent forecasts from property experts, all of which forecast medium term growth in London house prices, with no indication that Brent would be excluded<sup>11</sup>. This would be likely to counter-balance any impact of increased building costs on viability.
31. Turning to the delivery of **affordable housing**, the Council's statement on the residential levy rate<sup>12</sup> shows, on the basis of a scheme example of 100 units with 50% affordable housing across a typical mix of bedroom sizes, that the levels of developer contributions for infrastructure to be secured under the proposed CIL and S106 would be similar.

---

<sup>11</sup> Savills forecast growth of 19.1% in the London mainstream markets between 2012 and 2016 [Savills Residential Research; November 2011]; Knight Frank forecast growth of 9.3% in the London Market for the same period 2012-2016 [Knight Frank Residential Research, Q4 2011]; and Cluttons forecast that house prices in Greater London will increase by an average of 5% per annum over the next 5 years [Cluttons Residential Property Forecasts, October 2011].

<sup>12</sup> Brent LB Council's Document LBB/CIL/002; Example scheme#1: 100 units, 50% affordable housing.

32. I therefore conclude that the Council's proposed CIL rate of £200psm for housing development across the Borough as a whole is justified by the available evidence and is deliverable.

*CIL rates for student accommodation*

33. The *London Plan*<sup>13</sup> recognises the significant contribution London's universities make to its economy and labour market. *London Plan* policy 3.8 (h) also states that the need for student housing should be met without compromising the capacity for conventional homes.
34. Student accommodation built and operated directly by universities and similar educational establishments would have charitable status and as such would be exempt from CIL under the Regulations. The current available evidence shows, however, that much of the new student housing is provided by commercial operators, in which case the prospect of CIL applies. The VS indicates that the amount of CIL that student housing could absorb is very sensitive to rent levels, and identifies a range of rents for recent major housing schemes in the Borough of £165 to £188 per week. These rates would support maximum CIL rates of £315psm to £785psm, which are well above the proposed rate of £200psm. Moreover, without the affordable housing requirement which 'mainstream' housing is subject to, student accommodation is better placed to accommodate the CIL tariff, and the proposed CIL rate would be less than 4% of development costs.
35. Some providers of student accommodation argued that the high levels of rents in the VS are unlikely to be sustained, for two main reasons; firstly, increased student fees reduces their purchasing power; and also that the emerging migration restrictions are driving down demand. They cited examples of student flats being advertised for £159 per week in local newspapers. The VS figures, however, are based on recent information, which shows that rents are not decreasing, despite the arguments put forward by the student accommodation providers. The Council also pointed out that newspaper adverts are often for discounted rents after the majority of a block of accommodation has been let, and therefore do not accurately reflect the main picture, which points to increased demand in this property sector.
36. The Council's evidence is also criticised on the grounds that all the examples of student accommodation cited in the VS are from the Wembley area. Developers of student accommodation requested a lower CIL rate for student accommodation elsewhere, and/or flexibility or relief, arguing that otherwise, any student schemes outside the Wembley area would be unviable.
37. The Council argues that Wembley is the preferred location for student housing in the Borough, due to the opportunity for development in the area and its good public transport links. However, private rented accommodation around transport nodes in the south of the Borough, within zone 2 of the Underground, will attract equal or higher rents than Wembley. The Council also considers that lower density, established residential parts of the Borough,

---

<sup>13</sup> Mayor of London: *The London Plan: Spatial Development Strategy for Greater London*; July 2011 [Document CD024].

further away from good public transport, are not particularly appropriate for student accommodation. Although this last point is an important policy matter, viability is the sole consideration of the Examination.

38. No robust evidence has been submitted to justify the case for a two-tier CIL tariff in Brent. Finally, my attention was drawn to the fact that a single rate for student accommodation is mirrored elsewhere in London, including Islington, Southwark, Harrow, Lambeth, and the Mayoral CIL, of which the latter has already been examined and found to be sound.
39. I therefore conclude that the proposed CIL rate for student accommodation is justified by the available evidence and strikes an appropriate balance between helping to fund new infrastructure and its effect on the economic viability of this form of development across the Borough.

*CIL rates for other uses*

40. The VS states that **hotel developments** could accommodate a CIL of up to a maximum of £295 psm. The proposed rate of £100psm would allow a buffer and accommodate the Mayoral CIL and would be less than 4% of development costs. On balance and taking into account that no robust contrary evidence was submitted, I consider that the charge would not render such development unviable across the Borough as a whole.
41. There has been limited demand for **office development** in Brent in the recent past, and most scenarios in the VS suggest a maximum CIL of £100psm, or £40 after allowing for the Mayoral CIL and a margin to absorb site specific viability issues. The proposed CIL would be less than 2% of development costs. In the absence of robust evidence to the contrary I consider that the charge would not render such development unviable across the Borough as a whole.
42. The VS states that the land values generated by **retail developments** vary according to rent levels, with small changes in rents resulting in steep changes in the viability of CIL rates. The proposed rate of £40psm, exclusive of the Mayoral CIL, is considered to be an appropriate balance at the lower end of the range and would have a minimal impact on viability across the area as a whole. It would also be less than 2% of development costs.
43. It was argued that shops or premises for the sale, repair, testing and/or maintenance of motor cycles, scooters or bicycles should be exempt from a CIL charge, as they promote regeneration, environmental quality and sustainable alternatives to cars, and would lead to traffic reduction. CIL rates cannot be set on planning policy considerations, even where they contribute to sustainability. The critical consideration is that no evidence pointed to these uses being more or less viable than other stores. Giving an advantage to one retail sector could also contravene the EU State Aid rules.
44. The same representor also suggested a zero rate for enterprise hubs, on the grounds that they provide opportunities for learning and training. If they are an education use, they would fall into a zero rate CIL anyway; no substantive evidence was submitted to demonstrate that, if they were a commercial use, the proposed CIL rate of £40psm would render such a use unviable.

45. **Warehouse clubs**, or retail warehouse clubs, which in my view is a more accurate reflection of their function, are not included within the list of retail uses comprising Use Class A1, and are classified as 'sui generis' in the Use Classes Order (as amended) (Article 3(6)(k)). Although the National Planning Policy Framework (*the Framework*)<sup>14</sup>, in its glossary of terms, refers to warehouse clubs (and factory outlet centres) under the grouping of retail development, in my view, this is for the purposes of determining whether they are a main town centre use, and does not override their exclusion from the list of uses within Use Class A1. In any event, *the Framework* does not remove the 'sui generis' status of retail warehouse clubs.
46. The Council and Costco have signed a Statement of Common Ground<sup>15</sup>, based on evidence which shows that the rental value attributed to a sui generis retail warehouse club, and hence its viability, is more akin to a B8 development and is significantly below a retail use<sup>16</sup>. This supports an apportionment for retail warehouse clubs as comprising 65% Class B8 and 35% Class A1. On this basis, the CIL, as proposed by the Council, should be 35% of the retail figure, which is £14psm. I therefore recommend that the schedule is modified to change the charge for retail warehouse clubs to £14psm, as set out in **EM1** in Appendix A.
47. The VS appraisals show that **industrial and warehousing developments** are unlikely to generate positive residual land values, and even when positive land values are achieved, they fall short of existing use values. The Council's proposed zero rate for these uses is therefore considered to be appropriate.
48. **D1 uses**, such as schools, health centres and places of worship, do not generally accommodate revenue generating operations, and even those that generate an income stream, such as swimming pools, often have operating costs that are higher than the income and some require public subsidy. The Council's proposed zero rate for these uses is therefore considered to be appropriate.
49. In relation to **D2 uses**, such as assembly and leisure, a CIL rate of £5psm is proposed, which would help mitigate the impact on the transport network. The proposed rate is modest and there is no evidence that it would put the viability of D2 uses at serious risk.

**Does the evidence demonstrate that the proposed charge rate would not put the overall development of the area at serious risk?**

50. In setting the CIL rates, the Council has had regard to detailed up to date evidence of infrastructure planning derived from the IIF, which is based on the strategic provision of development in its *Core Strategy*. It has balanced this with evidence in its VS which is based on reasonable assumptions about development values and likely costs. Subject to modification **EM1**, the

---

<sup>14</sup> Department for Communities and Local Government: National Planning Policy Framework (*the Framework*); March 2012.

<sup>15</sup> Statement of Common Ground between London Borough of Brent and Costco Wholesale UK Ltd, dated 6 November 2012 [Document LBB/CIL/003].

<sup>16</sup> Costco Wholesale UK Ltd Position Statement dated 22 October 2102.

evidence suggests that residential and commercial development will remain viable across most of the area if the charges are applied. Only if development sales values are at the lowest end of the predicted spectrum would development in some parts of the Borough be at serious risk.

**Conclusion**

51. The Council has been realistic in terms of achieving a reasonable level of income to address the identified gap in infrastructure funding, while ensuring that the overall development of the area would not be at serious risk. Providing there is not a significant downturn in the economy, it may be an appropriate time to consider any revision to the charge after it has been in place for about two years.

<b>LEGAL REQUIREMENTS</b>	
National Policy/Guidance	The Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended 2011)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted <i>Core Strategy</i> and <i>Infrastructure and Investment Framework</i> and is supported by an adequate <i>Viability Study</i> .

52. I conclude that, subject to the modification set out in Appendix A, the London Borough of Brent Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended 2011). I therefore recommend that the Charging Schedule be approved.

*Mike Fox*

Examiner

This report is accompanied by:

Appendix A (attached) – Modification that the examiner specifies so that the Charging Schedule may be approved.

**Appendix A – Modification that the Examiner recommends so that the Charging Schedule may be approved**

<b>Modification No.</b>	<b>Submitted CIL Rate</b>	<b>Modification</b>
<b>EM1</b>	Warehouse clubs (sui generis) £40 per sqm	£14 per sqm



# Charging Schedule



## London Borough of Brent

### Planning Act 2008 - Community Infrastructure Levy Regulations 2010

The London Borough of Brent is a charging authority according to Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy on development within Brent. The Council intends to charge differential rates of CIL to be determined by the land use of a proposed development (expressed as pounds per square metre) as set out in the following table.

#### Charging Schedule - Rates of CIL

Use	Charge per sqm
Residential (Use Classes C3 & C4), Residential Institutions, except Hospitals, (Use Class C2), Student Accommodation, Hostels and HMOs (Sui Generis)	<b>£200</b>
Hotel (Use Class C1)	<b>£100</b>
Retail (Use Class A1), Financial & Professional Services (Use Class A2), Restaurants & Cafes (Use Class A3), Drinking Establishments (Use Class A4), Hot Food Take-aways (Use Class A5), Office (Use Class B1a), All Sui Generis uses except Student Accommodation, Hostels, HMOs, Public Transport Stations, Theatres, Water and wastewater infrastructure, Fire stations and fire service facilities, Police stations and police facilities, and Warehouse Clubs	<b>£40</b>
Warehouse Clubs (Sui Generis)	<b>£14</b>
Assembly and Leisure, excluding Public Swimming Pools (Use Class D2)	<b>£5</b>
Light Industry and Research & Development (Use Class B1b&c), General Industrial (Use Class B2), Storage & Distribution (Use Class B8), Health, Education, Public Libraries, Museums, Public Halls and Places of Worship (Use Class D1a-h), Hospitals (Use Class C2), Public Swimming Pools (Use Class D2), Public Transport Stations, Theatres, Water and wastewater infrastructure, Fire stations and fire service facilities, and Police stations and police facilities (Sui Generis)	<b>£0 (Zero Charge)</b>

**\*The above charge will apply across all of Brent, in addition to the Mayoral CIL of £35 per sqm.**


### **Calculating the Chargeable CIL**

CIL applies to the gross internal area of the net increase in development. The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended). When calculating the CIL liability for a development the relevant rate (R) is the differential rate relating to each specific use as set out in this Charging Schedule.

This Charging Schedule has been issued, approved and published in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Regulations 2010, as amended.

Following an Examination In Public this Charging Schedule was approved by the Council on 25<sup>th</sup> February 2013

This Charging Schedule takes effect on 1<sup>st</sup> July 2013

 <p>The logo of Brent Council, featuring a central coat of arms with a shield, a crown, and a banner, surrounded by the words 'BRENT' and 'COUNCIL' in a circular arrangement.</p>	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Director of Regeneration and Major Projects</b></p>
For Action	Ward Affected: Tokyngton
<b>Disposal of the Former Tokyngton Library</b>	

## Not For Publication

### Appendix 5

Appendix 5 of this report is not for publication as it contains the following category of exempt information in paragraph 3 Schedule 12(A) of the Local Government Act 1972 namely:

“information relating to the financial or business affairs of any particular person (including the Authority) holding the information.”

### **1.0 Summary**

- 1.1 On 11 April 2011, in a report to the Executive titled “Libraries Transformation Project” Members approved the closure of a number of libraries including Tokyngton.
- 1.2 At the 21 May 2012 Executive meeting Members were informed of the intended disposal of the surplus former Tokyngton library.
- 1.3 This report details the marketing exercise undertaken for the former Tokyngton Library and makes recommendations to the Executive in respect of the disposal.

### **2.0 Recommendations**

- 2.1 That the Executive approve the disposal of the surplus former Tokyngton Library to the Islamic Cultural Association in accordance with the terms outlined in the Confidential Appendix in particular the financial offer but that if this bid does not proceed to also approve, as a reserve, a disposal to Tokyngton Homes Ltd., again on terms outlined in the Confidential Appendix

including the financial offer and that the Director of Regeneration and Major Projects to be authorised to agree the final terms and to complete the disposal to either party.

- 2.2 That the Executive agree to authorise the Director of Regeneration and Major Projects in consultation with the Director of Legal and Procurement to appropriate the Tokyngton Library site shown heavily outlined in black on the plan in Appendix 2 ("the Site Plan ") for the planning purposes of facilitating the development or redevelopment of the site pursuant to the provisions of section 122 of the Local Government Act 1972.
- 2.3 That Officers advertise in the local newspaper in accordance with Section 122 of the Local Government Act 1972 the proposed appropriation of public open space shown cross hatched black on the Site Plan Appendix 2 for planning purposes and to proceed with the disposal unless in the opinion of the Assistant Director Property and Asset Management significant objections are received in which case this should be reported back to the Executive for it to consider.

### **3.0 Detail**

- 3.1 Following review of its strategy for the provision of Library services within Brent, the former Tokyngton Library has become surplus to the Council's requirements. The Executive in May 2012 were informed of the intention to dispose of the freehold interest of the former Library.
- 3.2 The subject site is situated in Monks Park in Wembley, it is located on the edge of the Tokyngton Recreation Ground and next to Monks Park Primary Care Centre with the surrounding area predominantly comprising residential use.
- 3.3 There are a variety of local amenities close by and the site is highly accessible by public transport with Stonebridge Park Station located approximately 0.3 miles (0.5 km) and a number of local bus routes.
- 3.4 The property itself comprises a building that is currently occupied by guardians for security purposes, it occupies a plot of land extending to approximately 0.11 hectares (0.27 acres), rights of way in favour of the neighbouring clinic and Brent Council will be retained on part of the site.

#### Title Matters

- 3.5 There is a historic restrictive covenant on the title restricting the land to public open space and not permitting any building on the land without the consent of the original owner. In order to build the library the Council appropriated the land to an appropriate statutory function, there have been no issues to our knowledge since, however this position may change on the disposal.

## Planning Context

- 3.6 The current planning class is D1 non-residential institutions allowing for the following types of use to fall within the use class: clinic, health centres, crèches, day nursery, day centres, halls, places of worship, education and training centres.
- 3.7 In order to inform the marketing process and to assist bidders with formulating a deliverable bid, Brent's planning design team was commissioned to undertake a feasibility study, which set out specific to redevelopment relevant planning policy issues.
- 3.8 Brent's Core Strategy CP23 is noteworthy as this requires the protection of existing and provision of new Community and Cultural Facilities, this aims to ensure that the continuing needs of Brent's diverse community are met by existing community and cultural facilities, supporting community participation and development aiming to protect or mitigate their loss.
- 3.9 The study informed the site could be re-developed with residential suggesting the following options:
1. Two new build town houses, refurbishment and extension, community space plus residential.
  2. Five new build town houses, community space plus residential (large homes).
  3. Five new build town houses, community space plus residential (mix of sizes).

## Appropriation

- 3.10 In order to provide sensitive re-use and possible redevelopment within the former Tokyngton Library site it is considered in the public interest that the site be appropriated under Section 122 of the Local Government Act for planning purposes. This will enable the Council to utilise powers under Section 237 and Section 241 to facilitate reuse or redevelopment to take place and for proposals that will secure a long term community provision.
- 3.11 In making a decision as to whether to appropriate land for planning purposes of facilitating development or redevelopment the following considerations are relevant:
1. Whether the land is no longer required for the purposes for which it is held immediately before appropriation?
- 3.12 The site is surplus to requirements of the Council and therefore no longer required for the purpose which it is held immediately before the appropriation.
2. The likely extent of infringement?

- 3.13 The former Tokyngton Library site was formerly part of the Tokyngton Recreation Ground and was appropriated to library service on 25<sup>th</sup> August 1971. However the site is subject to rights and a covenant by the Wembley Urban District Council in a Conveyance dated 3<sup>rd</sup> March 1933 that the land be used as public open space for the recreation of the public and not to erect any buildings on the property without the consent of the Vendor.
- 3.14 On disposal there is the risk that the above covenant could be capable of being enforced by injunction thus preventing the construction and use of the site for any development redevelopment or improvement. The appropriation and use of Section 237 and Section 241 powers is required with the object of removing this risk and to facilitate the carrying out of any reuse development or redevelopment scheme.
3. Whether acquisition will facilitate the carrying out of development or a redevelopment scheme?
- 3.15 The acquisition will generate reuse or redevelopment of the consistent with the design feasibility scheme for the area.
4. Whether the reuse development or redevelopment scheme will contribute to one or more of the following and thus be in the public interest:
- a) The promotion or improvement of the economic well being of the area?
  - b) The promotion or improvement of the social well being of the area?
  - c) The promotion or improvement of the environment well being of the area?
- 3.16 The Executive is referred to the site feasibility study in 3.9 above that sets out the mixed use proposal for the site against relevant Council policies the development plan and other material considerations.
- 3.17 It is considered that the use of Section 237 and Section 241 powers will contribute to the achievement and improvement of the economic well being of the area as a whole and the environmental and social well being of the area.
5. Are the public benefits proportionate to the interference?
- 3.18 Human rights issues arise in respect of the proposed arrangements, following the introduction of the Human Rights Act 1988, the Council is required to act in accordance with the European Convention on Human Rights (ECHR) in deciding whether or not to implement the arrangements.
- 3.19 However the rights to peaceful enjoyment of possessions is a qualified rather than absolute right as the wording of Article 1 of the Protocol 1 permits the deprivation of an individual's possessions where it is in the public interest and subject to the conditions provided for by law, and Article 8(2) allows for interference which is:

“in accordance with the law and necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the protection of health and morals, or for the protection of the rights and freedoms of others”.

- 3.20 There must be a balancing exercise between the public interest and the individual's right whereby any interference in the individual's rights must be necessary and proportionate. 'Proportionate' in this context means the interference must be no more than is necessary to achieve the identified legitimate aim. A 'fair balance' must be struck between the rights of the individual and the rights of the public.
- 3.21 The infringement with the individual's rights is set out in 2 above. Any lawful holder of the benefit of the restriction may have a claim for compensation for the interference or breach of the restriction.
- 3.23 The public benefits arising from the redevelopment are set out therefore, the surplus nature of the site and the planning guidance for its reuse provide support for the appropriation for planning purposes so that it can be reused and redeveloped in the public interest.
- 3.24 It is considered that the public interest in facilitating the development, redevelopment and improvement outweighs the rights of individuals to peaceful enjoyment of their possessions and that the proposed use of Section 237 and Section 241 powers amounts to proportionate interference in all the circumstances.
- 3.25 The proposed appropriation of the public open space will need to be advertised in the local newspaper under Section 122 of the Local Government Act 1972 on two consecutive dates and provide at least 21 days for objections in response to the notice.

#### Public Open Space

- 3.26 The rear of the site was used by Parks for storage and premises this is shown cross hatched black on the Site Plan Appendix 2 and is deemed to be public open space that forms part of the Tokyngton Recreation Ground disposal of this space under section 123 of the Local Government Act 1972 was advertised in the local press on 5 July 2012 see Appendix 4 and 12 July 2012 and no objections were received.

#### Marketing

- 3.27 On behalf of Brent, Savills were instructed to market the site and marketing started in October 2012.
- 3.28 The Property was offered to the market by way of an informal tender process, with a closing date of 26<sup>th</sup> November 2012. Offers were sought for

the freehold interest on an unconditional basis. A guide price of £500,000 was stated in the marketing particulars in accordance with the agent's opinion of value.

- 3.29 A bid assessment, appendix 3 was developed which assessed bidders and bids against the following criteria:
1. Financial positioning to check and ensure bidders had in place funds or was able to raise required funds;
  2. Proposed scheme to assess if the proposed use was appropriate;
  3. Deliverability looking at experience and how quickly a bidder could move to contract exchange; and
  4. The financial offer, the top bid was awarded full points, with the second bid awarded a point less and so on.
- 3.30 Savills produced marketing particulars Appendix 1 and advertised the property on their webpage. Linking through to Savills web-page we also advertised the property on Brent's webpage. Adverts were placed in Estates Gazette and in local papers. A prominent For Sale board was erected on the land fronting the property.
- 3.31 A total of twelve parties expressed an interest and were in dialogue with Savills over the marketing period.
- 3.32 At bid close eight offers were received seven of these were on an unconditional basis, with one on a conditional basis.
- 3.33 Savills recommendation on the preferred bid was contained in a report dated 10<sup>th</sup> December 2012.
- 3.34 Having considered the contents of Savills report the Assistant Director of Property & Asset Management came to the conclusion that the bids were acceptable in that they had matched expectations. However the information provided did not provide enough confidence to the Council that, given the closeness of the bids financially, that Officers were able to make a clear recommendation to Executive. Indeed the Savills report was less than clear in its own recommendation's to Officers.
- 3.35 Therefore the Agents were instructed to revert to the bidders to seek clarification of the bids requesting reconfirmation of bids with additional details as to their financial standing and proposed use. The Agents approached the six highest bidders as it was deemed unnecessary to seek clarification from the lowest bid and the conditional offer.
- 3.36 At the second round five offers were received all on an unconditional basis with Savills unable to obtain a response from one of the previous bidders. Some of the bidders choose to increase their original financial offer and all provided confirmation of their proposed use and financial standing.



### Contract issues

- 3.37 Heads of Terms need to be agreed with the first preferred bidder with a requirement to exchange contracts within 28 days of approval by the Executive with completion to follow up to 28 days later.

### Planning Permission

- 3.38 Should negotiations proceed with the first preferred bid their proposed use will fall within existing planning D1 use and would not need permission.

## **4.0 Financial Implications**

- 4.1 This property is not included within the Council's Capital Disposals Programme and as such the additional receipt arising will contribute positively to the funding of the Council's overall Capital Programme.
- 4.2 The use of Capital Receipts in the funding of the Capital Programme restricts the level of unsupported borrowing required to fund capital schemes and accordingly the level of associated debt charges falling upon the revenue account.
- 4.3 Movement against the forecast levels of capital receipts could require reduced/additional levels of unsupported borrowing or changes to the approved Capital Programme.
- 4.4 Costs arising directly from the sale of the property will be met from the derived capital receipt in line with accounting guidelines.
- 4.5 Costs associated with the current occupation of the site by guardians for security purposes will be met from existing revenue budget provisions.

## **5.0 Legal Implications**

- 5.1 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including the sale of a freehold or the grant of a lease. The essential condition is that the Council obtain (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable.
- 5.2 Disposals on the open market including by way of auction or after proper marketing will satisfy the best consideration requirement.
- 5.3 The Council can appropriate land under section 122 Local Government Act 1972 which states the following:

“... a principal council may appropriate for any purpose for which the council are authorised by this or any other enactment to acquire land by agreement any land which belongs to the

Council and is no longer required for the purpose for which it is held immediately before the appropriation”.

- 5.4 The purposes for which land may be acquired are defined in Section 226(1) Town & Country Planning Act 1990 as follows:
- (a) If the authority thinks that the acquisition will facilitate the carrying out of development/redevelopment or improvement on or in relation to the land; or
  - (b) If the land is required for a purpose which it is necessary to achieve in the interests of proper planning of an area in which the land is situated.
- 5.5 In this case, the purposes fall within the ambit of section 226(1)(a) as the carrying out of the redevelopment of the site would be facilitated as described in this report.
- 5.6 A local authority must not exercise the power under paragraph (a) unless they think that the development, redevelopment or improvement is likely to contribute to the achievement or the promotion or improvement of one of more of the following objects (namely) the economic, social or environmental well-being of their area.
- 5.7 Under Section 237 of the Town & Country Planning Act 1990 the erection, construction or carrying out or maintenance of any building or work on land or the use of any land which has been acquired or acquired or appropriated by a local authority for planning purposes (whether done by the local authority or by a person deriving title under them) is authorised by virtue of this section if it is done in accordance with planning permission, notwithstanding that it involves interference with an interest or right to which this section applies. The appropriation will be subject (if applicable) to the payment of compensation in respect of third party interests or rights interfered with.
- 5.8 Under Section 241 of the Town and Country Planning Act 1990 land comprising open space which has been appropriated by a local authority for planning purposes may be used by any person in any manner in accordance with planning permission.
- 5.9 The land must no longer be required for the purpose for which it is held immediately before appropriation. Once the appropriation is effected, the appropriated land will be held for planning purposes.

## **6.0 Diversity Implications**

- 6.1 These are no diversity implication, see attached INRA report Appendix 7.

## **7.0 Staffing/Accommodation Implications**

- 7.1 There are no staffing implications.

## **Background Papers**

Report to the Executive 11<sup>th</sup> April 2011 entitled “Libraries Transformation Project” (available to the public online).

Report to the Executive 21<sup>st</sup> May 2012 entitled “Libraries Transformation Project Update” (available to the public online).

## **Appendix Papers**

Appendix 1 – Marketing Particulars

Appendix 2 – Disposal Plan

Appendix 3 – Bid assessment Form

Appendix 4 – Public open space notice advertised in Times Classified on 5 July 2012

Appendix 5 – Confidential Recommendation for the disposal of the Former Tokyngton Library

Appendix 6 – INRA Assessment

## **Contact Officers**

Sarah Chaudhry  
Head of Strategic Property  
0208 937 1705  
[Sarah.Chaudhry@brent.gov.uk](mailto:Sarah.Chaudhry@brent.gov.uk)

Richard Barrett  
Assistant Director Property & Asset Management  
0208 937 1334  
[Richard.Barrett@brent.gov.uk](mailto:Richard.Barrett@brent.gov.uk)

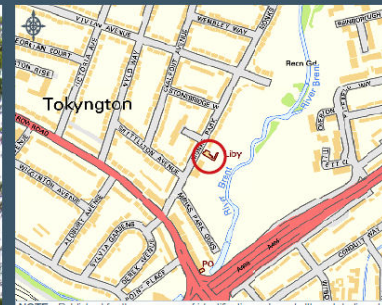
Andrew Donald  
Director of Regeneration & Major Projects

## Appendix 1

# Community Use or Residential Development Opportunity Former Tokyngton Library

Monks Park, Wembley, HA9 6JE

For Sale



NOTE - Published for the purposes of identification only and although believed to be correct its accuracy is not guaranteed. Reproduced from the Ordnance Survey Map with the permission of the Controller of H.M. Stationery Office © Crown copyright licence number 100024244 Savills (L&P) Limited.



NOTE - Published for the purposes of identification only and although believed to be correct its accuracy is not guaranteed. Reproduced from the Ordnance Survey Map with the permission of the Controller of H.M. Stationery Office © Crown copyright licence number 100024244 Savills (L&P) Limited.

- Freehold development opportunity in Wembley
- 0.11 hectare (0.27 acre) site occupied by a 1970's vacant building comprising a total gross internal area of approximately 320 sq m (3,444 sq ft)
- Potential for residential, community or a mixed use development, subject to the necessary planning consents
- Freehold with vacant possession
- For sale on behalf of the London Borough of Brent



## Location

The site is situated on Monks Park in Wembley.

The site is located on the edge of Tokyngton Recreation Ground, and next to Monks Park Primary Care Centre, with the surrounding area predominantly comprising residential use.

There is a wide variety of local amenities located on Harrow Road and Wembley Stadium is located 1.3 miles (2.1 km) to the north.

The site is highly accessible by public transport. Stonebridge Park Station is located approximately 0.3 miles (0.5 km) to the South West providing London Underground services on the Bakerloo line to Paddington in 18 minutes and Oxford Circus in 27 minutes, as well as Overground services to Euston in 22 minutes. The site is also very well served by local bus routes direct to Central London locations.

## Description

The property comprises a vacant building (Class D1) and occupies a plot extending to approximately 0.11 hectares (0.27 acres).

The building and the site will be sold with vacant possession. Rights of way in favour of the neighbouring clinic and Brent Council will be retained over part of the site.

## Planning

The property falls under the jurisdiction of the London Borough of Brent and is not located within the boundary of a Conservation Area, nor is it a listed building. The site has no planning history, and there are no current planning applications.

Option	Unit Type	No. Of Units	Average GIA		Total GIA		Parking
			Sq m	Sq ft	Sq m	Sq ft	
Option 1	Community	1	240	2,583	240	2,583	3 Spaces
	Houses	2	100	1,076	200	2,153	1 Space per Unit
	Flats	3	50	538	150	1,615	
	<b>Total</b>	<b>6</b>	<b>390</b>	<b>4,197</b>	<b>590</b>	<b>6,351</b>	
Option 2	Community	1	284	3,057	284	3,057	2 Spaces
	Houses	5	127.2	1,369	636	6,846	1 Space per Unit
	Flats	1	84	904	84	904	
	<b>Total</b>	<b>7</b>	<b>495.2</b>	<b>5330</b>	<b>1,004</b>	<b>10,807</b>	
Option 3	Community	1	284	3,057	284	3,057	2 Spaces
	Houses	5	101.4	1,091	507	5,457	1 Space per Unit
	Flats	1	84	904	84	904	
	<b>Total</b>	<b>7</b>	<b>469.4</b>	<b>5,052</b>	<b>875</b>	<b>9,418</b>	

The mix is indicative and can be changed, subject to relevant consents

## Potential Schemes

A detailed Design and Feasibility Study was undertaken by Brent Design in September 2012 which outlines the development potential of the site. Three options have been drawn up with the above areas, however these are indicative only and can be changed.

## Tenure

The property is for sale freehold with vacant possession.

## Method of Sale

The property will be sold by way of informal tender, with a closing date of 26th November 2012.

Offers are sought for the freehold interest on an unconditional basis only.

## Viewings

By appointment with Savills only.

## VAT

The site is not elected for VAT.

## Price and Offer Presentation

Guide £500,000 for the freehold interest.

Offers are to be submitted to the Democratic Services Manager at Brent Town Hall, as set out in covering correspondence.

## Further Information

Further information is available at [www.savills.com/monkspark](http://www.savills.com/monkspark).

## Important Notice

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
2. Any areas, measurements or distances are approximate. The text, images and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

Savills London  
Lansdowne House  
57 Berkeley Sq  
London, W1J 6ER  
+44 (0) 20 7409 9943

Harry de Lotbiniere  
+44 (0) 20 7016 3852  
hdelotbiniere@savills.com

Darren Arnold  
+44 (0) 20 7409 9926  
darnold@savills.com

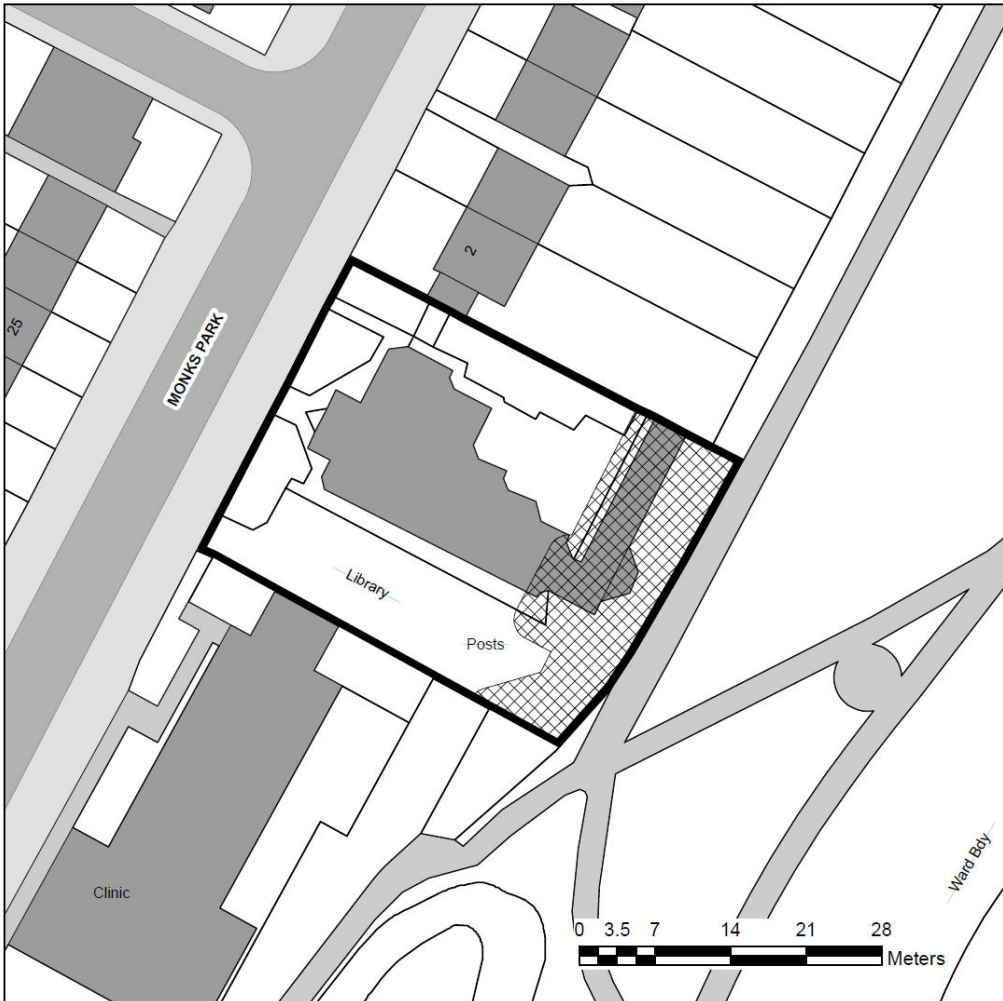
Tom Faber  
+44 (0) 20 7409 9943  
tfaber@savills.com

[savills.co.uk](http://savills.co.uk)



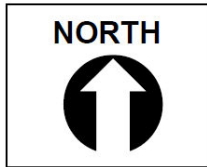
Appendix 2

**EXECUTIVE COMMITTEE**  
**Appendix 2**  
**The Site Plan**



**Plan for information purposes only.**

-  Area for disposal
-  Former open space



PSMA OS copyright statement  
© Crown copyright and database rights 2012 Ordnance Survey 100025260  
OS Open data copyright statement:  
Contains Ordnance Survey data © Crown copyright and database right 2012

## Appendix 3

### Former Tokyngton Library Bid Assessment Form

Applicant's Name	
------------------	--

#### 1. Financial positioning

Criteria	Yes/No
Proof of Funds	
<b>Sub Total</b>	

If 'no' then bid will be removed from process.

Scoring Explanation	Score
Very Poor	1
Poor	2
Average	3
Good	4
Very Good	5

#### 2. Proposed use of site

Criteria	Score
Proposed Scheme	
Sensitivity to Location	
<b>Sub Total</b>	

<b>Total Score out of 10</b>		<b>% Score</b>	
------------------------------	--	----------------	--

#### 3. Deliverability

Criteria	Score
Applicants experience of delivering similar projects.	
Exchange time. (28 days or more = 0, 23 – 28 days = 1, 18 – 23 days = 2, 13 – 18 days = 3, 8 – 13 days = 4, 7 days or less = 5)	
<b>Sub Total</b>	

<b>Total Score out of 10</b>		<b>% Score</b>	
------------------------------	--	----------------	--

#### 4. Financial Offer

Criteria / Ranking	Score
Price (highest bid = highest score).	
<b>Sub Total</b>	

<b>Total Score out of 5</b>		<b>% Score</b>	
-----------------------------	--	----------------	--

After the initial process, London Borough of Brent reserves the right to introduce additional processes at which stage applicants will be re-scored based on the criteria in this scoring sheet.

#### WEIGHTED SCORE SUMMARY

Assessment Criteria	Base Score	Weighting Multiplier	Weighted Score
2. Proposed use of building		25%	
3. Deliverability		25%	
4. Financial Offer		50%	
		<b>Total</b>	

Assessment Sign off by Brent Council Representative:

Name ..... Date .....

# Times Classified

www.JUMBO24.co.uk Telephone: 0845 671 4460

Property | Recruitment | Public Notices | Family Announcements | Articles for Sale | Expert Services | Motors | Personal

**PUBLIC NOTICES**

To advertise call  
**0208 477 3739**

ARCHANT

**LEGAL AND PUBLIC NOTICES**

**LONDON BOROUGH OF BRENT**  
TOWN AND COUNTRY PLANNING ACT 1990

**THE LONDON BOROUGH OF BRENT STOPPING UP OF HIGHWAYS (NO. 2) ORDER 2012**

1. NOTICE IS HEREBY GIVEN that the Council of the London Borough of Brent has made an Order under section 247 of the above Act, as amended by Section 270 and Schedule 22 of the Greater London Authority Act 1999 to authorise the stopping up of an area of public highway described in the Schedule to this notice in order to enable development to be carried out in accordance with the planning permission granted under Part III of the above Act to Regeneration and Major Projects by the London Borough of Brent on 17th May 2011 under Reference No. 116371.

2. A copy of the Order and of a plan of the relevant area can be inspected and a copy requested free of charge during normal office hours on Mondays to Fridays inclusive at:-  
(a) The One Stop Shop, Brent Town Hall, Forty Lane, Wembley, Middx, HA9 9HT;  
(b) The One Stop Shop, Brent House, 349-357 High Road, Wembley, Middx, HA9 6BZ; and  
(c) Highway and Transport Delivery, Brent House, 349-357 High Road, Wembley, Middx HA9 6BZ.

3. Any person aggrieved by the Order and desiring to question the validity thereof, or of any provision contained therein, on the grounds that it is not within the powers of the above Act or that any requirement of that Act or of any regulation made thereunder has not been complied with in relation to the Order, may, within 6 weeks of the 5th July 2012 apply to the High Court for the suspension or quashing of the Order or of any provision contained therein.

David McIlhenny  
Interim Head of Highway & Transport Delivery

**SCHEDULE 1**

The area of highway comprises of:-  
(a) a rectangular shaped length of footway that lies in Rupert Road, the south-west side, between Albert Road and Denmark Road; and  
(b) an irregular shaped length of carriageway and footway that lies in Denmark Road, the north-west side, between its south-western extremity and Rupert Road and a section of footway that lies in Rupert Road, the south-west side.

**LONDON BOROUGH OF BRENT**  
TOWN AND COUNTRY PLANNING ACT 1990

**THE LONDON BOROUGH OF BRENT STOPPING UP OF HIGHWAYS (NO. 1) ORDER 2012**

1. NOTICE IS HEREBY GIVEN that the Council of the London Borough of Brent has made an Order under section 247 of the above Act, as amended by Section 270 and Schedule 22 of the Greater London Authority Act 1999 to authorise the stopping up of an area of public highway described in the Schedule to this notice in order to enable development to be carried out in accordance with the planning permission granted under Part III of the above Act to Regeneration and Major Projects by the London Borough of Brent on 22nd March 2011 under Reference No. 100347.

2. A copy of the Order and of a plan of the relevant area can be inspected and a copy requested free of charge during normal office hours on Mondays to Fridays inclusive at:-  
(a) The One Stop Local Office, Brent Town Hall, Forty Lane, Wembley, Middx, HA9 9HT;  
(b) The One Stop Local Office, Brent House, 349-357 High Road, Wembley, Middx, HA9 6BZ; and  
(c) Highway and Transport Delivery, Brent House, 349-357 High Road, Wembley, Middx HA9 6BZ.

3. Any person aggrieved by the Order and desiring to question the validity thereof, or of any provision contained therein, on the grounds that it is not within the powers of the above Act or that any requirement of that Act or of any regulation made thereunder has not been complied with in relation to the Order, may, within 6 weeks of the 5th July 2012 apply to the High Court for the suspension or quashing of the Order or of any provision contained therein.

David McIlhenny  
Interim Head of Highway & Transport Delivery

**SCHEDULE 1**

The area of public highway to be stopped up comprises carriageway, footway and hard and soft verge bounded by Canterbury Road, the south-western, the south-eastern and part of the north-eastern curtilage of Canterbury Court, an imaginary line extending parallel from the north-western wall of Canterbury Court to the westernmost building wall of Goerfield House, part of the south-western, the south-eastern and part of the north-eastern curtilage of Goerfield House, an imaginary line extending parallel from the south-eastern end wall of Goerfield House to the south-western curtilage of Alpha House, part of the south-western, the south-eastern and the north-eastern curtilage of Alpha House, Coventry Close, Kilburn High Road, Cambridge Avenue and Chester Road but not those in Alpha Place between Cambridge Avenue and a point 47.65 metres north-west of Cambridge Avenue.

**CATHERINE NAOMI BAKALL (Deceased)**  
Pursuant to the Trustee Act 1925 any persons having a claim against or an interest in the Estate of the abovesaid deceased late of 14 Broadwater Road, London NW9 6BS, who died on 05/07/2011, are required to send particulars thereof in writing to the undersigned Solicitors on or before 14/08/2012, after which date the Estate will be distributed having regard only to claims and interests of which they have had notice.

**ANDREWS MARTIN**  
14 Broadwater Court, Old Town, London SW1 9HY T32089

Find what you need, when you need it

mycityway+LONDON24  
www.london24.com/app

**LEGAL AND PUBLIC NOTICES**

**THE LONDON BOROUGH OF BRENT**  
FORMER PARKS STORE AND PREMISES, MONKS PARK WEMBLEY HA9 6UE

Notice is hereby given pursuant to Section123 (2A) Local Government Act 1972 that the London Borough of Brent intends to sell land at the rear of the building known as Former Parks Store and premises, Monks Park Wembley Middlesex HA9 6UE, which is shown edged red on drawing number 1000025200(borensatmar) called 'the Property' which forms part of public open space.

The drawing can be inspected during usual office hours at both the One Stop Shop in Brent Town Hall Forty Lane Wembley HA9 9HT and the One Stop Shop Ground Floor Brent House 349-357 High Road Wembley HA9 6BZ.

Any person wishing to object to the disposal stated above should send a written and signed statement setting out the basis for his objection to Fiona Liddell, Legal and Procurement Services, London Borough of Brent, Town Hall Annex, Forty Lane Wembley Middlesex HA9 9HT (Flat, DXC/S11484/FRED) so as to arrive not later than Friday 27 July 2012.

Dated: Thursday 5 July 2012

Fiona Liddell  
Legal and Procurement Services,  
London Borough of Brent,  
Town Hall Annex  
Forty Lane  
Wembley Middlesex HA9 9HT  
Ref: DXC/S11/AIV

**LONDON BOROUGH OF BRENT**  
AUDIT OF ACCOUNTS YEAR ENDED 31st MARCH 2012

Audit Commission Act 1998, sections 15 - 18  
Accounts and Audit Regulations 2003 Regulations 13, 14 & 16  
The Council's accounts are subject to external audit by Andrea White of the Audit Commission, 1st Floor, Millbank Tower, Millbank, London, SW1P 4HQ. Members of the public and local government electors have certain rights in the audit process:

1. From 1st August 2012 to 20th August 2012 between 9.30 a.m. and 4.30 p.m. any person may inspect the accounts of the Council for the year ended 31st March 2012 and obtain certain documents (including books, deeds, contracts, NILs, vouchers and receipts) at the address given below. They may also make copies of the accounts and documents.

2. From 30th August 2012 until the conclusion of the audit process, a local government elector for the area of the Council, or his/her representative, may ask the auditor questions about the accounts. Please contact the auditor at the address given above to make arrangements to ask any questions.

3. From 30th August 2012 until the conclusion of the audit process, a local government elector for the area of the Council, or his/her representative, may object to the Council's accounts asking that the auditor issue a report in the public interest (under section 8 of the Audit Commission Act 1998) and/or apply to the court for a declaration that an item in the accounts is contrary to law (under section 17 of the Audit Commission Act 1998). Written notice of a proposed objection and the grounds on which it is made must be sent to the auditor at the address given above and copied to me at the address given below.

Dated: 4th July 2012  
Gareth Daniel, Chief Executive, London Borough of Brent  
Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HT

**MOTORS**

To advertise call  
**0845 671 4460**

**ALFA ROMEO**

**Want to Sell your car?**

Your advert will run within all our Newspapers, e-editions and specialist motoring website:

Ham & High, Wood & Vale, Brent & Kilburn Times, Islington Gazette, North London Journals  
www.drive24.co.uk

**£22.00 inc. VAT for a fortnight!**

Call Martin Girdwood today:  
**020 8477 3777**

**PROPERTY**

To advertise call  
**0845 671 4460**

**PROPERTY FOR SALE**

**To Let by non binding open market tender**

The Stables at Gladstone Park  
Dollis Hill Lane NW2 6HT

An exciting opportunity to let a restaurant/café in a unique building in one of Brent's Council's most popular Green Flag Parks.

For a tender pack please contact  
Howard Fertleman MRICS on  
020 8937 1566 or email him at  
howard.fertleman@brent.gov.uk

Closing date 3 August 2012

www.brent.gov.uk/propertieservices

**VAUXHALL** **VOLVO**

can't find what you're looking for?

local search 24

**VOLVO S60 AUTOMATIC**

Two Litre Petrol, 2007-reg, black, 61,000 miles, Full Volvo Service History, Black leather interior, 6 cd changer, SatNav, air conditioning, Tax & MOT

**£5,500 ono**  
**07795 838853**

For the best choice of local cars

**drive24.co.uk**

motors.co.uk

**VAUXHALL ASTRA 1.4**

M-Reg, 1995, Owner for 7 Years, New MOT May 13, PAS, New Timing Belt, New Water Pump, Just Serviced, Totally Reliable

**£300 ono**  
**07722 733226**

**MOT**

**£40 OR £30**

\*WHEN TAKEN WITH A MASTER SERVICE

formula one autocomres  
**HARROW HA1 3TU**  
**020 8904 0305**  
www.f1autocomres.com

For full terms, privacy policy and opt-out visit www.kilburntimes.co.uk. By responding to promotions, offers and competitions you agree that Kilburn Times and other Archant Ltd companies may contact you by post or SMS with services that may be of interest. You will not be charged for receiving SMS messages and you may opt out at any time by texting 'Stop' to the originating number. Please provide email details if you wish to receive offers by email.



## Appendix 6

### Impact Needs/Requirement Assessment Completion Form

<b>Department:</b> Regeneration and Major Projects.	<b>Person Responsible:</b> Sarah Chaudhry – Head of Strategic Property
<b>Service Area:</b> Property and Asset Management.	<b>Timescale for Equality Impact Assessment :</b>
<b>Date:</b> 11 December 2012	<b>Completion date:</b> 11 December 2012
<b>Name of service/policy/procedure/project etc:</b>  This is a transaction for the sale of the former Tokyngton Library, Monks Park, Wembley HA9 6JE.	<b>Is the service/policy/procedure/project etc:</b>  New <input checked="" type="checkbox"/> Y Old <input type="checkbox"/>
<b>Predictive</b> <input checked="" type="checkbox"/> Y <b>Retrospective</b> <input type="checkbox"/>	<b>Adverse impact</b> <input type="checkbox"/> <b>Not found</b> <input checked="" type="checkbox"/> Y <b>Found</b> <input type="checkbox"/> Service/policy/procedure/project etc, amended to stop or reduce adverse impact N/A Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Is there likely to be a differential impact on any group?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N	<b>Please state below: as no I haven't completed points 1 to 6.</b>
<b>1. Grounds of race: Ethnicity, nationality or national origin e.g. people of different ethnic backgrounds including Gypsies and Travellers and Refugees/ Asylum Seekers</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>2. Grounds of gender: Sex, marital status, transgendered people and people with caring responsibilities</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>3. Grounds of disability: Physical or sensory impairment, mental disability or learning disability</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>4. Grounds of faith or belief: Religion/faith including people who do not have a religion</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5. Grounds of sexual orientation: Lesbian, Gay and bisexual</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>6. Grounds of age: Older people, children and young People</b>  Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Consultation conducted</b> Yes <input type="checkbox"/> No <input type="checkbox"/>	
<b>Person responsible for arranging the review:</b> Sarah Chaudhry	<b>Person responsible for publishing results of Equality Impact Assessment: There will be no Equality Impact to society from this transaction.</b>
<b>Person responsible for monitoring:</b> Sarah Chaudhry	<b>Date results due to be published and where:</b> No results will be published
<b>Signed:</b> Sarah Chaudhry	<b>Date:</b> 11/12/12

## Impact Needs/Requirement Assessment Completion Form

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?

The sale of the former Tokyngton Library through an informal tender process. This building is empty, save for occupation by guardians for the purposes of providing security while the disposal process concludes. After a marketing process the Executive report recommends a sale of the subject site.

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

To sell the Council owned former Tokyngton Library site that will be surplus property.

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

Yes as anybody, regardless of age, creed, religion, sexuality, ethnicity and gender had an opportunity to bid for this property in an open and transparent way.

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?

The property will be sold, subject to the Executive Committee's approval. This has been an open and transparent method for the sale, all sections of society could bid to purchase the property in an open and transparent way. Ensuring there was no discrimination to any potential bidder and by any bidder.

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).

As detailed in the main report, the method of sale provided that the former Tokyngton Library site be extensively marketed, featuring website advertisements and the production of brochures. Prior to this there have been a series of Library Transformation Executive reports all of which were publically available that eventually suggested the sale of the former Tokyngton Library.

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)

There are no unmet needs or requirements that can be identified that could affect specific groups. Any group of ethnicity, sexual orientation, faith or age can make a bid for this property.

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?

I have not consulted externally as part of my assessment. Although through removal of public open space process adverts have been placed in the local press and no objections received.

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

No, because none has been undertaken.

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

This is not a function of policy.

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.

This is not a service or policy.

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?

## Impact Needs/Requirement Assessment Completion Form

N/A
13. What is the justification for taking these measures?
N/A
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.
I will be responsible for the monitoring progress of this sale.
15. What are your recommendations based on the conclusions and comments of this assessment?
That the Council be able move forward with this sale transaction as per the recommendation in the Executive report.
Should you:
1. Take any immediate action? No.
2. Develop equality objectives and targets based on the conclusions? No
3. Carry out further research? No
16. If equality objectives and targets need to be developed, please list them here.
N/A.
17. What will your resource allocation for action comprise of?
N/A

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

Signed by the manager undertaking the assessment:

Full name (in capitals please): SARAH CHAUDHRY


Date: 11/12/12

Service Area and position in the council: Head of Strategic Property.

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**

This page is intentionally left blank

	<p style="text-align: center;"><b>Executive</b> 11 February 2013</p> <p style="text-align: center;"><b>Report from the Director of Regeneration and Major Projects</b></p>
<p style="text-align: right;">Wards affected: Tokyngton</p>	
<p><b>Vivian Avenue - Covenant Deed of Release</b></p>	

NOT FOR PUBLICATION

Appendix 2 is exempt from publication under Schedule 12A(3) of the Local Government Act 1972 as this includes Information relating to the financial or business affairs of Network Housing Group

## **1.0 Summary**

- 1.1 Wembley District Council (the Council as successor in title) entered into a covenant with trustees of the Oakington Manor Estate not to develop open land at the rear of Vivian Avenue. Network Housing Group have secured a planning permission to develop the site for an extra care housing scheme for the frail elderly and have requested a deed of release from the covenant from the council. The benefits of new supported housing for the elderly, along with retention of part of the site for community allotments, are such that it is recommended that the council enter into such a deed.

## **2.0 Recommendations**

That Executive;

- 2.1 Agree to release the restrictive covenant on the Vivian Avenue site at a cost to the Network Housing Group set out in Appendix 2, subject to Network Housing Group paying any legal fees, and the council ensuring through

agreement that the land shall only be used for affordable housing as set out in Appendix 2.

### **3.0 Background**

- 3.1 In 1913 the Council (then as Wembley Urban District Council) entered into a deed with the owners and trustees of lands around Oakington Manor in Wembley. The owner and trustees covenanted with the council to lay out the lands of Oakington Manor as per agreed plans and also agreed to keep the land to the rear of 1-35 Vivian Avenue and the rear of 222-272 Harrow Road, 'unbuilt upon forever'.
- 3.2 This backland site was used for many years as a tennis club but has been abandoned for over twenty years and has become very overgrown; a club house remains standing on the eastern edge of the site. The council designated the site for housing use in its Site Specific Allocation's document (SSA25) providing that a majority of the site is kept in open use. The land is owned by Wembley Hill Sports and Social Club who have previously applied to develop the Vivian Avenue site on their own account over the past seven years. However, these proposals represented overdevelopment and failed to provide acceptable access to the site. Both planning applications were refused and appeals to the Planning Inspectorate dismissed.
- 3.3 Network Housing Group (NHG) exchanged contracts with the club for the purchase of the site and have secured planning permission (ref 12/2653) to develop the site for an Extra Care facility for the frail elderly, providing 40 self contained affordable rented flats in two blocks. The council will have 100% nomination rights to the scheme, ensuring Brent residents would benefit from the extra care accommodation, for which there is an increasing need in the borough and the provision of which forms part of the council's strategy to develop viable alternatives to residential care. The proposed development works well with NHG's adjacent sheltered housing scheme, Corsham House, and provides the vehicular access needed to develop this landlocked site through extension of the existing Corsham House access. The scheme also includes the provision of approximately 0.1 hectares of allotments which are proposed to be managed by a local residents association. Almost half the site is retained in open use (Appendix 1).
- 3.4 NHG's scheme is part of the 2011-15 affordable housing programme and a considerable amount of GLA housing grant and NHG balance sheet capacity will subsidise the scheme, as long as it can be completed by March 2015. This means that Network will need to get on site very soon and therefore need a speedy resolution to the covenant issue.

### **Release of Negative Covenants**

- 3.5 The council would normally treat the release of a negative covenant like any other landowner and seek to exploit its commercial value. The council could choose to seek to maximise its commercial value, however it is recommended that the council do not seek a significant payment for release of the deed in

this particular case, some of the reasons for this recommendation are set out in Appendix 2.

- 3.6 There are clear financial benefits to the council of affordable care schemes in the borough. If the council uses a housing association as opposed to a private extra care provider savings in care costs can be made. The proposed scheme would generate savings of between £200k and £420k per annum to the council in care costs. Should the scheme come forward in time to achieve completion by March 2015, the completion would also qualify for a New Homes Bonus, representing a further £60k+ payment to the council. The proposed scheme also yields a S106 contribution of £63k for local PCT support, sustainable transport, open space and sports and environmental improvements within the local area of the site. Moreover, the scheme may release council houses and flats than can be re-occupied by those households in housing need. The risk of loss of this site for development of a highly deliverable affordable extra care scheme and known associated benefits should be considered in the balance against the exploitation of the deed of covenant for potential commercial value.

#### **4.0 Legal Implications**

- 4.1 The covenant was made on 7<sup>th</sup> April 1913 with Wembley District Council the Council's statutory predecessor in its capacity as local authority as part of an estate management scheme .It is not clear from the extract comprised in the Land Registry charges register for the property whether there are any other beneficiary of the covenant .
- 4.2 The Council should take into account its fiduciary duty when deciding whether to release a covenant or on what basis a covenant would be released .
- 4.3 Many historic covenants are capable of being challenged usually by means of an application to the Lands Tribunal under the Law of Property Act 1925 to have it released so NHG could seek to get the covenant set aside and the Tribunal would need to consider whether compensation was payable . However this is a relatively long and often expensive process. The time this would take however means that NHG could not in all probability complete their scheme and therefore secure grant.

#### **5.0 Financial Implications**

- 5.1 It is normal practice to seek financial compensation for the release of a negative covenant that otherwise constrains the value of a site.
- 5.2 Confidential appendix 2 of this report sets out the sum that NHG have offered to pay the Council to release the covenant.
- 5.3 The proposed scheme would generate savings of between £200k and £420k per annum (from approx. 2015-16) to the council in care costs. Should the scheme come forward in time to achieve completion by March 2015, the

completion would also trigger a New Homes Bonus payment to the council of approximately £60k. The proposed scheme also yields a S106 contribution of £63k.

- 5.4 NHG have agree to re-imburse the Council for any legal fees incurred in releasing the covenant. Any other costs associated with releasing the covenant will be me by the RMP department.

## **6.0 Diversity Implications**

- 6.1 Any extra care scheme will be 100% wheelchair accessible.

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

- 7.1 None

## **Background Papers**

### **Contact Officers**

[Andrew.Donald@brent.gov.uk](mailto:Andrew.Donald@brent.gov.uk)

Director Regeneration & Major Projects

[Dave.Carroll@brent.gov.uk](mailto:Dave.Carroll@brent.gov.uk)

Head of New Initiatives

[Jonathan.Kay@brent.gov.uk](mailto:Jonathan.Kay@brent.gov.uk)

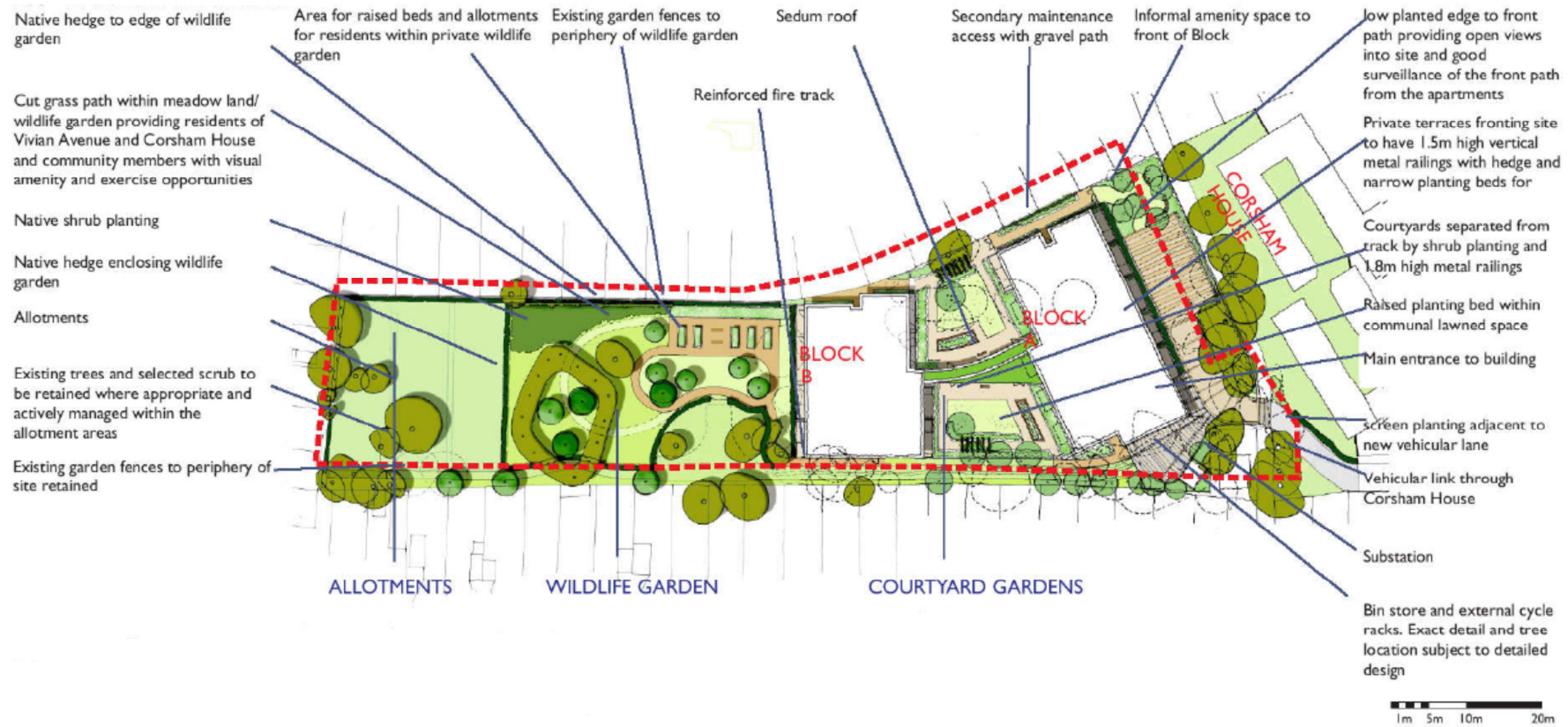
Development Manager

ANDREW DONALD

Director of Regeneration and Major Projects



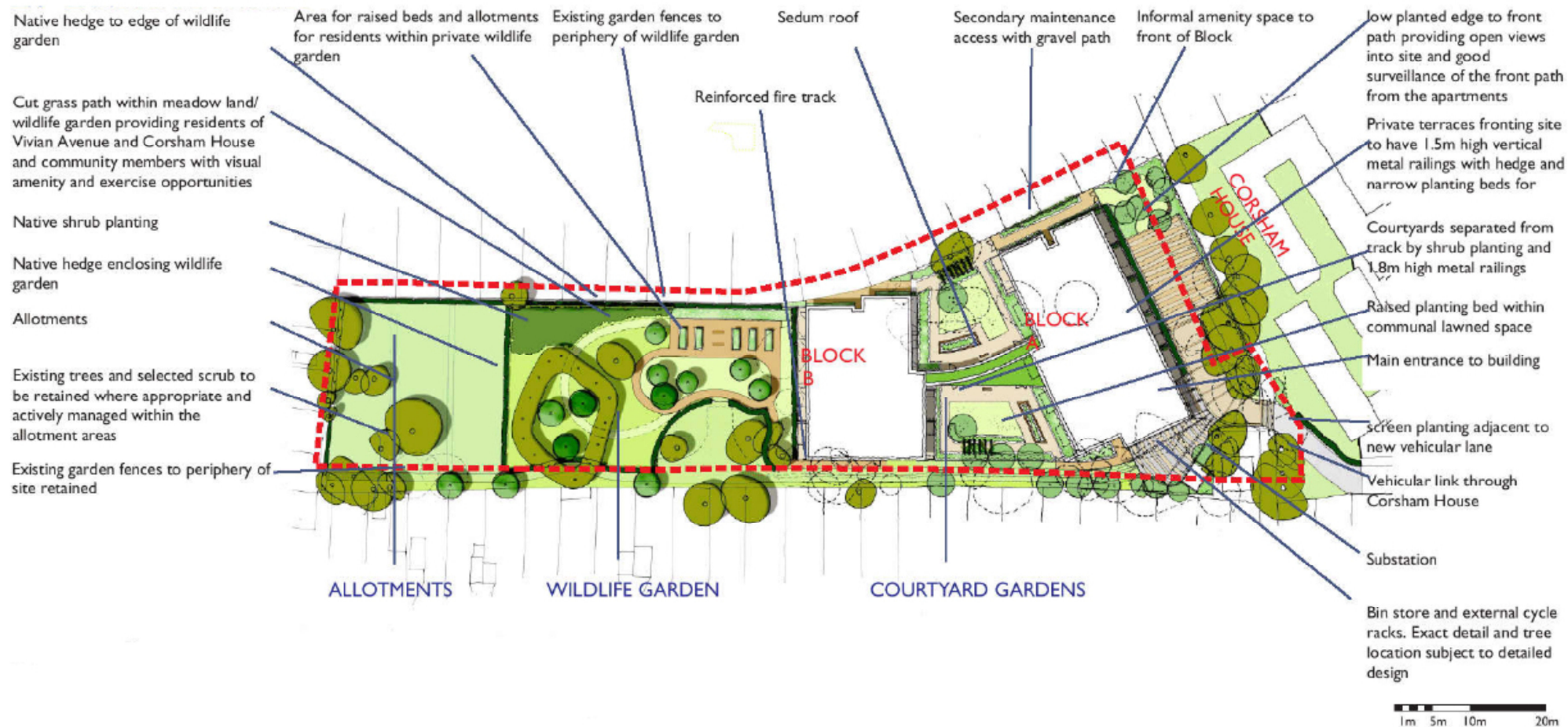
## Appendix 1 Scheme Layout






# Appendix 1 Scheme Layout

Page 249



This page is intentionally left blank

 <p>The logo of Brent Council, featuring a central coat of arms with a shield, a crown, and a banner, surrounded by the words 'BRENT' at the top and 'COUNCIL' at the bottom in a circular arrangement.</p>	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Director of Regeneration and Major Projects</b></p>
<p>Wards Affected: Wembley Central, Alperton, Preston</p>	
<p><b>Douglas Avenue Resource Centre disposal and Ashley Gardens Pavilion refurbishment - amendment to the capital programme</b></p>	

## 1.0 Summary

- 1.1 To amend the capital programme to enable the forward funding of refurbishment works at Ashley Gardens Pavilion, Ashley Gardens and agree to dispose of the freehold interest in the Douglas Avenue Resource Centre in order to repay the forward investment.

## 2.0 Recommendations

- 2.2 To amend the capital programme to include investment of up to £300k in the refurbishment of Ashley Gardens, Wembley HA9 8NP, and to fund this expenditure from the capital receipt arising from the sale of the Council's site at Douglas Avenue Resource Centre.
- 2.1 To delegate authority for the Assistant Director Regeneration and Major Projects (Property and Asset Management) to dispose of the freehold interest in the Douglas Avenue Resource Centre, Douglas Avenue, Wembley HA0 4DT.

## 3.0 Detail

- 3.1 The Brent Education Tuition Service (BETS) are required to vacate Gweneth Rickus Building (GRB) in order that the whole property can be vacated. All other services are being relocated from GRB as part of the Civic Centre relocation programme.
- 3.2 Brent Education Tuition Service (BETS) forms part of Brent's Alternative Education Service and contributes to the LA meeting its statutory responsibility under S 19 Education Act 1996 to provide suitable education for children who by reason of illness, exclusion or otherwise may not receive suitable education.

BETS operates on 3 sites: –

**Annexe 3, Gwenneth Rickus Building**, which comprises the management, administrative and staff base, as well as limited classroom space (in small groups) for up to 20 pupils

**Primary Pupil Referral Unit** which occupies the former Welsh School building on the site of Stonebridge School, and which has a capacity for providing full-time education for up to 8 permanently excluded pupils. It also offers provision for pupils on fixed-term exclusions of 6 or more days, and respite provision, when space permits.

**The Hospital Schoolroom** based at Northwick Park Hospital.

Historically, the service admits approx. 120 – 140 pupils over the course of an academic year, and at any one time will have approx. 60 pupils on its roll

The service caters for the widest range of pupil age (Yr 1 – Yr 12), and need, extending from terminally or otherwise sick or injured pupils, pregnant pupils, school refusers with diagnosed medical symptoms, to pupils with specific special needs awaiting placement in specialist provision, pupils with no school place with additional needs, and excluded pupils.

This service which requires the teaching of pupils cannot be accommodated in the Civic Centre

- 3.3 It is proposed that this service will move to the ground floor of the currently vacant former BACES building at Ashley Gardens Pavilion, Preston. In order to achieve this it is necessary to refurbish the building and these costs are estimated at up to £300k including fees. The building is generally in reasonable order but adaptation works to ensure compliance with health and safety and Ofsted, full internal and external redecoration, and IT cabling throughout. Further works are required to a sectional building providing space for 2 full sized classrooms erected approximately in the mid 70s which include full redecoration, replacement of windows, full rewiring, new windows.
- 3.2 Douglas Avenue Resource Centre is to be vacated by Children and Families in June 2013. The occupiers are staff from the Looked After Children's Team and are due to move to the Civic Centre.
- 3.2 This building has in the past been used as a children's nursery albeit for specialist functions outside the mainstream nursery provision.
- 3.3 The property shown on the attached plan (Appendix 1) is a mid 1970s single storey brick purpose built nursery type building on a site of about 1352 sq m (0.33 acre) which includes the access road. It is a back land site accessed along a narrow roadway. It has about 291 sq m of usable

building area and is in reasonable order. It is proposed that the building will be required to be offered for sale on the open market.

- 3.4 The property is located in a difficult back land site, the road serving the property is about 3.7m wide. Adjacent properties are 1930s traditional suburban housing. There maybe limited potential to erect a small housing infill development. There are however some garages to the left of the entrance where car repair has taken place in the past.
- 3.5 Disposal of the site as a nursery would probably achieve a sum in the order of £400k. As a development site assuming a relatively low density residential scheme as a backland site the value would be similar to the current existing use. There would probably be a reasonable demand for the building as it stands and therefore the intention would be to market it for nursery use albeit developers might consider that a subject to planning bid might be sufficiently attractive for the Council to explore this route.

#### **4.0 Financial Implications**

- 4.1 The capital programme will need to be amended to include provision for a sum of up to £300k for refurbishment works at Ashley Gardens Pavilion.
- 4.2 It is proposed that this expenditure will be funded from the capital receipt arising from the sale of Douglas Avenue in the order of £400k. Any remaining balance on the capital receipt will contribute towards the funding of the Council's Capital Programme.
- 4.3 An element of expenditure to be incurred at Ashley Gardens and the receipt of income arising from the sale of Douglas Avenue could fall into different financial years (2012/13 and 2013/14). If this is the case, there will be a requirement to meet expenditure from existing capital resources as part of closing of the accounts for 2012/13 until the capital receipt is available. It is likely that slippage in the capital programme will compensate for any cashflowing requirement on this schemes expenditure.
- 4.4 Savings associated with the vacating of GRB have been earmarked for utilisation in the Civic Centre Business Plan. As such there will be no revenue budget available for transfer to the Ashley Gardens site to meet premises costs. The BETS specific budget funded from the Dedicated Schools Grant currently includes provision to meet a service charge arising for the current accommodation at GRB which can potentially be utilised in the future to offset costs arising at the Ashley Gardens site. If there remains a balance of costs arising at Ashley Gardens these will have to be met from existing budgetary provision to avoid growth on the revenue budget.

#### **5.0 Legal Implications**

- 5.1 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtain (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable.
- 5.2 Disposals on the open market, either by way of auction or by way of appointing a marketing agent, will satisfy the best consideration requirement.

## **6.0 Diversity Implications**

- 6.1 INRA TO FOLLOW

## **7.0 Staffing/Accommodation Implications**

- 7.1 Staff from Douglas Avenue Resource Centre will be relocated to the Civic Centre, Wembley and those from Gwenneth Rickus Buildings (BETS Staff) to Ashley Gardens Pavilion. The School Improvement staff are to move to the Civic Centre.

### **Background Papers**

None

### **Contact Officers**

James Young 020 8937 1398  
Head of Assets and Valuation  
[James.young@brent.gov.uk](mailto:James.young@brent.gov.uk)

Sarah Chaudhry  
Head of Strategic Property  
0208 937 1705  
[Sarah.Chaudhry@brent.gov.uk](mailto:Sarah.Chaudhry@brent.gov.uk)  
LOCATION PLAN APPENDIX 1



# DOUGLAS AVENUE RESOURCE CENTRE



1:1250

Plan to stated scale if printed at A4.



© Crown copyright and database rights 2013 Ordnance Survey 100025260  
04 January 2013

This page is intentionally left blank



**Executive**  
11 February 2013

## **Report from the Director of Regeneration and Major Projects**

Wards Affected:  
Kilburn

### **Amendment to South Kilburn Regeneration progress update report**

#### **1.0 Summary**

- 1.1 This report seeks an amendment to the recommendations approved by the Executive on 15<sup>th</sup> October 2012 pertaining to Phase 3 of the South Kilburn regeneration programme which are required to further progress this phase. In the report to the Executive, 113 to 136 and 97 to 112 Carlton House and Peel Precinct were together defined as the 'Peel' redevelopment site. This definition of Peel **should not** have included 113 to 136 Carlton House (all numbers inclusive) and **should have** included 8 to 14 Neville Close (all numbers inclusive). This report seeks an amendment to the recommendations in relation to the Peel redevelopment site, to include 8 to 14 Neville Close and exclude 113 to 136 Carlton House.

#### **2.0 Recommendations**

- 2.1 That the Executive notes the definition of Peel in recommendation 2.15 of the Report to the Executive on 15<sup>th</sup> October 2012 **should not** have included 113 to 136 Carlton House (all numbers inclusive) and **should have** included 8 to 14 Neville Close (all numbers inclusive)
- 2.2 That the Executive is asked to approve the following recommendation to replace the recommendation that was set out in paragraph 2.15 of the report to the Executive on 15<sup>th</sup> October 2012:
- 2.15 That the Executive agrees to proceed with securing vacant possession of the properties within 8 to 14 Neville Close (all numbers inclusive), 97 to 112 Carlton House, Peel Precinct (together defined as "Peel") as identified edged red on Plan D and Hereford House and Exeter Court as identified edged red on Plan E at Appendix 1 (together with Peel defined as "Phase 3") through negotiation and private treaty and then, if

necessary, via possession proceedings based on Ground 10A in relation to the secure tenants and then the CPO for all other interests.

### **3.0 Detail**

- 3.1 Further to approval being given by the Executive on 15<sup>th</sup> October 2012 (Decision (xix)), demolition notices were served on or before 1<sup>st</sup> January 2013 on properties 97 to 112 Carlton House (all numbers inclusive), Peel Precinct, Hereford House and Exeter Court to suspend tenants' Rights to Buy in relation to secure tenancies.
- 3.2 Although Executive authority was also given to serve demolition notices on 113 to 136 Carlton House (all numbers inclusive); notices were not served on these properties as they are not yet due for redevelopment and were included in the report to the Executive in error.
- 3.3 This report seeks authority to amend the definition of "Peel" in recommendation 2.15 of the Report to the Executive on 15<sup>th</sup> October 2012 as it should not have included 113 to 136 Carlton House (all numbers inclusive) and should have included 8 to 14 Neville Close (all numbers inclusive). By amending the definition of "Peel" in recommendation 2.15 of the Report to the Executive on 15<sup>th</sup> October 2012 to include 8 to 14 Neville Close (all numbers inclusive), this will enable, inter alia, the service of demolition notices on 8 to 14 Neville Close (all numbers inclusive) to suspend tenants' Rights to Buy in relation to secure tenancies which have not previously been served.

### **4.0 Legal Implications**

- 4.1 There are no additional legal implications to those outlined in the report to the Executive dated 15<sup>th</sup> October 2012

### **5.0 Financial Implications**

- 5.1 There are no additional financial implications to those outlined in the report to the Executive dated 15<sup>th</sup> October 2012

### **6.0 Diversity Implications**

- 6.1 There are no additional diversity implications to those outlined in the report to the Executive dated 15<sup>th</sup> October 2012

### **7.0 Staffing/Accommodation Implications**

- 7.1 There are no additional staffing/accommodation implications to those outlined in the report to the Executive dated 15<sup>th</sup> October 2012

## **Background Papers**


Executive report of 15<sup>th</sup> October 2012

### **Contact Officer**

Abigail Stratford  
South Kilburn Programme Manager  
Tel: 0208 937 1026  
Email [abigail.stratford@brent.gov.uk](mailto:abigail.stratford@brent.gov.uk)

Andrew Donald  
Director of Regeneration and Major Projects

This page is intentionally left blank

	<p style="text-align: center;"><b>Executive</b> 11 February 2013</p> <p style="text-align: center;"><b>Report from the Director of Regeneration and Major Projects</b></p>
<p style="text-align: right;">Ward Affected: Tokyngton</p>	
<p><b>Pyramid House, Fourth Way, Wembley HA9 0LJ - lease extension</b></p>	

## 1.0 Summary

- 1.1 This report seeks to obtain authority to extend the lease at Pyramid House, Fourth Way, Wembley.

## 2.0 Recommendations

- 2.1 That the Executive approve the extension of the lease at Pyramid House on the terms stated below.
- 2.2 To authorise the Assistant Director Regeneration and Major Projects (Property & Asset Management) to agree such other terms as are considered to be in the best interest of the Council and to undertake capital repair works as appropriate.

## 3.0 Detail

- 3.1 Pyramid House, located on the Wembley Stadium Industrial Estate and shown on the attached location plan is occupied by the following Council services:
- Highways Operations,
  - Consumer & Business Protection (metrology laboratory and evidence store),
  - Apcoa Limited (A staff deployment base and local administrative office for the parking contractor)
  - The Council's vehicle pound.
- 3.2 The Parking use will end on 3 July 2013. This includes the vehicle pound. The use of the building for Brent Parking employees ended in 2012 and those staff

concerned are now based at Brent House. Whilst the identity of the new contractor is not yet known, and hence the new contractor's plans for transferring stocks of materials and seized vehicles are not yet clear; the most likely outcome is that all relocations will be complete by the end of July 2013.

- 3.3 The Highways use is to be partially out-sourced from April 2013. The functions that will remain in-house (graffiti, toilet & street furniture cleaning) will be co-located with Brent Transport Services at East Lane, Wembley from April 2013. The highways elements which are being outsourced (gully cleaning, sign making, event management) will relocate to the new contractors' premises by 1 April 2013. It is not yet clear what stock and equipment the contractor will seek to inherit and therefore the extension removes the risk in highways retendering of being left with substantial stock / equipment for disposal in a very short time.
- 3.4 The Consumer and Business Protection use, is a metrology laboratory and secure evidence store. The metrology lab is being relocated to the basement of the Civic Centre in summer 2013. Whilst the Civic Centre also includes a secure Divisional evidence store, it is too small to accommodate all the evidence typically held and will be used as a temporary holding / processing point for evidence just seized before transfer to a larger storage facility.
- 3.5 The current rent for Pyramid House is £185,000 per annum, with the lease due to expire on 30<sup>th</sup> April 2013. However the Council now needs to try and agree a short extension to this lease in order to allow for a reasonable transfer of service provision and relocation. The current lease is contracted outside the provisions of Part II of the security of tenure (1954 Landlord and Tenant Act) that applies to business tenancies. This means the Council has no automatic right of renewal of this lease and effectively enables the Landlord to take back possession of the lease at the end of the term should he so desire.
- 3.6 Brent has tendered the parking and enforcement contract and a new contract will commence 2 July 2013. Unlike the existing contract, which stipulates that Brent will provide an operating base for the contractor, the new contract specifies that the contractor will provide their own premises. The parking contract was originally planned to end on 3 July 2012 but has since been extended to 3 July 2013 hence the requirement to similarly extend the lease to ensure continuity of service provision from this site.
- 3.7 In addition, if we vacate in April 2013 the landlord proposes to undertake dilapidation works once Brent vacate. A terminal dilapidation notice has been served. Brent has been in the building for about 19 years. It is estimated that the landlords financial claim would be substantial to undertake the dilapidation works The lease extension will allow Brent a period of time to undertake repair and replacement in order to mitigate, as much as possible any potential dilapidation claim.
- 3.8 Therefore, following protracted negotiations the parties have agreed, in principle and subject to Executive and Board approval, to the requisite lease extension. The extension would be until 2 January 2014 at rent of £135,000 to



cover the period from 30<sup>th</sup> April 2013. This equates to a rent of £200,000 per annum and for Brent to undertake the dilapidation works.

#### **4.0 Financial Implications**

- 4.1 The funding budgets for this property are available to the 30 April 2013. The funding for the lease extension of £135,000 rent would be met from Parking account. There would also be limited other running costs relating to business rates £17,000 and minor costs of utilities which will also need to be met by the Parking Account. If the occupants don't vacate by 3 July 2013 and continue to use the property there will be business rates to pay currently costing about £8,500 per month.
- 4.2 The dilapidations payments and any capital repair works will be funded from the civic centre property reserve fund.
- 4.3 The property is an industrial building and therefore the occupier is entitled to empty business rates relief for 6 months.

#### **5.0 Legal Implications**

- 5.1 The Council has power to acquire land or premises used for the purposes of any of their functions by virtue of section 120 Local Government Act 1972.

#### **6.0 Diversity Implications**

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

#### **7.0 Staffing/Accommodation Implications**

- 7.1 None.

The report has the following attachments:

- Appendix 1 – location plan

#### **CONTACT OFFICERS**

James Young, Head of Assets and Valuation

020 8937 1398

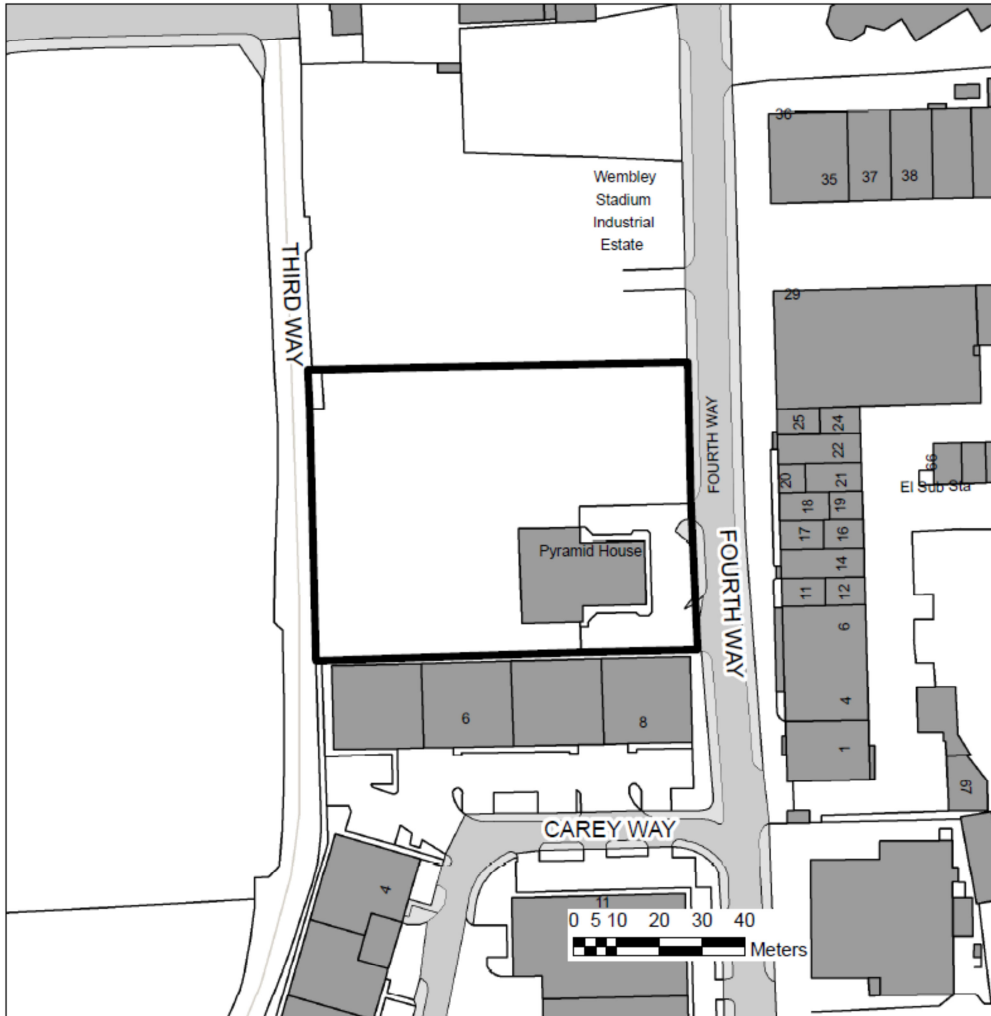
[James.young@brent.gov.uk](mailto:James.young@brent.gov.uk)

**Andrew Donald**

**Director of Regeneration and Major Projects**

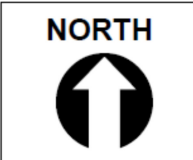
**EXECUTIVE COMMITTEE**

**Pyramid House & Car Pound,  
Fourth Way, Wembley HA9 0LH.**




**Premises shown outlined black.**

**Plan for information purposes only.**



Reproduced from Ordnance Survey mapping data with the permission of the Controller of Her Majesty's Stationery Office (c) Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. London Borough of Brent, 100025260, 2010

	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Director of Regeneration and Major Projects</b></p>
Wards affected: Dollis Hill	
<p><b>Coles Green Court Redevelopment</b></p>	

**Not for publication**

Appendices 3, 4 and 5 are exempt from publication under Schedule 12A(1,2,3) of the Local Government Act 1972 as they include Information relating to individuals and likely to reveal the identity of individuals, and information relating to the financial or business affairs of a particular person (including the authority holding that information)"

**1.0 Summary**

1.1 This report concerns the redevelopment of Coles Green Court by Network Housing Group and seeks approval to make a Compulsory Purchase Order to acquire leaseholder interests and other relevant interests at Coles Green Court and authority to take all necessary steps to acquire said interests.

**2.0 Recommendations**

Executive,

2.1 Note the background to Network Housing Group's redevelopment proposals for Coles Green Court and Network's endeavours to negotiate acquisition of leaseholder interests at Coles Green Court.

2.2 Subject to Network Housing Group underwriting all costs of such CPO action, authorise the

Making of a Compulsory Purchase Order (CPO) to acquire leaseholder interests and other relevant legal interests in the land which for identification purposes are shown edged red on the plan attached to this report at Appendix 1 ("the CPO Land") under Section 226(1)(a) of the Town and Country Planning Act 1990, to facilitate the carrying out of redevelopment scheme

("the Scheme") and any new rights in the CPO Land which may be required under section 13 of the Local Government (Miscellaneous Provisions) Act 1976.

- 2.3 Submission of the CPO, once made, to the Secretary of State for confirmation, whilst Network Housing Group at the same time seek to acquire the land by private negotiated treaty.
- 2.4 Making of one or more general vesting declaration or service of Notice to Treat and Notice 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, if determined by the Director of Regeneration & Major Projects on the advice of the Director of Legal & Procurement Services, as necessary in order to implement the CPO.
- 2.5 Acquisition (either pursuant to the CPO or by agreement) of the CPO Land by the Council from its owners once the CPO has been confirmed, subject to all costs in connection therewith indemnified and paid by Network Housing Group.
- 2.6 Director of Regeneration & 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 CPO, where such agreements are appropriate
- 2.7 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
- 2.8 Director of Regeneration & Major Projects 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)
- 2.9 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
- 2.10 Director of Regeneration & 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.

### **3.0 Summary**

Coles Green Court is an existing Network Housing Group block of 32 flats (27 x 2 bed and 5 x 3 bed flats) located in the Dollis Hill ward. The block was constructed in the 1930s and modernised in the 1980s. At the rear of the

existing building, there is a large area of open ground and car parking, with 17 unused garages arranged on the western boundary.

In 2009, increasing housing and asset management issues, together with high levels of resident dissatisfaction, prompted Network Housing Group to undertake an options appraisal on Coles Green Court in consultation with residents and the Council. Network Housing Group decided to progress redevelopment of Coles Green Court, submit a planning application to that effect and pursue negotiations to purchase four leasehold interests.

Planning permission for demolition of Coles Green Court and development of 34 flats and 4 houses was granted in June 2012 and Network have a funding allocation to deliver the scheme under the GLA Affordable Homes Programme, Tenants are currently being decanted, however negotiations to acquire three non-resident leasehold interests have, so far, failed. Given the building is at the end of its' useful life and redevelopment will improve the economic, social and environmental well being of the area, officers recommend a Compulsory Purchase Order be made and pursued to acquire the outstanding leasehold interests and all other relevant legal interests at Coles Green Court.

### **3.1 Existing Building & Grounds**

3.1.1 Coles Green Court is in an unacceptable state of repair with all properties failing the Decent Homes Standard. Network Housing Group report that there have been 362 recorded repairs carried out at the building since March 2010, that is, an average of 13 per property. A number of these repairs were stated to relate to the leaking roof, failing electrics, failing water tanks, mould and damp, old kitchens and bathrooms. Repairs carried out on the leaking roof, water pumps and damp patches were stated to not have resolved underlying failings and, for the last 5 years, there is evidence that the roof has leaked and caused considerable damage to homes below. The water pumps were stated to have also failed on a number of occasions in recent years and require complete overhaul. Network also report that environmental and energy performance Standard Assessment Procedure (SAP) ratings on these properties also fall well short of affordable warmth targets and residents have reported very high fuel bills. In 2010 Network Housing Group's Director of Asset Management estimated that all homes are Housing Health & Safety Rating System (HHSRS) class 1 rated, which meant that Network risks being served with notices on all of the homes in Coles Green Court under the Housing Act 2004.

3.1.2 Many of the flats at Coles Green Court are seen to experience severe problems with damp and black mould. Over the years, Network Housing Group have taken remedial measures such as installing ventilation systems, which have been effective in removing the smell associated with the damp, but not in combating the damp and mould. The two root causes of the damp were reported to be underlying structural failings: the first being penetrating water from the leaking roof, the second resulting from the single skin brick

construction of the building, which lacks any other form of insulation. In 2012 the condition of the roof was so poor, and the problems it was giving rise to for residents so acute, that even though Network had decided to redevelop Coles Green Court (see section 3.2 below) extensive repairs to the roof were undertaken. There, however, remain numerous problems with the building.

- 3.1.3 In January 2013, Network Housing Group undertook a further condition survey on Coles Green Court at the request of the Council (Appendix 2) which details a number of serious issues, including now severe flooding to the basement, fire escape and fire door risks and poor SAP ratings, which result in high failure against the HHSRS.
- 3.1.3 Coles Green Court is badly designed. Residential space standards and layouts are poor. 2 bedroom 3 person flats have second bedrooms that provide less than 6m<sup>2</sup> of space and some bedrooms are accessed via other bedrooms or lounge areas. Some kitchens have 3 access doors (1 fire escape, 1 store cupboard, 1 hallway) which limit the amount of usable surfaces for cupboard space and everyday items such as fridge freezers or tumble dryers. Network Housing Group report that this shortfall in design has resulted in residents' belongings spilling out on to rear external fire escapes, creating a health and safety risk in the event of a fire.
- 3.1.4 Communal areas are also problematic. In particular, the garage area is not overlooked by any other buildings and as a consequence Network Housing Group report that the area has become a focus for low level ASB such as fly tipping that is proving difficult to combat, without resorting to costly interventions. Old communal entrance doors, delicate intercoms and fragile back doors fail to provide adequate security to the building and as a result Network Housing Group housing management have received a number of reports of attempted and successful break-ins. The bin area is also stated to be poorly designed and subject to fly tipping, which has pushed up service charges.
- 3.1.5 Resident dissatisfaction has consequentially been high at Coles Green Court. As at March 2010, Network Housing Group report 11 of the 28 tenants living at Coles Green Court had formally registered for transfer from the scheme, compared with a 6% transfer registration rate across Network's wider stock base. Costs for repairs and void loss are also disproportionately high.
- 3.1.7 The Council's Environmental Health Department has received a number of enquiries regarding Coles Green Court, however only twenty records have been found, the earliest dated 1994. The bulk refer to noise, however complaints regarding damp, fly tipping and rodents are noteworthy.

## 3.2 Network Housing Group Options Appraisal

3.2.1 The final results of the Network Housing Group options appraisal on Coles Green Court were presented to their Scheme Risk Appraisal Panel in March 2010 (Appendix 3).

- Option 1: Minimum repairs and refurbishment: bring the properties up to Decent Homes Standard and make good the communal areas, including replacing the roof, entry-phone systems, communal doors, water pumps and tanks, bin stores, making safe the 17 garages, repairs to the boundary brick wall and cyclical redecorations.
- Option 2: Redesign and refurbishment: including additional 2 new floors, and extension of the back of the building, to provide 16 extra homes, additional three lifts, cycle storage and increased parking levels.
- Option 3: Comprehensive redevelopment: demolition of Coles Green Court and redevelopment to provide 45 residential units.

3.2.2 Network Housing Group rejected Option 1 on the basis that minimum repairs and refurbishment would fail to address the issues of poor layouts and space standards and that a more fundamental intervention would be required to produce sustainable homes that meet modern day requirements. Additionally, Network Housing Group felt that the opportunity would be missed to provide new family homes on land they own, and which is currently underused and giving rise to anti-social behaviour.

3.2.3 Network Housing Group also rejected Option 2 due to a number of concerns:

- The refurbishment scheme introduces an element of 1 bed affordable rented housing which is not a priority local housing need.
- Remodelled homes would still lack their own private amenity space.
- Family homes would be located above 4<sup>th</sup> floor.
- Introduction of three lifts would push up service charge.
- There would still be a good deal of underutilised space and a number of unresolved issues such as the location of refuse facilities and heating and power systems.
- Refurbishment costs were estimated to be similar to those associated with redevelopment, but with redevelopment providing a higher standard of residential accommodation.

3.2.4 Network Housing Group selected Option 3, redevelopment, as the preferred option. Redevelopment was considered to provide the more rational design and better value for money solutions, and the best approach to addressing the problems at Coles Green Court. Additionally, redevelopment was seen as an opportunity to make more efficient use of the land at Coles Green Court, with an increase in the amount of residential accommodation on the site allowing for the introduction of larger family accommodation, as well as the introduction of a greater mix of tenures on the scheme.

3.2.5 Network Housing Group submitted a full planning application in April 2012 (ref. 12/0871) to demolish Coles Green Court and the ancillary garages, and redevelop the site for 34 flats and 4 houses. Planning Committee decided to grant permission 20<sup>th</sup> June 2012. Network also secured funding under the GLA Affordable Housing Programme 2011-15 to deliver the scheme.

3.2.6 Network Housing Group subsequently started to decant tenants in August 2012 and to date 20 of the 28 tenants have moved out of Coles Green Court, with all 8 remaining tenants under offer (Appendix 5). Network will invite their tenants to express any interest in returning to the redeveloped Coles Green Court, however Network cannot provide a guarantee and their tenants have no right to return.

### **3.3 Leasehold Interests at Coles Green Court**

3.3.1 Network Housing Group made initial offers to the four leasehold interests in May 2009 in an attempt to agree terms on the basis of valuation advice from GL Hearn, plus an allowance equivalent to statutory compensation through disturbance entitlements. Network continued to correspond with leaseholders in an effort to acquire the properties and further valuation advice was sought in 2010 and 2012. Network's most recent offers to leaseholders were made in December 2012.

3.3.2 To date, Network Housing Group have been successful in agreeing terms and completing the acquisition of one leaseholder. The remaining three leaseholders are non-resident leaseholders, who are renting out their flats, Network are establishing the status of the residents occupying these flats.

Of the three remaining non-resident leaseholders:

- (1) one leasehold flat is occupied under a licence to Brent Council which can be terminated within 28 days by either party;
- (2) one leasehold flat is occupied by secure tenant who are protected by the Rent Act 1977. Network state that they are actively working with the leaseholder and tenant of the flat to find alternative accommodation for said tenant.
- (3) one leasehold flat is vacant.

3.3.3 Network Housing Group are committed to continuing to negotiate with the three remaining leaseholders and are prepared to offer equivalent to the Open Market Valuation (OMV) of the properties, plus an additional 7.5% of OMV, plus valuation and legal costs for disposal. However, given that the latest offers from Network have been rejected, Network take the not unreasonable view that a negotiated settlement may not be reached with leaseholders who may be seeking to extract an excessive value for their flats. In these circumstances, Network Housing Group have asked for the Council to use their Compulsory Purchase Order powers to acquire the leaseholder interests and other relevant interests at Coles Green Court. Further details on the status of the Coles Green Court leasehold properties are appended to this report (Appendix 4).



3.3.4 Network Housing Group own all the garages at Coles Green Court and state that all licences for use by tenants at Coles Green Court have now been extinguished.

### **3.4 Case for Compulsory Purchase Order (CPO)**

3.4.1 Circular 06/2004 issued by the Office of The Deputy Prime Minister states that a CPO should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a CPO sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.

3.4.2 Officers propose a CPO be made to acquire leaseholder interests and all other relevant legal interests at Coles Green Court under Section 226(1)(a) of the Town and Country Planning Act 1990 on the basis that redevelopment of the scheme will improve the economic, social and environmental well being of the area.

3.4.3 As outlined above, Coles Green Court is at the end of its' useful life. Accommodation fails to meet Decent Homes Standards and does not meet the statutory health and safety rating system standards, but is also badly designed in terms of space standards, internal layouts, communal areas and in lacking dedicated private amenity space. Underlying structural failings, specifically the leaking roof and single skin brick construction, have lead to damp, mould and associated problems, which result in repeated reactive repairs. The inherent poor design of the properties and communal areas has also created housing management and anti-social behaviour problems, which have had negative impacts on the quality of life of residents at Coles Green Court.

3.4.4 Redevelopment offers both the more rational design and the better value for money solutions, and is considered the best approach to addressing the problems at Coles Green Court. Redevelopment will not only provide housing that meets current standards, but also provide the opportunity to make better and more efficient use of the land at Coles Green Court. Network Housing Group's permitted scheme would increase the number of homes on the site, and include the introduction of larger 4 bedroom affordable family accommodation for which there is a pressing need in the borough. Moreover, the scheme allows for the introduction of a greater mix of tenures, which is considered supportive of regeneration objectives to create more balanced and sustainable communities. The Council will have 100% nomination rights to the new affordable rented properties.

UNIT TYPE	TOTAL				AFFORDABLE RENT				INTERMEDIATE				PRIVATE			
	No. Units	Hab Rms	People	W/C	No. Units	Hab Rms	People	W/C	No. Units	Hab Rms	People	W/C	No. Units	Hab Rms	People	W/C
1B [2P]*	8	16	16	4	0	0	0		5	10	10	2	3	6	6	2
2B [4P]*	20	60	80		4	12	16		8	24	32		8	24	32	
3B [5P]	6	30	30		6	30	30		0	0	0		0	0	0	
4B [7P] HOUSE	4	24	28		4	24	28		0	0	0		0	0	0	
<b>TOTAL</b>	<b>38</b>	<b>130</b>	<b>154</b>	<b>4</b>	<b>14</b>	<b>66</b>	<b>74</b>		<b>13</b>	<b>34</b>	<b>42</b>	<b>2</b>	<b>11</b>	<b>30</b>	<b>38</b>	<b>2</b>
<b>TENURE SPLIT (by hab room)</b>					51%				26%				23%			

- 3.4.5 Notwithstanding the remaining leaseholder interests, the scheme is in all other respects deliverable, with Network having secured GLA funding to deliver the affordable housing element of the proposed scheme under the Affordable Homes Programme, to be completed by March 2015. Should the process of acquiring the remaining leaseholders impact timescales such that delivery under the Affordable Homes Programme 2011-15 is not feasible, Network are in any case committed to funding the redevelopment of Coles Green Court through their reserves.
- 3.4.6 The redevelopment of poor quality and badly designed housing for a new build housing scheme, which meets modern standards and which will increase the amount and improve the mix of housing on a currently under utilised site, will improve the social, environmental and economic well being of the area and is considered sufficient justification for interfering with the human rights of those with an interest in the CPO Land.
- 3.4.7 Circular 06/2004 also states that before embarking on compulsory purchase, and throughout the preparation and procedural stages, acquiring authorities should seek to acquire land by negotiation wherever practicable. The compulsory purchase of land is intended as a last resort in the event that attempts to acquire by agreement fail.
- 3.4.8 Network Housing Group have been in negotiation with leaseholders at Coles Green Court since 2009 and are committed to continue that negotiation throughout the proposed CPO process. Compulsory purchase is seen very much as a last resort, and will be used only if and when all reasonable endeavours to reach an agreement with leaseholders have failed.
- 3.4.9 Circular 06/2004 also requires acquiring authorities, in demonstrating that there is a reasonable prospect of the scheme going ahead, to show that the scheme is unlikely to be blocked by any impediments to implementation. Officers take the view that this is the case at Coles Green Court:
- Full planning permission (ref. 12/0871) for redevelopment was granted by Planning Committee 20<sup>th</sup> June 2012, with the S106 Agreement and Decision Notice signed 2<sup>nd</sup> July 2012.
  - Resources: Network Housing Group have secured GLA funding to deliver the affordable housing element of the proposed scheme under the Affordable Homes Programme 2011-15. Private finance will be raised on the security of the rental income and receipts generated from the private sale units. Network Housing Group are committed to the redevelopment of

Coles Green Court, irrespective of the grant allocation, and will fund the redevelopment from reserves if required.

- Period for completing development: Network Housing Group have confirmed that they will complete redevelopment of Coles Green Court within 3 years of the date of acquisition of the CPO Land as normally required by the Secretary of State.

#### **4.0 Legal Implications**

4.1 The Council has power to make a compulsory purchase order under section 226(1)(a) of the Town and Country Planning Act 1990 if it thinks that the acquisition will “facilitate the carrying out of development, redevelopment or improvement or in relation to the land”. Under section 226(1)(a) the Council must not exercise the power under sub paragraph (a) unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic wellbeing of their area; (b) the promotion or improvement of the social wellbeing of their area; (c) the promotion or improvement of the environmental wellbeing of their area.

4.2 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling public interest to do so. Para. 17 of Part 1 of the Memorandum to ODPM Circular 06/2004 states:

*“A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.”*

For the reasons set out in this report it is considered that there is such a compelling case for properties and that the public interest requires that the order be made in order to carry through the necessary redevelopment of the CPO Land.

4.3 Further, in making the order there should be no impediments to its eventual implementation. Para’s 22 and 23 of Part 1 of the Memorandum to ODPM Circular 06/2004 advise (in part):

*“22. In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure accommodation works or remedial work which may be required, and any need for planning permission or other consent or license. Where planning*

*permission will be required for the scheme, and has not been granted, there should be no obvious reason why it might be withheld...*

Members will note in section 3.4.8 that Network Housing Group have full planning permission for the redevelopment of Coles Green Court, as well as the resources and commitment to do so.

4.4 It is necessary to consider the human rights implications of making CPOs. The Convention Rights applicable to the making of any CPO orders are Articles, 6 and 8 and Articles 1 of the First Protocol. The position is summarised in para. 17 of Part 1 of the Memorandum to ODPM Circular 06/2004.

4.5 Article 6 provides that:

*“In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law”*

4.6 All those affected by the Orders will be informed and will have the right to make representations to the Secretary of State and to be heard at a Public Inquiry. Those directly affected by the Order will also be entitled to compensation for any losses that they may incur as a result of the acquisition.

4.7 Article 1 of the First Protocol states that:

*“Every natural or legal person is entitled to peaceful enjoyment of his possessions” and “(n)o one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law....”*

4.8 Whilst occupiers and owners will be deprived of their property if an Order is confirmed, this will be done in accordance with the law. It is being done in the public interest as required by Article 1 of the First Protocol. The reasons for this are set out in this Report

4.9 Members need to ensure that there is a reasonable prospect of the Scheme underpinning the CPO proceeding. This is addressed in paragraph 3.4.8 above

4.10 The consequences of abandoning a confirmed CPO depends on:

- (a) whether a notice to treat or entry has been served on the owner of the land or not; and
- (b) whether the Council has entered the land following the service of the notice or made a General Vesting Declaration in respect of the land.

- 4.11 The passing of a resolution to make a CPO does not trigger the right to serve a blight notice. However, residential occupiers could claim blight after a CPO has been submitted to the Secretary of State for confirmation and notices have been served on owners and occupiers.
- 4.12 If the CPO is not acted upon at all, then no compensation is payable. Where notice to treat and entry have been served, and then not acted upon, the Council is under an obligation to inform the owner of the withdrawal of the notices or expiry as the case may be (as notice to treat has a life span of three years from date of service) and will be liable to pay compensation to the owner for all losses and expenses occasioned to him by the giving of the notice and its ceasing to have effect. The amount of compensation shall in default of agreement be assessed by the Lands Tribunal. Interest is payable on the compensation.
- 4.13 The acquisition procedure is governed by the Acquisition of Land Act 1981, the Compulsory Purchase of Land Regulations 2004 and the Compulsory Purchase of Land (Vesting Declarations) Regulations 1990.
- 4.14 The CPO must be advertised locally and copies served on any owners, lessees, tenants (whatever the tenancy period), occupiers, all persons interested in, or having power to sell and convey or release, the land subject to the CPO. In addition the CPO must be served on persons whose land is not acquired under the CPO but nevertheless may have a claim for injurious affection under Section 10 of the Compulsory Purchase Act 1965, such as owners of rights of access to and from the public highway, easements and covenants that are affected by the CPO. Officers will prepare a detailed Statement of Reasons setting out the justification for compulsory acquisition. This statement will cover all the issues set out in this Report.
- 4.15 If any duly made objections are not withdrawn, the Secretary of State must hold an Inquiry and consider the conclusions and recommendations of the Inspector before confirming the Order.
- 4.16 Before and during the compulsory acquisition process, the Council requires Network Housing Group to continue the process of seeking to acquire the properties sought by negotiation and private agreement: see Part 1 of the Memorandum to Circular 06/2004 Paras. 24 and 25. Para. 25 notes that “undertaking informal negotiations in parallel with making preparations for a compulsory purchase order can help to build up a good working relationship with those whose interests are affected by showing that the authority is willing to be open and to treat their concerns with respect...”.
- 4.17 Any dispute as to the amount of compensation to be paid is referred to the Lands Tribunal for determination.

## **5.0 Financial Implications**

Network Housing Group have agreed to underwrite all Council costs, which will predominantly be legal costs, but also administrative, and the acquisition of any of the leasehold interests at Coles Green Court. Network Housing Group will sign an indemnity agreement to that effect. As such there will be no financial impact on the Council.

## **6.0 Diversity Implications**

The proposed redevelopment of Coles Green Court will provide homes which are designed to meet Lifetime Homes, allowing adaptability for future needs, and include four homes which are easily adaptable to full wheelchair use.

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

There are no specific staffing implications arising from this report.

### **Background Papers**

None

### **Contact Officers**

[Jonathan.Kay@brent.gov.uk](mailto:Jonathan.Kay@brent.gov.uk)

Development Manager

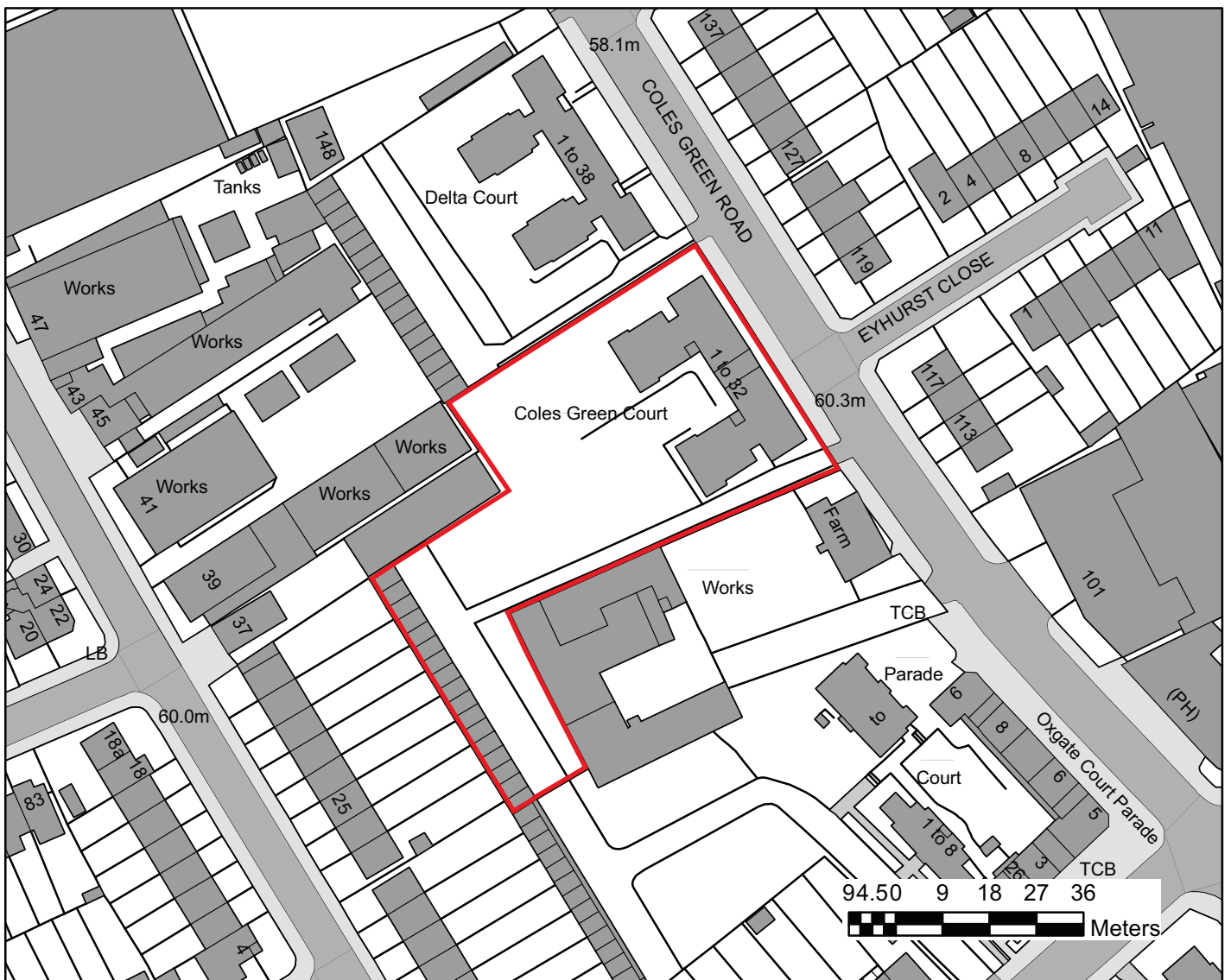
[Andrew.Donald@brent.gov.uk](mailto:Andrew.Donald@brent.gov.uk)

Director of Regeneration & Major Projects

**Andrew Donald**

**Director of Regeneration and Major Projects**

# Compulsory Purchase Order. 1-32 & garages rear of Coles Green Court, Coles Green Road, London, NW2 as comprised in Registered Title Number NGL67120.

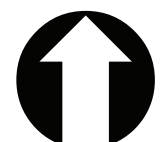


**Premises shown outlined red.**

**1:1,250**

Plan to stated scale if printed at A4.

**NORTH**



PSMA OS copyright statement

© Crown copyright and database rights 2013 Ordnance Survey 100025260

OS Open data copyright statement:

Contains Ordnance Survey data © Crown copyright and database right 2013

This page is intentionally left blank



**COLES GREEN COURT**

**CONDITION REPORT FOLLOWING SITE VISIT ON FRIDAY 4 JANUARY 2013**

**INTRODUCTION**

I visited the block with Tim Goodwin on 4 January 2013. Anthony Moore was in attendance for part of the visit.

The weather was fair with a temperature of approximately 10 degrees centigrade. There was a brisk wind.

The visit was for the purpose of establishing the general condition of the building and confirming that the building should be demolished.

**THE SURVEY - DWELLINGS**

In assessing the condition of the block, due consideration has been made to the Housing Health and Safety Rating System. Scoring has not been carried out but reference is made to the hazards.

Several properties were accessed. They share common problems.

**Group C – Protection against Infection**

**Domestic Hygiene, Pets and Refuse; Personal Hygiene, Sanitation and Drainage; Water Supply for Domestic Purposes**

Most of the flats will require a full internal refurbishment with kitchen, bathroom, front door, electrical and heating upgrade, etc. This is essential to provide good sanitation and comfort for residents.

There is severe flooding to the basement of the block. This appears to have been occurring for some time. A sump pump is installed but has ceased to operate.

This requires extensive intrusive investigation from a specialist to determine the damage to the building and the extent of the remedial work required.

In addition this type of work to the underbuilding and foundations of a building are likely to require a full decant of the building due to the likely results of the risk assessment that would be undertaken.

This flooding has been taking place over several years and it is likely that there will be a significant cost associated with survey, underpinning, re-building, drying out, protection, and management and re-location of residents.

It is difficult to place an estimate on this work but it could be between £100K and £500K.

The cold water supply to the flats is on the external face of the block. This regularly freezes in winter leading to loss of water supply. This requires intrusive works to redirect the supplies via the internal of the properties.

The dis-use of the garages has resulted in residents parking on the rear grassed area. This has created fly tipping issues and anti-social behaviour. This creates a feeling of dereliction and overcrowding.

## **Group D – Protection against Accidents**

### **Fire; Falls Associated with Stairs and Steps; Structural Collapse and Failing Elements**

The internal layout of the properties created emergency escape issues in the event of a fire. Two steel staircases have been installed to the block. These facilitate the escape from the building via a new door opening in the kitchen. The staircase is not maintained. In addition there are no fire doors in the properties and this would create a severe risk in the event of a fire. Residents may not be able to be protected long enough to reach one of the fire escapes, or for the rescue services to reach them in the event of a fire.

This requires significant internal re-modelling to most of the flats. This can not be estimated at present as it is likely to lead to major structural works throughout the block.

This long-term flooding is likely to have created severe issues with the under building and foundations. This could lead to issues with the structural integrity of the building.

Whilst the windows are in reasonable condition it is apparent that the mechanisms are failing. This may result in full window replacement if the mechanisms cannot be readily replaced. Estimate for replacement is £250K.

The building fabric will require refurbishment. There are areas of brick efflorescence, pointing failure that will require to be addressed.

There is a block of approximately 17 garages at the far rear of the site that are past repair. These require demolishing and rebuilding. This would cost circa £150K - £200K.

The area of ground and at the rear of the site requires to be landscaped. Cost is circa £25K.

## **Group A = Psychological Requirements**

### **Excess Cold**

The properties suffer from poor SAP ratings leading to discomfort for residents and increased fuel costs. This would require the thermal conductivity of the external walls, roof and floors to be addressed.

## **Group B = Psychological Requirements**

### **Crowding and Space; Noise**

The current properties are poorly laid out resulting in lack of space for accommodation, installation of white goods, and lack of storage.

Residents have complained about extensive noise transfer throughout the block. This is difficult to eradicate without extensive rebuilding of floors and partitions.

## **SUMMARY**

It can be seen that this block suffers from a number of serious issues that result in high failure against the HHSRS and other Housing Legislation. Networks Stadium should not house any residents in this block until these defects are rectified, or should proceed with the development or demolition of the block.

G Coia

Appendix 1 Photographs of Coles Green Court

Appendix :

1. External Fire Escapes



2. Basement



### 3. Internal Arrangement:

- Kitchens



- Bedrooms accessed through Living Room



#### 4. Bathrooms



#### 5. External Walls of Flats




## 6. Rear Garage Area



This page is intentionally left blank



	<p><b>Executive</b> <b>11 February 2013</b></p>
<p><b>Report from the Director of Strategy, Partnerships and Improvement</b></p>	
<p>Wards Affected: All</p>	
<p><b>Voluntary Sector Initiative Fund Themed Grant Round 2013 - 2016</b></p>	

## 1.0 Summary

This report seeks agreement to grant fund 14 projects led by voluntary organisations for three years, subject to performance, following assessment of the round 2 of bids for grant funding against the criteria set by the Executive in January 2012.

## 2.0 Recommendations

Members are asked to:

- 2.1 note the summary of recommendations in Appendix 1 to this report, individual assessment reports set out in Appendix 2 and the Grant Criteria and Standard Conditions of Grant Aid set out in Appendix 3a.
- 2.2 agree the voluntary sector led projects and grant funding allocations as set out and proposed in paragraph 4.9 of this report which will run between 1<sup>st</sup> April 2013 and 31<sup>st</sup> March 2016
- 2.3 agree to rounds of smaller one year grants of up to £10k in 2013, 2014 and 2015 within the existing budget, as set out in paragraph 4.13 of this report, and to delegate authority to the Director of Strategy, Partnerships and Improvement in consultation with the leader, to make the decisions on the award of such one year grants, given the very small budget.
- 2.4 agree the amendments to the grant terms and conditions appended at appendix 3b and outlined in paragraph 4.15 of this report for application to all projects funded through the Voluntary Sector Initiative Fund.
- 2.5. note that all grant funding allocations are subject to the Council's Grant Conditions and that where a bid is agreed, the organisation will sign an agreement with the

Council, stating the purpose of the grant and expected outcomes before funding is released

- 2.6 note that in cases where an organisation either declines their grant during the funding period or the grant is withdrawn for performance reasons, that the Executive agreed at its meeting of January 2012 that the decision to reallocate such grant monies within the fund is delegated to the Director of Strategy, Partnerships and Improvement.

### 3.0 Context

#### Voluntary Sector Initiative Fund

- 3.1 In January 2012 the Executive agreed to the creation of a 'Voluntary Sector Initiative Fund' combining existing 'Main Programme Grant' and 'Advice' budgets. The funding is now allocated to the following streams: (i) themed grant funding including the round for which this paper seeks a decision, (ii) infrastructure support to enhance the capacity of the voluntary sector and (iii) an advice and guidance stream. The funding for the present crime and regeneration stream forms the budget for the Themed Grants Strand (2<sup>nd</sup> Round).

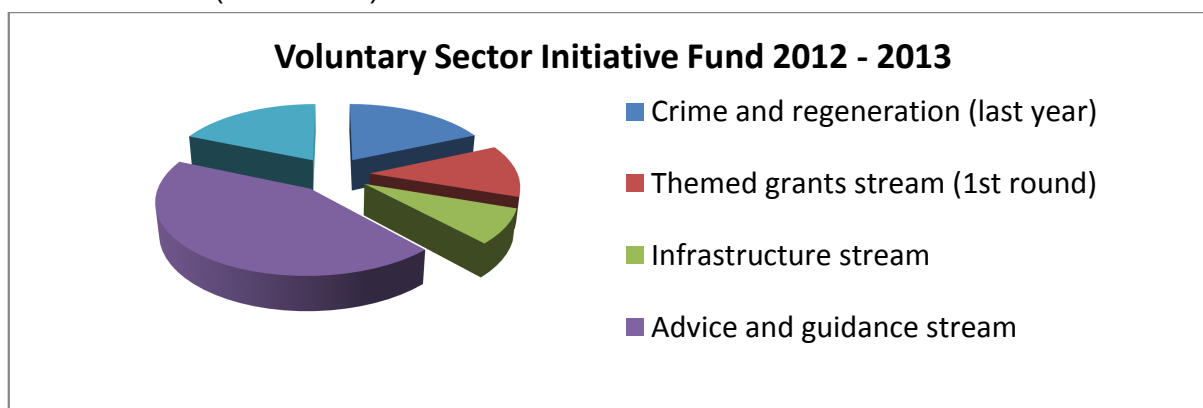


Figure 1: Voluntary Sector Initiative Fund 2012 -2013

#### Themed Grant Funding 2013 -2016

- 3.2 Members are asked to note their decision in January 2012 to create a further themed grant funding stream between April 2013 and March 2016. This second round of themed funding was opened up to bids from the voluntary sector for six weeks until the 31<sup>st</sup> October 2012. This round differed from previous rounds by offering additional themes at once in response to consultation responses from the voluntary sector. Organisations could put forward bids for grant funding for three years to run projects which align to the borough plan under the following themes:

- Theme 1: Community Safety
- Theme 2: Regenerating the borough
- Theme 3: Supporting children and Families and enabling young people to thrive
- Theme 4: Addressing Health and Well Being
- Theme 5: Protecting our environment and enhancing our cultural offer

- 3.3 Projects could benefit the whole borough or focus on priority neighbourhoods. The guidance set out that alignment to statutory provision and evidence of need for the project as critical for bids to be successful. The criteria, and standard terms and conditions are set out in Appendix 3.

#### **4.0 Detailed Considerations**

##### Grant Assessment

- 4.1 Details appeared in the local press, on the Council's website, and organisations on our database of presently funded organisations and those who have signed up for voluntary sector liaison forum were notified. CVS Brent and the BASIS project also notified organisations through their newsletters and emails. Organisations were invited to attend workshops held by officers in the Corporate Policy Team, where the funding criteria and process was discussed in detail and where organisations had the opportunity to raise questions with officers. These workshops were held on Thursday 4<sup>th</sup> October 2012 and Tuesday 9<sup>th</sup> October 2012.
- 4.2 Organisations could download the application pack including the application form, grant criteria, links to key strategies and standard conditions of grant aid or have it sent to them on request. The closing date for receiving completed applications was 31<sup>st</sup> October 2012. The council received 66 bids seeking a total of £4,269,557.14 over a three-year period.
- 4.3 Grants were assessed in line with the grant criteria and standard grant terms and conditions agreed at the Executive Meeting in January 2012 and set out at appendix 3. The criteria for funding were updated in January 2012 in line with consultation responses from the voluntary sector; in particular a group of professionals from different service areas now feed in their expertise of statutory service provision and how a project might align to it as part of the grant assessment process. The assessment looked at both the organisation applying and the project proposal made.
- 4.4 The assessment of the organisation considered the structure, management, track record where funded before, commitment to equality and diversity and engagement of users in the management and development of projects. All organisations were required to submit references to verify their experience and ability to provide services within the proposed theme.
- 4.5 All applications were assessed by a management accountant to ascertain the financial viability of the organisation. This process was carried out in accordance with guidance from the Council's contract standing orders. The assessment included detailed financial analysis for each organisation.
- 4.6 The assessment of projects looked at alignment with Borough Plan priorities and statutory service provision in the borough, partnerships with other organisations in the borough and at a regional and national level, any other match funding proposed, the quality of the proposal including how success would be measured, the exit strategy and the range of bids received. Officers noted the activities to be provided, their location, links with existing services and the outcomes and outputs to be

achieved. Organisations which have or are benefiting from three year funding to deliver a project already were able to bid again but had to propose an entirely new project as an exit strategy had formed one of the funding criteria for all previous three year grant agreements.

- 4.7 Of the 66 organisations which applied, 23 were new to council grant funding or returning after a number of years. For a number of new organisations which applied in this round there was further development required to meet the funding criteria and a number were not in a position to receive project funding of this sort.
- 4.8 Funding has been recommended for 14 projects. These projects meet the funding criteria, offer value for money and align with Council's priorities and associated statutory service provision in the borough.

Recommended Projects

- 4.9 Details of the recommended projects, including funding levels are as follows:

	<b>Project</b>	<b>Organisation</b>	<b>Total</b>	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>
1.	<b>Safe to Achieve</b>	Advance Advocacy	<b>£75,000</b>	£25,000	£25,000	£25,000
2.	<b>Dementia Information and Awareness Raising Service</b>	Alzheimers Society	<b>£74,908</b>	£24,949	£24,959	£25,000
3.	<b>Training for Volunteer Advisers</b>	Brent Citizens Advice Bureau	<b>£71,311</b>	£23,596	£23,784	£23,931
4.	<b>Get Active</b>	Brent Mencap	<b>£73,651</b>	£24,042	£24,716	£24,893
5.	<b>Community Engagement &amp; Mental Health Promotion</b>	Brent Mind (Association for Mental Health)	<b>£74,456</b>	£25,000	£24,500	£24,956
6.	<b>Healthier Homes</b>	Brent Private Tenants Rights Group	<b>£75,000</b>	£25,000	£25,000	£25,000
7.	<b>Artspiration</b>	Drama Workhouse	<b>£66,525</b>	£22,175	£22,175	£22,175
8.	<b>Brent Community Co-operative (BRECO)</b>	Energy Solutions	<b>£75,000</b>	£25,000	£25,000	£25,000
9.	<b>Hestia Brent Domestic Abuse Services Children's Arts and Drama Therapy</b>	Hestia Housing Support	<b>£34,920</b>	£11,640	£11,640	£11,640
10.	<b>Access to Employment</b>	I Serve	<b>£64,060</b>	£22,020	£21,020	£21,020
11.	<b>The Prince's Trust 'Get into</b>	The Prince's Trust	<b>£64,870</b>	£15,500	£24,620	£24,750

	Programme'					
12.	<b>Early Intervention Support for Families</b>	Relate London North West	<b>£63,148</b>	£20,430	£21,043	£21,675
13.	<b>Steel Pan in the Community 2013-16</b>	St Michael's Youth Programme	<b>£75,000</b>	£25,000	£25,000	£25,000
14.	<b>The Green Works</b>	Toucan Employment	<b>£63,514</b>	£22,572	£20,501	£20,441
	<b>TOTAL</b>		<b>£951,363</b>	<b>£311,924</b>	<b>£318,958</b>	<b>£320,481</b>

- 4.10 If members agree to the funding recommendations in this report, each funded organisation will be issued with a written agreement clearly stating the activities to be provided and the outputs to be achieved and any special conditions will be included in this.
- 4.11 Officers in the Corporate Policy Team will monitor each organisation's performance against the output and outcomes set out in their funding agreement. As part of this process the team will have regular meetings with organisations and will carry out planned and unannounced inspection of projects. Officers will work closely with organisations to ensure links with the statutory organisations providing services within the proposed themes are established and that the projects continue to support the council's priorities. Success will be monitored through the council's performance management scorecards.
- 4.12 The competition for funding was high and so the need for high quality responses in line with the stated criteria was very important for success. The standard of bids was higher in this round than last, however the assessment of bids highlighted a number of aspects which need to be developed further by organisations in order to enhance their chances of success in obtaining funding. These aspects include better financial resilience as organisations, better alignment with statutory provision, a stronger evidencing of need and partnerships which enhance projects and stronger linkages between activities and proposed measures of success.
- 4.13 Having looked at all of the bids which met the criteria, there is a small sum of the available budget left each year. Members are asked to agree to use this to offer rounds of smaller one year grants up to a maximum of £10k in line with the grant criteria at appendix 3b and outlined at appendix 5 and to delegate authority to the Director of Strategy, Partnerships and Improvement, to make the decisions on the award of such one year grants, given the very small budget. This would respond to the feedback about opportunities for smaller groups to access funding.
- 4.14 The council is working with CVS Brent already to arrange for more support in preparation for the next round of themed grant funding from the council based on these general themes and look at the range of other ways in which local groups can have more success in securing other funding for local projects in Brent.

4.15 Each round of grant funding offers an opportunity to review the grant terms and conditions. Members are asked to agree the amended version set out at appendix 3b. On this occasion the only change is to the wording of section 4.4 to offer clarity on alignment to the council's anti fraud framework.

## 5.0 Conclusion

5.1 Members are asked to note and agree the voluntary sector led projects and grant funding allocations set out in 4.9 of this report which will run between 1<sup>st</sup> April 2013 and 31<sup>st</sup> March 2016, subject to performance. Members are also asked to agree a further small round of grants in line with the existing criteria as set out in 4.13.

## 6.0 Financial Implications

6.1 The Voluntary Sector Initiative Fund budget is £2,076,457. There was a budget of up to £1,114,701 over three years available for this round. The projects recommended as they met the grant criteria will cost £951,363 over three years. The rest of the budget is recommended for allocation through small grants rounds in 2013/2014, 2014/15 and 2015, 2016.

Figure 2: Allocation of funding in the Voluntary Sector Initiative Fund

Cost Item	2012/13	2013/14	2014/15	2015/16
<b>Last payments CYP Grants</b>	59,559	0	0	0
<b>Last Payment NT Grants</b>	15,190	0	0	0
Crime & Regeneration	371,567	0	0	0
Themed Grants 2012 -2015	177,984	241,261	241,902	0
Themed Grants 2013 - 2016	0	311,924	318,958	320,481
<b>Small Grants Rounds</b>		<b>59,643</b>	<b>52,609</b>	<b>51,086</b>
<b>Other</b>	<b>31,937</b>	<b>78,019</b>	<b>77,379</b>	<b>TBA</b>
<b>Infrastructure Stream</b>	<b>159,249</b>	<b>159,249</b>	<b>159,249</b>	<b>TBA</b>
<b>Advice and Guidance Stream</b>	<b>883,874</b>	<b>883,874</b>	<b>883,874</b>	<b>TBA</b>
<b>London Councils Contribution</b>	<b>377,097</b>	<b>342,487</b>	<b>342,487</b>	<b>TBA</b>
<b>TOTAL</b>	<b>2,076,457</b>	<b>2,076,457</b>	<b>2,076,457</b>	

6.2 The recommendations made in this report can be implemented within the available budget.

## 7.0 Legal Implications

7.1 The Council has powers under s137 Local Government Act 1972 and s2 Local Government Act 2000 to make grants to voluntary organisations.

- 7.2 The decision to award a grant is discretionary. The Council's discretion must not be fettered by previous commitments they may have given and it should make its decision in the light of present circumstances.
- 7.3 The Council is bound to act reasonably and must take into account relevant considerations and to ignore irrelevant considerations and should consider its fiduciary duty towards local taxpayers.
- 7.4 Under section 3(1) of the Local Government Act 1999, Brent Council, as a "best value authority" is under general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Under the duty of best value, the Council should consider overall value, including environmental and social value, when reviewing service provision.
- 7.5 Before deciding how to fulfil their best value duty, local authorities are required to consult a wide range of local persons, including voluntary and community sector organisations and businesses as set out in section 3(2) of the Local Government Act 1999.
- 7.6 In April 2011, the Government circulated draft Best Value Statutory Guidance ("the Guidance") for consultation. According to that Guidance, local authorities should be sensitive to the benefits and needs of voluntary and community sector organisations and should seek to avoid passing on disproportionate cuts. The Guidance also advises that a local authority intending to reduce or end grant funding or other support to a voluntary or community organisation that will materially threaten the viability of the organisation or service it provides should give at least three months' notice to both the organisation involved and the public/service users. The Guidance also advises that a local authority should actively engage the organisation as early as possible on the future of the service, any knock-on effect on assets used to provide this service and the wider impact both on service users and the local community. The Guidance also advises that where appropriate, local authorities should make provision for an affected organisation or wider community to put forward options on how to reshape the service or project and local authorities should assist this by making available all appropriate information.
- 7.7 As a public authority the Council is subject to a specific duty in relation to the Equality Act 2010:

'Meeting the general equality duty requires 'a deliberate approach and a conscious state of mind'. R (Brown) v Secretary of State for Work & Pensions [2008] EWHC 3158 (Admin).

Members must know and understand the legal duties in relation to the public sector equality duty and consciously apply the law to the facts when considering and reaching decisions where equality issues arise.

7.8 The Equality Act 2010 introduces a new public sector equality duty which came into force on 6th April 2011. The duty placed upon the council is similar to that provided in earlier discrimination legislation but those persons in relation to whom the duty applies have been extended.

7.9 The new public sector equality duty is set out at Section 149 of the Equality Act 2010. It requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. A 'protected characteristic' is defined in the Act as:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;(including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

7.10 The previous public sector equalities duties only covered race, disability and gender.

7.11 Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not includes having due regard to the need to remove or minimize disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and encourage those who have a protected characteristic to participate in public life. The steps involved in meeting the needs of disabled persons include steps to take account of the persons' disabilities. Having due regard to 'fostering good relations' involves having due regard to the need to tackle prejudice and promote understanding. Complying with the duty may involve treating some people better than others, as far as that is allowed by the discrimination law.

7.12 In addition to the Equality Act, the Council is required to comply with any statutory Code of Practice issued by the Equality and Human Rights Commission. New Codes of Practice under the new Act have yet to be published. However, Codes of Practice issued under the previous legislation remain relevant and the Equality and Human Rights Commission has also published guidance on the new public sector equality duty. The advice set out to members in this report is consistent with the previous Codes and published guidance.



7.13 There is no prescribed manner in which the equality duty must be exercised. However, the Council must have an adequate evidence base for its decision making. This can be achieved by means including engagement with the public and interest groups and by gathering relevant details. An equality impact assessment is attached to this report and a summary of this assessment is set out in the Diversity Implications of this report below

7.14 Members should be aware that the duty is not to achieve the objectives or take the steps set out in section 149 of the Equalities Act 2010. Rather, the duty on public authorities is to bring these important objectives relating to discrimination into consideration when carrying out its public functions, which includes grant funding. "Due regard" means the regard that is appropriate in all the particular circumstances in which the authority is carrying out its functions. There must also be a proper regard for the goals set out in s.149. At the same time, Members must also pay regard to any countervailing factors, which it is proper and reasonable to consider, which include budgetary pressures, economics and practical factors. The weight of these countervailing factors in the decision making process is for Members in the first instance.

## **8.0 Diversity Implications**

8.1 The equality impact assessment for this round of projects recommended to members is provided and set out in appendix 4 to this report. This predictive equality impact assessment found no adverse impact arising from these recommendations. This work has been audited by the Diversity Team.

8.2 The analysis was based upon information obtained directly from organisations about people expected to benefit from projects based on criteria being applied to projects and data from existing work with these cohorts of people. The application packs for grants and updated monitoring forms all include requirements for equality monitoring of those benefiting from projects which are grant funded, where this is appropriate. The team review this on an annual basis as part of the monitoring process.

## **9.0 Background Documents**


- Brent Our Future 2010-2014
- Brent Council Voluntary Sector Initiative Fund Report January 2012
- Brent Council Voluntary Sector Initiative Fund Report May 2012

## **10. Appendices**

- Appendix 1a: Summary of Recommended Projects
- Appendix 1b: Summary of all Projects with Recommendations
- Appendix 2a and 2b: Summary of Grant Assessments
- Appendix 3a: Themed Grant Criteria and Standard Conditions of Grant Aid
- Appendix 3b: Amended Grant Criteria and Standard Conditions of Grant Aid
- Appendix 4a and b: Equality Impact Assessment and Data
- Appendix 5: Small Grants Round Outline

Joanna McCormick, Partnerships Coordinator  
Cathy Tyson, Assistant Director, Policy

PHIL NEWBY  
Director Strategy, Partnerships and Improvement

	<p style="text-align: center;">Executive 11 February 2013</p> <p style="text-align: center;"><b>Report from the Deputy Director of Finance</b></p>
For Decision	Wards: ALL WARDS
<p style="text-align: center;"><b>Local Welfare Assistance Scheme for Brent</b></p>	

## 1. Summary

1.1 This report sets out:

1.1.1 A recommended scheme for Local Welfare Assistance payments replacing the previous provision of similar services via Job Centre Plus and administered through the Department for Work and Pensions, and taking account of the outcomes from the recent public consultation process.

1.1.2 The findings and outcomes of the consultation arrangements for the proposed Local Welfare Assistance Scheme carried out over a five week period between 6<sup>th</sup> December 2012 and 11<sup>th</sup> January 2013.

1.1.3 The financial and equality impacts of the recommended Local Welfare Assistance Scheme for Brent residents.

1.2 A summary of the background and government proposals are set out in this report.

## 2. Recommendations

2.1 The Executive are asked to consider and approve the following recommendations:

2.1.1 To approve and authorise the making and implementation of the recommended Local Welfare Assistance Scheme as set out in section 5 of this report by 31<sup>st</sup> March 2013 and utilising the non-ring-fenced government funding provision in full.

;

2.1.2 To consider and note the findings on equalities and other impacts arising from the proposed scheme as set out in Section 5 of this report.

2.1.3 To delegate authority to the Deputy Director of Finance to finalise the full scheme documentation by 31<sup>st</sup> March 2013 in accordance with the principles of the proposed Local Welfare Assistance Scheme as set out within this report.

### **3. Executive summary**

3.1 Under Government welfare reforms, the existing discretionary elements of the Social Fund (i.e. Crisis Loans and Community Care Grants) administered by the DWP through Job Centre Plus, are to cease with effect from 31<sup>st</sup> March 2013.

3.2 Local Authorities have been given a discretionary power to provide localised provision as an alternative with funding attached as set out in paragraph 8 of this report. The funding represents a reduction of £128,891 (i.e. 13%) in comparison to 2011/12 levels.

3.3 The consultation was carried out using a range of approaches and publicity. These included online consultation questionnaires and face to face meetings with existing Social Fund customers at Job Centre Plus offices.

3.4 The proposed Brent scheme retains many of the features of the current DWP scheme, but in order for expenditure to reduce in line with the reduced funding provision, the proposed scheme incorporates a number of key features including but not limited to the following:

3.4.1 A reduction in the maximum number of awards that can generally be made for Crisis Payments (excluding disasters) in any year to 2 and the introduction of a cap of 2 for community care grant payments also;

3.4.2 A reduction in the maximum period for which day to day living expenses are met under crisis payments from 14 to 7 days.

3.4.3 A provision for the Council to make reduced payments or no payments where it appears that the funding budget may be exceeded;

3.4.4 An award of a Crisis Payment shall be considered only where the applicant is in receipt of a qualifying benefit unlike at present where the application may be made by anyone.

- 3.5 It has been difficult to develop and model the effects of the above due to the absence of detailed data concerning the existing DWP administered scheme. However, it is proposed that further refinements may be made to the scheme over time as a consequence of experience and with due regard to the effects of other economic factors.

## **Background**

### **4 Government proposals and main principles**

- 4.1 The government has made provision within the Welfare Reform Act 2012 for the discretionary elements of the existing Social Fund scheme administered by the DWP to cease and for any future provision to be administered by Local Authorities.
- 4.2 Local Welfare Assistance Schemes can be funded by a non ring-fenced grant provided by the Government. For 2013/14, this equates to £855,509. The fixed grant will result in an immediate reduction to funding of £128,891 when compared to 2011/12 levels of expenditure.

### **5. The Proposed Local Welfare Assistance Scheme**

- 5.1. The Council's proposed scheme retains many features of the existing DWP provision, including the two main categories of payments – Crisis Payments, for applicants unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They are awarded for immediate living expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family, and Community Care Payments, primarily intended to help vulnerable people live as independent a life as possible in the community.
- 5.2 The Council undertook consultation concerning its proposed draft scheme that was referred to as a Brent Community Assistance Payment Scheme at that time and which comprised the key principles set out below:

#### **Principle 1: Crisis Payments should be directed to those most in need**

The proposed criteria for qualifying for a Crisis Payment are intended to direct support to applicants in receipt of means tested benefits such as Income Support, Job Seekers Allowance (Income Based), Employment Support Allowance (Income Related) and Universal Credit. Child Tax Credit and Working Tax Credit are also included within this definition. The existing national scheme does not require Crisis Payment applicants to be in receipt of such benefits.

#### **Principle 2: Crisis Payments should not exceed their budget**

Crisis Loans under the existing DWP national scheme are generally limited to three in a year for day to day living expenses. The proposal is to

limit applications for Crisis Payments within Brent to only two in any rolling 12 month period with the second payment contingent upon the satisfaction of any reasonable conditions specified by the Council when the first payment was made.

Crisis Payments for living expenses shall be limited to 7 days rather than the 14 days (or more in certain instances) generally applied under the existing DWP administered national scheme.

The maximum amount of any Crisis Payment for day to day living expenses shall be capped at 60% of the Council Tax Support (CTS) personal allowance for the relevant financial year in relation to the period concerned for the applicant and any partner if applicable and 100% of the CTS personal allowance applicable for any dependent children.

Where it appears that the budget for crisis payments may be exceeded, either a lower payment or no payment may be authorised.

**Principle 3: Community Payments should be directed to those most in need**

The existing DWP scheme requires Community Care Grant applicants to be in receipt of a qualifying benefit such as Income Support. The Brent proposal is to retain this principle but also include Universal Credit as one of the qualifying benefits.

In the existing DWP scheme, all capital above £500 (£1000 in the case of applicants of pensionable age) is taken into account to offset against the community care grant application. Brent Council proposes to take into account all capital above £400 for non pensioners and £800 for pensioners. This includes the capital of any partner in the case of a couple (i.e. married, living together as husband and wife, a civil partnership or living together as a civil partnership).

**Principle 4: Community Payments should not exceed their budget**

An applicant must not have had more than two awards of a Community Payment in any rolling twelve month period excepting in exceptional circumstances. (e.g. moving home)

Where it appears that the budget for crisis payments and community payments may be exceeded, either a lower payment or no payment may be authorised.

**Principle 5: Wherever reasonably practicable, an award under the proposed scheme should be made other than by cash**

The proposal is to make payments under the new arrangements other than by cash wherever reasonably practicable. This may include for example food vouchers or a pre-paid card that can be restricted in terms of what it is spent on to minimise the potential for abuse of the scheme. This will help to ensure that payment awards made are used for the purpose intended. The current intention subject to approval of the scheme is to provide customers with a pre-paid payment card that may be used at

an automatic teller machine (ATM) and which may, subject to prior Council approval, be converted into cash at the ATM for certain types of award where a pre-paid card would not be appropriate. For example, a payment made in relation to an electricity meter.

**Principle 6: There should be a provision for repayment of any awards made where fraud or applicant error occurs**

As payments made under the proposed scheme are intended to provide support to those in genuine need, any fraud or applicant error that arises may prevent someone else receiving assistance to which they are entitled. It is therefore proposed that where fraud or applicant error occurs, repayment will be sought from the applicant.

- 5.3 The proposed scheme is based on the above set of principles, with accompanying technical mechanisms to achieve each principle, and represents a number of variations to the existing DWP administered scheme arrangements.
- 5.4 It is also proposed that the following eligibility provisions apply for crisis payments and community payments respectively:

**Crisis Payments Eligibility**

- *A claimant must be aged 16 or over*  
*and*
- *must have their sole or main residence in Brent (or be intending to have their sole or main residence in Brent in the case of circumstances such as moving to the area as a result of domestic violence or discharge from prison for example)*  
*and*
- *must be in receipt of a qualifying benefit (or about to be in receipt of a qualifying benefit (This means Income Support, JSA(IB), ESA(IR), Pension Credit, Universal Credit, Working Tax Credit and Child Tax Credit or a payment made on account of one of them, (Note: The provision concerning “about to be in receipt of a qualifying benefit” shall be defined to make provision for cases such as where a person is homeless or fleeing domestic violence for example and has not yet claimed or received a qualifying benefit). This provision shall not be required to apply in the case of a “disaster situation” however to align with the relaxation of the “immigration control” requirement.*  
*and*
- *must not be an excluded person as currently defined for the purposes of Direction 15 of the existing Social Fund Guide and further indicated within the notes below*  
*and*
- *must not have access to any funds (including insurance) that can be relied on to meet the need they are applying for support with and where they would be left with insufficient resources which would cause serious risk to their own, or their family’s health or safety*

- and*
- *they must not have already had two awards for a Crisis Payment in any rolling 12 month period excepting in the case of a move of home (this also excludes payments for “disasters”)*
- and*
- *In the case of a second payment application, must be able to demonstrate compliance of any reasonable conditions specified by the Council when the first payment was made*
- and*
- *must not be a person subject to immigration control<sup>1</sup>*
- and*
- *must not be eligible (or in receipt of as the case may be) for an Advance of Benefit payment from DWP*
- and*
- *must not have been found guilty in a UK court of law for making a fraudulent application for a Brent Community Assistance Payment or Council Tax Support / Housing Benefit / Council Tax Benefit within the past twelve months (or accepted an administrative penalty as an alternative to prosecution)*
- and*
- *must not be seeking support to pay for an excluded item*
- and*
- *must be willing to comply with any reasonable conditions concerning the payment award including for example, support from advice agencies (or similar) to address any financial capability issues or on-going difficulties*

### **Important Notes**

The following key points are of relevance to the proposed L B Brent Scheme for Crisis Payments:

1. The existing DWP scheme does not require Crisis Payment applicants to be in receipt of a qualifying benefit as it does for Community Care Grant applicants. However, the funding reduction for operating a local scheme means that local support needs to be targeted accordingly. To this extent, it is proposed that it be directed to persons in receipt of the specified means-tested benefits.
2. DWP currently limit the number of Crisis Loans for day to day living expenses to three in a year. The proposal is to limit applications for Crisis Payments to only two in any rolling 12 month period with the second payment contingent upon the satisfaction of any reasonable conditions specified by the Council when the first payment is made.
3. Crisis payments are currently made in the form of a loan under the existing DWP scheme and recovered via Benefit entitlement. The cost of recovering generally low value amounts via an invoicing procedure would be uneconomical for the Council to pursue and for this reason, it

---

<sup>1</sup> People subject to immigration control can only claim a Crisis Payment in a disaster situation



is intended that such payments should be made in the form of a grant that should be repayable if they are subsequently made good by virtue of a payment under an insurance policy for example.

4. The definition of an excluded person within the existing Social Fund eligibility criteria is proposed to be extended to include an applicant that lives at home with their friends or family excepting where they have a commercial rent liability and / or Council Tax liability for the premises concerned. This provision will also not apply to an applicant that lives at home with their friends or family but who is at genuine risk of homelessness or where other statutory considerations may apply such as Child Protection matters.

5. All capital reasonably available to the applicant should be taken into account to offset against the claim application. This shall include the capital of any partner in the case of a couple (i.e. married, living together as husband and wife, a civil partnership or living together as a civil partnership).

6. There should be a provision for recovering payments made under the scheme where fraud or claimant error is involved or where the claimant subsequently receives a payment towards the items concerned perhaps as a consequence of an insurance claim being settled. Where a crisis grant is subsequently repaid, the number of awards treated as made to the claimant concerned shall be reduced by one for the purposes of the scheme.

7. A Crisis Grant towards emergency travel expenses where the applicant is stranded away from home shall not be payable where the travel is in consequence of a business trip, holiday, vocation or other similar type of absence from their sole or main residence in Brent. The scheme should therefore specify the types of circumstances where they may be payable rather than the instances where they are not.

8. The maximum amount of any Crisis Grant for day to day living expenses where the applicant and / or their partner is liable for rent, accommodation charges in a hostel or board and lodging, Council Tax (or would be liable if the dwelling were not exempt), shall be capped at 60% of the Council Tax Support (CTS) personal allowance for the relevant financial year (i.e. 1<sup>st</sup> April to 31<sup>st</sup> March) in relation to the period concerned for the applicant and any partner if applicable and 100% of the CTS personal allowance applicable for any dependent children.

9. Where the applicant resides in the home of a relative, friend or other person, the maximum amount shall be capped at 30% of the CTS personal allowance for the relevant financial year in relation to the period concerned. (It should also be noted here that currently, applicants that have not attended a work focused interview or are disallowed or sanctioned jobseekers, have their maximum amount

calculated using the single personal allowance rate for the applicant rather than any couple rate).

### **Community Care Payments – Eligibility**

- *The claimant must be aged 18 or over (16 or over in certain circumstances)*  
*and*
- *must have their sole or main residence in Brent (or be intending to have their sole or main residence in Brent in the case of circumstances such as moving to the area after leaving prison for example)*  
*and*
- *must be in receipt of a qualifying benefit<sup>2</sup> (or about to be in receipt of a qualifying benefit)*  
*and*
- *must not have capital in excess of £400 for persons not of pensionable age and £800 in the case of persons of pensionable age. (Any amount above these levels will be netted off against any award entitlement)*  
*and*
- *must not be a person subject to immigration control*  
*and*
- *must not be eligible (or in receipt of as the case may be) for an Advance of Benefit payment, Budgeting Loan or Budgeting Advance from DWP that could meet the need*  
*and*
- *must not have been found guilty in a UK court of law for making a fraudulent application for a Brent Community Assistance Payment or Council Tax Support / Housing Benefit / Council Tax Benefit within the past twelve months or accepted an administrative penalty as an alternative to prosecution*  
*and*
- *must not be seeking support to pay for an excluded item<sup>3</sup>*  
*and*
- *must be willing to comply with any reasonable conditions concerning the payment award including for example, support from advice agencies (or similar)*  
*and*
- *must not have had more than two awards of a Community Care Grant in any rolling twelve month period excepting in exceptional circumstances. (e.g. moving home)*

---

<sup>2</sup> Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), Pension Credit, Universal Credit or payment on account of one of them, or you are due to leave an institution or care home within 6 weeks, and are likely to get one of those benefits or entitlements on leaving.

<sup>3</sup> The DWP has a long list of excluded items including: work items, school uniforms, court costs, repairs to social housing properties, council tax/water/fuel, medical items, most housing costs, debts, anything the council has a duty to provide, daily living expenses, telephony costs.

### **Important Notes**

The following key points are of relevance to the proposed Scheme:

1. The existing DWP scheme requires Community Care Grant applicants to be in receipt of a qualifying benefit. The proposal is to include Universal Credit as one of the qualifying benefits.
2. In the existing DWP scheme, all capital above £500 (£1000 in the case of applicants of pensionable age) shall be taken into account to offset against the claim application. This shall include the capital of any partner in the case of a couple (i.e. married, living together as husband and wife, a civil partnership or living together as a civil partnership).
3. There should be a provision for recovering payments made under the scheme where fraud or claimant error is involved.
4. Council officers assessing applications will check whether there is any entitlement to funding from other discretionary funds available to the Council as a matter of course to ensure a co-ordinated service for the applicant.
5. The Council proposes to provide items and support in-kind wherever reasonably practicable in order that assistance is properly targeted and to ensure that best use is made of the cash limited grant funding.

5.5 The provision of a local scheme may be achieved through the following means:

- In house,
- Private company,
- Voluntary sector e.g. Credit Union
- Mixed provision – In house and private company.

It is anticipated that in the timescale available for implementation and with due regard to the potential risks arising from implementation of a local scheme, the latter three options above are not currently feasible but may be considered as part of a review of the service.

5.6. Methods of applying for assistance are proposed to be via an online application form, by telephone or face to face in the case where the two former means of application are not appropriate for the customer concerned. It is also proposed that authorised third party representatives be able to make customer referrals for consideration using an online referral process where such arrangements have been agreed in advance.

5.7 The DWP's existing Social Fund scheme provides for limited access to support out of hours. It is currently understood that that this provision is generally only accessed by the Police or by local authority Emergency

Social Work teams. In London, in the last year for which DWP statistics are available, 170 loans / grants were paid out of hours equating to less than one per month for each local authority area.

- 5.8 In view of the very low numbers concerned as outlined in paragraph 5.7, the proposed scheme does not provide for an out of hours' service. However, this will be kept under review and may be reconsidered in the future should demand and experience indicate a potential requirement for it.
- 5.9 The use of pre-paid cards for awards made is proposed to minimise the need for making cash payments whilst retaining an option in certain circumstances to permit a customer to convert the credit on their pre-paid card to cash in specified situations such as in the case of a payment for an electricity meter for example.
- 5.10 The aim is to ensure that funds are not exhausted prior to the end of the financial year and that those applicants applying later in the year have as good a chance of receiving support if they are eligible as those applying earlier in the year. To this extent, it is proposed that payments may be restricted or ceased where financial circumstances require.
- 5.11 Additional comments were received from the consultation undertaken and these have been set out in Appendix A to this report together with a response in the form of a commentary
- 5.12 Each of the proposed options has been considered with regard to suitability and feasibility as set out in the consultation responses attached as Appendix A2 to this report.
- 5.13 The Council's proposed scheme has been established with due regard to the Council's statutory obligations, consultation responses and in order to attempt to distribute the reduced funding available amongst those claimants most in need of financial assistance. The detailed legal implications concerning these including the public sector equality duty are set out later in this report.
- 5.14 The permutations of options and variations for a Local Welfare Assistance Scheme are almost infinite. However, the proposed scheme is intended as far as reasonably practicable to replicate the existing DWP arrangements to provide for continuity particularly at a time when other welfare reforms are likely to affect similar customers and to minimise the potential for disruption within a constrained timetable. It is also considered that in the timescale available and with reference to software required for supporting such a scheme, a new scheme should be based predominantly on existing arrangements albeit with some changes particularly regarding eligibility to enable the proposed service to be delivered within a reduced funding context. This will enable the Council to meet the anticipated funding reduction of £128,891 in comparison to 2011/12 DWP expenditure levels.

- 5.15 Additionally, as a relatively small number of software companies are competing to offer and implement solutions in local authorities simultaneously and within a short timescale, the potential for wide variations in design is anticipated to be limited.
- 5.16 The proposals set out within this report were considered prior to the consultation process by officers and through discussions with a Member Working Group. These were used to arrive at the proposed draft scheme which formed the basis of public consultation.

## **6. Consultation Arrangements**

- 6.1 The consultation period was from 6<sup>th</sup> December to 11<sup>th</sup> January (i.e. 5 weeks) There was no statutory obligation upon the Council to conduct a public consultation, However it was decided that seeking and obtaining views on the proposals would be appropriate and useful in finalising the scheme.
- 6.2 A range of approaches were used to obtain views and comments for the proposals of the Council's Local Welfare Assistance Scheme as set out below:
- All consultation documentation including the questionnaire was available on Brent Council's Consultation Tracker website - [www.brent.gov.uk/consultation](http://www.brent.gov.uk/consultation),
  - Meetings were held with Job Centre Plus representatives from Willesden and Harlesden where Social Fund payments are currently issued to claimants,
  - A pop up screen outlining the nature of the consultation and how to access the online consultation documentation was activated each time one of the Brent public library PC's was accessed by a customer. During the consultation period, there were 3,464 customer sessions where this message was displayed,
  - Letters outlining the consultation arrangements were sent by post / email to 42 organisations including Housing Associations with a property interest in the Borough, welfare organisations, the Police and Probation Service and interest groups to inform them of the nature of the consultation and how they may access the consultation documentation,
  - Letters outlining the consultation arrangements were sent by email to 174 voluntary organisation representatives on 12<sup>th</sup> December 2012 informing them of the nature of the consultation and how they may access the consultation documentation,

- Letters outlining the consultation arrangements and how to access the consultation documentation were also sent to the three Brent MP's and Chamber of Commerce,
- Council officers engaged with 21 Social Fund customers collecting their Crisis Loan payments from Harlesden and Willesden Job Centre Plus offices over a four day period.

## **7.0 Consultation Responses – Analysis**

- 7.1 The questionnaire used for the consultation was made available on the Council's Consultation Tracker throughout the consultation period and printed copies of the questionnaire were provided to existing Social Fund customers attending the Harlesden and Willesden Job Centre Plus (JCP) offices to collect their payments.
- 7.2 Respondents were asked the following questions:
- To rank in order of importance their preferences for each of the proposed changes,
  - To state whether they agreed or disagreed that each of the proposed changes was fair
  - To add any additional comments to support responses given to the ranking of importance and fairness questions or alternative options that the Council should consider
  - To comment on whether the proposed changes are likely to affect particular individuals or groups more than others and if so, how these may be addressed
  - To provide any other additional comments concerning the proposals
- 7.3 There were 28 consultation questionnaire responses received, comprising 7 online responses (25%) and 21 paper responses (75%).
- 7.4 Additionally, there were comments received from meetings with Job Centre Plus personnel at both Harlesden and Willesden.
- 7.5 The size of the consultation questionnaire response represents 0.38 per cent of the existing annual customer volumes for the Brent area accessing the national DWP Social Fund based on 7,230 applications for Crisis Loans and Community Care Grants for 2011/12. It should also be noted that some respondents only answered part of a question or in the case of free text answers, gave more than one response for consideration. In other cases, no responses were given to a question. Consequently, the weight attached to the results obtained from the responses received should be considered accordingly.
- 7.6 Comments received have been evaluated based upon technical feasibility and suitability in terms of administering the scheme, the potential financial position arising from the funding reduction in comparison with the existing scheme and the Council's obligations and duties under statutory provisions including the Equalities Act 2010.

7.7 Details of the consultation findings have been set out in Appendix A to this report but may generally be summarised as follows:

7.7.1 Details about the consultation on the Local Welfare Assistance Scheme proposals reached a significant number of stakeholders and residents via a range of consultation formats as set out earlier in this report.

7.7.2 The overall response to the consultation was low with only 28 returns despite the efforts made to ensure that residents and stakeholders were aware of the proposals and had an opportunity to comment. Additionally, the response was not representative of the Brent population based upon 2011 census data.

7.7.3 However, there was a majority support for the Council's proposals from the responses that were received in relation to the fairness of the key principles consulted on, with the exception of principle 5 concerning proposed entitlement payments being made other than by cash. This outcome appeared to contrast with respondents ranking of importance for the same principle 5 in question 1 which was perceived to be of low importance from the consultation responses and possibly stems from a misunderstanding of the question concerning the ranking of the most important principles

7.7.4 There also appeared to be a clear distinction that principle 5 (payments to be made other than by cash) was not perceived as fair by existing Social Fund or previous Social Fund applicants. As the respondents concerned are, or have been used to receiving a cheque for their payment, the use of a pre-paid card was not perceived by them as a suitable alternative.

## **8. Financial Implications**

8.1 The government has made provision within the Welfare Reform Act 2012 for the discretionary elements of the existing Social Fund scheme administered by the DWP to cease and for any future provision to be administered by Local Authorities at their discretion.

8.2 Indicative Programme Funding for the proposed scheme will be through a grant to the Council of £855,509 that will be payable each year for 2013/14 and 2014/15. The position regarding funding beyond 2014/15 is not known. This funding is not "ring-fenced" and may be subject to change dependent upon the actual Social Fund expenditure incurred for the Brent Council area during the current financial year ending 31<sup>st</sup> March 2013.

- 8.3 Additionally, the Council will receive an administration grant of £180,775 for 2013/14 and £165,700 for 2014/15. The position regarding funding beyond 2014/15 is not known.
- 8.4 Set up funding of £8,555.09 will be provided to the Council representing 1% of the Programme Funding allocation.
- 8.5 There are consequential costs arising from the implementation of the proposed local scheme that are expected to exceed the set up funding provision. These include the following:
- Local scheme administration costs
  - Software
  - Consultation costs
  - Legal Service costs

Set up costs are currently anticipated to amount to approximately £73,000 including payment card costs and IT software and are being met through transitional funding available for welfare reform generally. .

- 8.6 The Government has stated that whilst it does not expect Local Authorities to replicate the current Social Fund scheme in whole or in part, it is intended that the funding is to be used to provide the new provision.
- 8.7 Expenditure levels for the discretionary elements of the Social Fund during 2011/12 indicate that £267,500 was incurred for Crisis Loans and £716,900 for Community Care Grants.
- 8.8 Based upon Indicative Programme Funding of £855,509 as set out in 8.2 above, a reduction in overall funding of £128,891 would potentially need to be found from within any local scheme.
- 8.9 It is important to note that provisions currently exist whereby the DWP is able to limit or reject payments in certain instances such as where funding no longer exists or severe financial pressures arise. It is proposed that the Council will incorporate this provision within its local scheme to permit a similar approach to be taken where applicable.
- 8.10 There is no statutory obligation on the Council to provide a local scheme and any scheme that is provided may be funded in part or in full using the Programme Funding available. Additionally, the fund may be “topped-up” using other available Council sources if considered appropriate.
- 8.11 The proposed scheme design as set out in this report has been based principally on the assumption that a localised scheme will be available and that the £855,509 funding provided by the DWP will be spent exclusively for that purpose and without “top-up” funding from other Council funds.



- 8.12 A procurement process has been commenced to obtain the application software necessary to support and administer the provision of a Local Welfare Assistance Scheme.
- 8.13 There is a collaborative procurement currently being investigated by some London Boroughs although average indicative supplier costs appear to suggest a potential cost level higher than that quoted to Council officers in their meetings with market suppliers.
- 8.14 There is also the possibility that a collaborative procurement for a number of authorities could lead to a single supplier having to implement a number of applications across London simultaneously presenting potential resource capacity issues and leading to implementation delays.

## **9. Meeting the reduced funding level**

- 9.1 There are potentially four permutations available concerning a Local Welfare Assistance Scheme and they are as follows:
  - 9.1.1 To provide a Local Welfare Assistance Scheme using part of the programme funding provided by the Government,
  - 9.1.2 To provide a Local Welfare Assistance Scheme using the full amount of programme funding provided by the Government,
  - 9.1.3 To provide a Local Welfare Assistance Scheme and supplement the full amount of programme funding provided by the Government with other Council funds available,
  - 9.1.4 Not provide a Local Welfare Assistance Scheme.
- 9.2 The proposed Local Welfare Assistance Scheme outlined within this report has been developed based upon the assumption that 9.1.2 above applies.

## **10. Proposed Local welfare Assistance Scheme**

- 10.1 The scheme proposed following the consultation process and as outlined within this report is to be delivered within the context of reduced annual funding of £128,891.

Section 5 of this report sets out further details regarding the proposed scheme and section 11 of this report sets out the risks associated with the projected savings.

**Table 16**

	Scheme Proposals Consulted On	Scheme Proposals Recommended
Principle 1: Crisis Payments should be directed to those most in need	Yes	Yes
Principle 2: Crisis Payments should not exceed their budget	Yes	Yes
Principle 3: Community Payments should be directed to those most in need	Yes	Yes
Principle 4: Community Payments should not exceed their budget	Yes	Yes
Principle 5: Wherever reasonably practicable, an award under the proposed scheme should be made other than by cash	Yes	Yes
Principle 6: There should be a provision for repayment of any awards made where fraudulent or applicant error occurs	Yes	Yes

10.2 There are of course other variants to these potential changes, each with differing impacts.

10.3 Other financial unknowns which may affect the projections stated previously are given in section 11 below. Given the above, it is difficult to quantify with precision the overall financial and business risks or variance for the proposed scheme. Whilst this does incorporate some mitigation for these risks through the scheme principles outlined in this report, it does not eliminate all risks. However, the ability of the Council to make reduced payments or no payments where the scheme budget is likely to be exceeded will provide further mitigation against these.

## **11. Risks and assumptions of the recommended scheme**

11.1 The following risks and caveats have currently been identified:

11.1.1 Expenditure for DWP crisis loan payments is currently offset by any repaid amounts that the DWP may obtain through recovery from prescribed benefits. The precise amounts and volumes of loans repaid are not available to the Council.

- 11.1.2 It is not currently known how many awards are made for the different types of circumstances available or the average award amounts for the items concerned. As there is a risk that the programme funding could be used up before the end of the relevant financial year, eligibility criteria will permit a reduced payment or no payment to be made where it appears that the budget may be exceeded.
- 11.1.3 There is a risk that suppliers either choose not to quote for the Council's IT requirements or are unable to provide the solution required in the specified timescale.
- 11.1.4 The impact of the wider welfare reforms and economic position on future demands placed upon the scheme is unclear.
- 11.1.5 The relatively short timescale remaining for implementation means that any delay in project activities may adversely affect the implementation date that has been assumed to be 1<sup>st</sup> April 2013.
- 11.1.6. The changes in provision of the scheme from 1<sup>st</sup> April 2013 with the discretionary areas transferring to local provision and others remaining with the DWP, means that applicants may be unclear as to whether they need to contact the DWP or the Council. Effective communication of the new arrangements will therefore be essential.
- 11.1.7 Applicants ineligible for assistance may visit the Council offices to obtain a review of the decision. In view of the nature of the payments and circumstances of the applicant, there is a potential risk of anti-social behaviour towards Council employees and premises.
- 11.1.8 The volume of responses received from the consultation means that the effectiveness of the data received and the reliability of the findings as they apply to the Brent population overall, should not be interpreted as representative.
- 11.1.9 The absence of detailed equalities data concerning the existing DWP administered scheme makes it more difficult to determine the potential impact of any proposals as it may apply to protected groups within the Brent Council area under the Equalities Act 2010.
- 11.1.10 Any decision by the Overview and Scrutiny Committee to "call-in" of the Executive report in February could delay the implementation of a local scheme beyond the 1<sup>st</sup> April 2013 proposed commencement date.

- 11.1.11 As the IT software may not be available from the supplier until after the scheme has been determined, it is anticipated that this will not be available for testing purposes until later than normally anticipated. There is therefore a risk that testing and application of the software will need to be conducted in a much constrained timescale and that any issues identified as a consequence may not be resolved within the required timescale thus potentially affecting the 1<sup>st</sup> April 2013 commencement date.
- 11.1.12 The combined effects of the wider welfare reforms may result in demographic changes to the Brent population and influence customer decisions concerning where they live and work. This could potentially impact upon demand for other services such as schools admissions and housing although any impact may not be apparent until the scheme has been in operation for some time.
- 11.1.13 Government funding for the scheme may not be received prior to the proposed 1<sup>st</sup> April 2013 commencement date and will require the financial and cash flow implications to be addressed accordingly.

## **12. Legal Implications**

- 12.1 Pursuant to the Welfare Reform Act 2012, Community Care Grants and Crisis Loans for general living expenses (including rent in advance), which are currently administered by the Department for Work and Pensions, will be abolished from April 2013. These loans may be replaced by local provision by local authorities.
- 12.2 Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means-tested benefits such as Jobseekers Allowance. The prime objectives were to:
- help people to establish themselves in the community following a stay in institutional or residential care;
  - help people remain in the community rather than enter institutional or residential care;
  - help with the care of a prisoner or young offender on release on temporary licence;
  - ease exceptional pressures on families e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a calamity such as fire or flooding;
  - help people setting up home as a part of a resettlement programme following e.g. time in a homeless hostel or temporary accommodation; or
  - assist with certain travelling expenses e.g. for funerals of a family member or hospital visiting.

- 12.3 Crisis Loans were intended for applicants unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family.
- 12.4 In the letter dated 6 August 2012 from the Minister of State for the Department of Work and Pensions (“DWP”) to Chief Executives of local authorities in England, it states that the DWP would provide funding for 2012-13 for discretionary Social Fund spending for local authorities. It adds that local authorities are not expected by the DWP to replicate the previous Community Care Grant and Crisis Loan schemes that have been provided by the DWP and that it is for local authorities to decide how the social provision should be provided in a way that is suitable and appropriate to meet the needs of their local communities. However, the letter adds that whilst the DWP do not want or expect local authorities to replicate the current scheme in either whole or part, it is the intention of the Government that the funding is to be used to provide the new social fund provision. The letter adds that whilst the Government recognises the difficulties relating to the boundary between providing financial support and social services, the DWP expects the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need, perhaps through a mix of cash or goods and aligning with the wider range of local support local authorities/devolved administrations already offer. The letter summarises that the funding is to allow local authorities to give flexible help to those in genuine need.

Accordingly, the proposed scheme largely replicates the current DWP scheme, with adjustments as previously stated in order to meet financial constraints, in order that local welfare assistance can continue to be directed towards those most in need of this help.

- 12.5 Although there is much case law regarding consultation, the four basic requirements of consultation are set out in the case of *R v Brent LBC ex parte Gunning (1986) 84 LGR 168*, which has been approved by the Court of Appeal in a number of subsequent cases, and they are as follows: (i) consultation must be at a time when proposals are at a formative stage; (ii) that the proposer must give sufficient reasons for any proposal to permit intelligent consideration and response; (iii) adequate time must be given for consideration and response (iv) the product of consultation must be taken conscientiously taken into account in finalising any proposals.
- 12.6 A period of 5 weeks has been applied for the consultation undertaken in this instant which is considered sufficient in the circumstances. The responses received have been evaluated and the detail is included in this report.

## 12.7 Public Sector Equality Duty

- 12.7.1 The public sector equality duty, as set out in section 149 of the 2010 Act, requires the Council, when exercising its functions, which includes decisions regarding a Local Welfare Assistance Scheme, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.
- 12.7.2 Direct discrimination occurs if, because of a protected characteristic, a local authority treats a person less favourably than it treats or would treat others.
- 12.7.3 Indirect discrimination occurs if a local authority applies the same provision, criterion or practice to everyone, but it puts those in a certain protected group at a “particular disadvantage” when compared with persons who are not in that protected group. Even if a “particular disadvantage” arises, indirect discrimination does not arise if the provision, criterion or practice can be justified – i.e. if it is a proportionate means of achieving a legitimate aim.
- 12.7.4 The Council must pay due regard to any obvious risk of such discrimination arising in respect of the decision before them. These matters are examined in the EIA.
- 12.7.5 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.
- 12.7.6 Having “due regard” to the need to “advance equality of opportunity” between those who share a protected characteristic and those who do not includes having due regard to the need to remove or minimise disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and to encourage those who have a protected characteristic to participate in public life. The steps involved in meeting the needs of disabled persons include steps to take account of the persons’ disabilities. Having due regard to “fostering good relations” involves having due regard to the need to tackle prejudice and promote understanding.

- 12.7.7 The Council's duty under section 149 of the Equality Act 2010 is to have "due regard" to the matters set out in relation to equalities when considering and making decisions on the provision of a Local Welfare Assistance Scheme,. Due regard to the need to eliminate discrimination, advance equality and foster good relations must form an integral part of the decision making process. When the decision comes before the Executive, Members of the Executive must consider the effect that implementing a particular policy will have in relation to equality before making a decision. An Equality Impact Assessment will assist with this.
- 12.7.8 There is no prescribed manner in which the equality duty must be exercised, though producing an Equality Impact Assessment is the most usual method. The Council must have an adequate evidence base for its decision making. This can be achieved by means including engagement with the public and interest groups and by reference to information and statistics held by the Council and other agencies such as the DWP.
- 12.7.9 Where it is apparent from the analysis of the information that the policy would have an adverse effect on equality, then adjustments should be made to avoid that effect and this is known as "mitigation".
- 12.7.10 The public sector equality duty is not to achieve the objectives or take the steps set out in section 149 of the Equality Act 2010. The duty on the Council is bring these important objectives relating to discrimination into consideration when carrying out its public functions. The phrase "due regard" means the regard that is appropriate in all the particular circumstances in which the Council is carrying out its functions. There must be a proper regard for the goals set out in section 149 of the 2010 Act. At the same time, when Members make their decision on the Local Welfare Assistance Scheme they must also pay regard to countervailing factors which it is proper and reasonable for them to consider. Budgetary pressures and economic and practical factors will often be important. The amount of weight to be placed on the countervailing factors in the decision making process will be for Members of the Executive to decide when it makes its final decision.
- 12.7.11 The detailed Equality Impact Assessment for the proposed Local Welfare Assistance Scheme is set out in Appendix B to this report. A summary of the main points is set out below.

- 12.8 The overall response to the consultation conducted was low with respondents not answering all questions or giving more than one response to a single question. Additionally, as the majority of the respondents were existing Social Fund customers, the results are biased accordingly. The analysis of the consultation responses in demographic terms also indicates that these were not representative of the Brent population as a whole.
- 12.9 Data available from the existing DWP national scheme is limited and cannot be relied upon for application to the Local Welfare Assistance Scheme proposed for Brent which uses different principles and is a new scheme. Consequently, the weighting applied to the data and responses received must be considered accordingly.
- 12.10 There is no current evidence available to suggest that a group or groups are likely to be adversely affected by the proposed scheme which will be based upon financial circumstances and need subject to meeting proposed qualifying criteria as set out within this report. The proposed new scheme is constructed so as to ensure that those most in urgent need with the least financial resources are eligible under it. The scheme includes the young, the elderly and people with disabilities. The arrangements for making the funds known and available will also ensure accessibility by those persons in the greatest need. It is anticipated that the proposed scheme may facilitate a greater take up from some groups than at present for the national DWP scheme. For example, persons of pensionable age do not generally visit Job Centre Plus offices and may therefore have less awareness of the Social Fund scheme available. The proposed Council scheme will be promoted locally and therefore is likely to have a wider awareness across the Borough than at present
- 12.11 The budget provided to the Council for this scheme is considerably lower than that which was made available to the DWP and accordingly the financial constraints are a factor in the scope of the new arrangements.
- 12.12 The recording and monitoring of data will be essential to enable a full review of the new service to be conducted within the first six months of implementation and to permit any revisions of the scheme to be considered and implemented accordingly. The proposed scheme will therefore need to make due provision for this within the scheme documentation to be finalised by 31<sup>st</sup> March 2013.

### **13. Timetable of Events**

- 13.1 The timescales for approval and implementation of the Local Welfare Assistance Scheme are extremely tight. There has been little national or local publicity regarding the changes to date despite the existing arrangements ceasing on 31<sup>st</sup> March 2013.



- 13.2 If the Council's Executive is unable to agree a Local Welfare Assistance Scheme in sufficient time, the implementation of it may be delayed beyond the 1<sup>st</sup> April 2013 proposed commencement date which is timed to coincide with the cessation of the existing DWP provided scheme thereby creating a potential vacuum for customers experiencing a financial crisis or seeking to remain or move into the local community.
- 13.3 The timetable available for implementation of the scheme would ideally permit scheme design, specification and procurement of appropriate software and training of personnel to be undertaken prior to commencing annual billing for Council Tax and the annual year-end process. However, this sequence of events will not be possible for a local scheme under the current deadline.
- 13.4 A timetable of key dates leading to full implementation of the scheme is provided as Appendix C to this report.

For more details please contact:

David Oates  
Head of Service (Benefits and Customer Service), ext 1578,  
David.Oates@brent.gov.uk

**Appendices**

Appendix A – Consultation Report  
Appendix B – Equalities Impact Assessment  
Appendix C – Timetable of Key Events

MICK BOWDEN  
Deputy Director of Finance

This page is intentionally left blank



**Executive**  
11 February 2013

## **Report from the Director of Strategy Partnerships and Improvement**

Wards Affected:  
ALL

### **Collective Energy Switching in Brent**

#### **1. Summary**

This report considers Collective Energy Switching (CES) as a way of obtaining fairer energy prices for the residents of Brent. Domestic energy is a significant cost for all Brent residents, with many paying more than they should be. By purchasing energy collectively the cost of procuring energy can be reduced. This report discusses the various options, implications, costs and benefits of CES and seeks Executive approval to the introduction of a collective energy switching scheme for Brent residents in association with a number of other London authorities.

#### **2. Recommendations**

- 2.1 The Executive approve the introduction of a collective energy switching scheme for Brent residents as set out in paragraph 3.6 – 3.8 of this report
- 2.2 The Executive approve the Council's participation in a collaborative procurement with sixteen other London boroughs leading to the appointment of an organisation to assist residents with collective energy switching should the Director of Strategy Partnerships and Improvement favour the joint establishment with other London boroughs of a collective energy switching scheme.
- 2.3 The Executive approve the Council's participation in a collaborative procurement with sixteen other London boroughs leading to the appointment of legal and procurement consultancy services.
- 2.4 The Executive approve the collaborative procurement exercises described in Recommendations 2.2 and 2.3 being exempted from the normal requirements of Brent's Contract Standing Orders and Financial Regulations in accordance with Contract Standing Orders 84(a) on the basis that there are good operational and / or financial reasons as described in paragraphs 3.6 and 3.8.

### **3. Details**

#### **3.1 Context**

3.1.1 It is estimated that every year people in the UK waste £4 billion on their energy. Energy bills are now one of the biggest costs that families face, however the complexity of the various tariffs on offer – currently over 400 – means that it is estimated 80 per cent of people are paying too much for their energy. Households are now spending twice as much on energy to power their homes than they were ten years ago; more than 5 million households in the UK are estimated to spend more than 10 per cent of their income on energy and are classified as living in ‘fuel poverty’. Records show that in 2010 as many as 11,584 Brent households (11.5 per cent) were in fuel poverty.

3.1.2 The impact of impending cuts to benefits and lower wages means that many people will turn to debt to pay their bills. Officers estimate that the government’s package of welfare reform measures is likely to have a disproportionate impact in Brent – over 3,000 households in Brent are at risk of losing their homes from April 2013. Combined with changes to the Council Tax benefit regime, many Brent residents are likely to be significantly worse off. The Council’s social care services will continue to come under considerable strain. Brent’s demographics show below that residents are likely to be more financially challenged than others across the country and it is therefore imperative that they can reduce as many of their outgoings as possible:

- Median earnings for employees living in Brent are significantly lower than the average in London – £493.60/wk in Brent in 2011, compared to £610.20/wk in London as a whole. (GLA figures show Brent has the second lowest levels of pay in London with 30% of employees earning less than the London Living Wage)
- The average rent level for a 2-bed property in Brent is £1,344, which is 74% of median earnings
- Rents in Brent are increasing 2.9% per year – they are now the 5<sup>th</sup> highest in London
- It is estimated that 3,000 households will see a reduction in their housing benefit from the cap
- It is estimated that at least 1,000 families in Brent will have less income under universal credit, by up to £83 per week from 2013
- An 11% increase is predicted in the population aged 65+ between 2012 and 2020 (most of this age group will no longer be receiving a salary)

#### **3.2 What is Collective Energy Switching?**

3.2.1 Collective energy switching (CES) is one way of attempting to respond to these financial issues. CES refers to the process that occurs when a negotiation is made with an energy provider to obtain a better deal for the bulk purchasing of gas, electricity or other fuels. By buying energy in bulk, local people can then be offered

the chance to switch energy providers and benefit from a cheaper energy tariff<sup>1</sup>. Residents register to express an interest by providing some basic details on their current energy usage. Once sufficient people have registered then negotiations for the best tariff can begin with electricity and gas suppliers. Once a tariff has been agreed this is then communicated to all those who had signed up as being interested in joining the scheme. It is not compulsory for people to make the switch, however having found people a better deal it is anticipated that many will. Switches that have already taken place in the UK suggest that approximately 40% of those who initially registered will commit to making the switch.

### 3.2.2 Collective switching is considered to bring three significant benefits:

- It can help more people to participate in switching, bringing savings to greater numbers of people, faster, and potentially making this available to those who are not internet-literate or already better-off
- By using group purchasing power it can also help drive more advantageous bargains<sup>1</sup>
- It can help to drive competition and attract more players in the market, reducing barriers to entry by helping smaller suppliers access more customer opportunities, more quickly. (When Co-op Energy won the Big Switch auction this year they doubled their customer base.)

### 3.2.3 As a result implementing collective switching in Brent will:

- Enable residents to make savings on their energy bills (officers estimate that by signing up households could save between £20 and £200 a year on their energy bills)
- Help to reduce the number of people in fuel poverty and thereby help reduce the demand on social care
- Provide an opportunity of get across to residents messages about energy efficiency, managing personal finances, etc
- Help to increase partnership working in the borough as organisations work together to promote and develop the collective switching scheme

### 3.2.4 The Department for Energy and Climate Change (DECC) has shown strong support for collective energy switching, with Ed Davey Secretary of State for Energy and Climate Change stating his priority to help consumers reduce their gas and electricity bills. In March 2012 he wrote to all domestic gas and electricity suppliers stressing the importance of their engagement in collective purchasing and switching. In July 2012 all local authorities were encouraged to become involved in collective purchasing and switching schemes to help residents get a better deal on

---

<sup>1</sup> It must be noted, however, that energy suppliers are not currently able to offer cheaper deals through collective switching schemes than are already available on the market, which significantly undermines these schemes. It is understood that Ofgem is reviewing its guidance to ensure that it does not prevent cheaper tariffs from entering the market and that this review is also intended to have the effect of allowing suppliers to offer tariffs that are cheaper than those on the existing market through collective switching schemes. This review will take some time, however, including testing that the revision will have the desired effect in practice, to remove this significant barrier.

their energy bills and at the end of the year £5 million of funding had been made available for councils to set up and undertake collective switching schemes.

3.2.5 Councils are using their position as local leaders to run purchasing schemes for their residents with the support of 'switching specialists' to get them a better deal. There are several examples of schemes currently being run across the country, from Cornwall to Oldham, South Lakeland to Tower Hamlets.

### **3.3 Process for Setting up a Collective Switching Scheme**

3.3.1 The initial stage of such a scheme involves its promotion (how it works, the benefits, etc.) to people and enabling those people considering participating in the scheme to register their interest. This is often done by people registering online, however there is generally also a method of registering for people who do not have, or are not confident with, internet access. This might be achieved by providing internet access and support for registering or and offering alternative ways of expressing interest such as by telephone and/or paper applications.

3.3.2 Once the target number of people or the time period for interest to be registered (whichever is chosen as the target) has been reached and it is known how many people are interested in the scheme (this expression of interest does not commit them to switching) then a 'reverse auction' is held. This is where energy companies are invited to put forward their lowest price per kilowatt of electricity and cubic metre of gas for the number of people interested in participating.

3.3.3 After securing a deal this is then offered to those who signed up during the registration phase. These people then decide if they would like to switch energy providers or not. Those who do want to switch will change energy providers and benefit from the savings from the cheaper energy tariffs. The energy companies also often pay the CES scheme a sum for each person that switches. This sum is paid in part or whole to the energy switching provider to enable the scheme to continue to operate effectively.

3.3.4 Officers consider that the introduction of a collective switching scheme along the lines described above for Brent residents and businesses fits perfectly with Brent's three priorities<sup>2</sup>. By negotiating a better price for their energy the people of Brent are offered a fairer price for their energy thereby helping to tackle residents' debt problems and improving the prosperity of the borough.

### **3.4 Working in Partnership**

3.4.1 Because of the skills and experience required in organising a CES scheme and undertaking a reverse auction, the amount of work involved and the number of households necessary to sign up to the scheme for a switch to be viable, Officers

---

<sup>2</sup> Brent Council's work is to be guided by three priorities:

- 1) to make Brent a fairer place – tackling inequality and injustice and ensuring all our residents have the opportunities they are entitled to expect in London today;
- 2) to pursue growth and prosperity for the Borough. This means more jobs, more opportunities and better pay across Brent;
- 3) to preserve and strengthen our sense of community.

consider that it is preferable for the project to be undertaken in partnership with other organisations. The chief partner is the organisation that liaises with residents to arrange the switch itself. There are a number of organisations that specialise in energy switching e.g. Cornwall County Council used uSwitch, whilst many others such as Oldham and Peterborough City are using iChoosr as their preferred switching partner. The latter has had much experience of organising energy switches across Europe since 2008.

3.4.2 Switching energy supplier is complex, time-consuming and a worry to residents and as such is not popular. However working with an experienced energy switching organisation addresses this, allowing the energy switching organisation to identify the best energy deal, often through running a reverse auction. They liaise with the preferred energy supplier, offering “hassle free” switching, which is neither complex nor time consuming for residents. As success of CES is demonstrated, switching is now becoming increasingly popular.

3.4.3 Working in partnership allows the work to be shared: Brent Council is the trusted “brand” best able to communicate the scheme to its residents and carry out the marketing and customer satisfaction surveys, whilst the energy switching company does the rest.

3.4.4 Benefits to the Council include:

- an innovative service which could improve its reputation
- the opportunity to dovetail other energy-related initiatives to the scheme
- a way to reach out to vulnerable groups in society
- building a stronger sense of community

### **3.5 Options for Consideration**

#### **3.5.1 Independent Brent scheme**

One option available to Brent Council is to undertake a collective switching scheme as a single borough in partnership with the energy switching organisation and other interested organisations. This is the route Cornwall County Council went down in partnership with the Eden Project, backed by uSwitch, EnergyShare, the NHS and Community Buying unLimited.

3.5.2 However significant amounts of knowledge and expertise would be required to set up an independent scheme which currently does not exist in the council. Furthermore, on the experience of Cornwall County Council, this is likely to be a costly option. Whilst there is the potential for £35 to be received for every switch that occurs, this would be needed to pay for overheads of organising the switch. Therefore only a small net proportion of this sum would be retained by Brent or passed to residents. The amount received would be very little in comparison to the financial and human resource investment required to get the CES scheme up and running. Setting up an independent scheme would also place a significant demand on staff time as the work not undertaken by the energy switching organisation would have to be carried out by Brent staff.

### 3.5.3 Joint scheme

The other option is to join with other councils in a CES scheme by either:

- 3.5.3.1 establishing a new CES scheme with other councils; or
- 3.5.3.2 joining a pre-existing CES scheme that has already been established by another council.

3.5.4 By undertaking a joint scheme the Council can benefit from:

- ‘Piggy backing’ on the skills, research and experience of others – reducing the need to have to develop the expertise in Brent
- It will not matter how many Brent residents have signed up to the scheme (to make the auction - and subsequently the switching - viable) as numbers will be supplemented by residents from other councils
- Buying power as a result of a higher number of households from across the region undertaking the switch - Brent will obtain a much better deal for its residents through economies of scale
- Sharing resources e.g. promotional literature
- Less costly than setting up the council’s own scheme
- Much less time-consuming than developing the council’s own scheme
- Reputational risk is reduced as the scheme is not run directly by the council

Appendix 2 sets out the comparison of collective energy switching options as between an independent Brent scheme and a joint scheme with other authorities.

3.5.5 For the reasons detailed above, Officers favour a joint scheme. Officers have therefore been in discussions with other London boroughs regarding the possibility of setting up a joint scheme or else joining a pre-existing CES scheme. Sixteen other London boroughs have indicated an interest in participating in some form of joint scheme.

## 3.6 London Councils’ Proposed Collective Energy Switching Scheme

3.6.1 Initial discussions between the seventeen London boroughs and London Councils favoured the establishment of a new London wide CES scheme. On behalf of the seventeen local authorities (including Brent) the London Councils’ partnership has overseen a successful bid to DECC for £686,655 (the bid is attached in Appendix 3) which it is proposed will fund collective switching activities leading to an auction to be held in March 2013. The bid identifies the seventeen London boroughs.

3.6.2 The bid proposed that it will:

- enable participating boroughs to engage directly and clearly with their own residents through local community groups, trusted partners and councillors to ensure consumer protection
- promote collaborative working across borough boundaries and with partner agencies to target the most vulnerable, share expertise and maximise the use of resources



- generate a range of engagement activities including a communications toolkit and community outreach workers to promote a comprehensive message around energy empowerment and education
- encourage one-to-one support, where appropriate, to engage and help the most vulnerable residents
- deliver, by working with local partners, existing energy efficiency programmes and other services to maximise the potential for reducing consumers' energy bills
- include robust, independent evaluation of the benefits to consumers, particularly the vulnerable, and customer satisfaction; assessment of its success at reaching vulnerable consumers, considering both energy use and savings achieved
- include exploring the opportunity to minimise the switching fee from each customer to maximise their potential savings
- include exploring the option to increase the carbon-saving opportunity by considering whether and how a robust renewable-energy tariff could be one of the options offered

3.6.3 The money was awarded to the London Councils' joint bid at the end of December 2012. If this option is pursued, it is proposed that the authorities will sign a Memorandum of Understanding (MOU) setting out governance arrangements between the authorities and outlining how the energy switching organisation and consultancy services will be procured as well as how CES scheme will operate. Once an MOU is signed, work will begin to procure an experienced energy switching organisation and set up and promote the energy switching scheme in Brent and the sixteen other participating boroughs. A Joint London Boroughs' Collective Energy Switching Scheme Governance Framework will also be developed to clarify responsibilities and decision-making process.

3.6.4 It is anticipated that any capital costs involved in setting up the CES scheme will be covered by funding from DECC. There will be a requirement for staff time and some additional existing resources to support the funded scheme.

3.6.5 Consultancy advice will be paid for with the DECC funding to provide procurement and legal expertise. This will assist the group in selecting a switching provider and developing legal arrangements for participating local authorities with the prospective provider. However it will not override Brent's own legal advice.

3.6.6 London Councils in conjunction with participating local authorities is currently developing a proposal on how to choose a switching provider. It is proposed that a Council (not Brent) will lead on the procurement on behalf of the seventeen boroughs and its own contract standing orders and financial regulations will apply to the procurement. London Council will assist with the procuring of legal and procurement consultancy service to manage the process of appointing a switching provider. It is estimated that such contract would be classed as a Low Value contract under Brent's Contract Standing Orders. Similarly, London Councils will assist the lead council with the appointment of an energy switching provider. It is also estimated that this would be classed as a Low Value contract under Brent's Contract Standing Orders. Since there are only a small number of organisations

offering the service of energy switching provider, there will be a limited number to choose from. It is anticipated that two weeks will be given for the receipt of responses, with a panel of representatives from perhaps four participating boroughs undertaking the selection process. During the procurement of the CES scheme and after its establishment, all participating local authorities will have the option of withdrawing from the scheme.

- 3.6.7 It is expected that the London Councils' CES scheme option will also include the provision of a website and staff training by the energy switching organisation.
- 3.6.8 As indicated at paragraph 3.3.3, energy companies will generally pay the CES scheme a sum for each person that switches. It is anticipated that all participating local authorities will not receive any money for each switch that takes place but instead this sum will in whole or part be paid to the energy switching provider to help fund the scheme. It will however be explored whether an element of the sum paid by energy companies can go directly to the residents to further help further reduce their fuel poverty.

### **3.7 Joining a pre-existing Collective Energy Switching Scheme**

- 3.7.1 An alternative joint approach to the London Councils' proposed CES scheme is for Brent together with the other sixteen London boroughs to join an existing CES scheme. Officers from all the London boroughs and London Councils have been looking at a range of pre-existing schemes such as:

- Oldham Council's Collective Energy Switching Scheme

Residents are currently in the process of registering their interest for the energy switch. Included in Oldham's collective energy switch are UNISON; Rochdale Council, Norwich Council and the Labour Party. Other councils have also expressed an interest to join.

Following the registration period, a reverse auction will be held to find the best energy deal. The energy switching partner iChoosr will provide free support and guidance throughout the registration and switching process.

- Peterborough City Council's Collective Energy Switching Scheme

In September 2012 Peterborough announced it is leading a collective energy switching scheme collaborating with other local authorities across the country to negotiate cheaper energy prices.

There is to be a collective switch in February. This is to be opened up to all councils to participate in, so London Councils and participating boroughs would be able to join in with this or future collective energy switches.

### **3.8 Conclusions**

- 3.8.1 In addition to helping save residents money it is hoped that a CES scheme will help spread the energy efficiency message, encourage sustainability and community

resilience and improve take-up of free insulation offers. With the promotion of multiple schemes it is anticipated that a better reach can be attained and a more holistic package offered to residents. With these combined aspects the council will have a better chance of reducing fuel poverty in the borough.

- 3.8.2 The pros and cons of Brent undertaking either a CES scheme independently, or joining other councils in a partnership are set out in Appendix 2. As detailed in Appendix 2 sharing with other local authorities will not only reduce cost and time input but will also reduce the pressure for Brent to secure a minimum of 5,000 households (this is generally considered to be the minimum number required) interested in switching, which from the experience of other councils such as Cornwall and Tower Hamlets would be a struggle.
- 3.8.3 It is therefore recommended that Brent Council undertakes a collective energy switch in partnership with other local authorities.
- 3.8.4 Officers are currently in discussion with the sixteen other London boroughs and London Councils regarding the best joint approach. The intention is to procure independent legal and procurement advice to assist with these discussions and thereafter proceed with the favoured approach. Following receipt of initial legal and procurement advice, the Director of Strategy Partnerships and Improvement will make a decision as to which joint approach to pursue should members agree to the introduction of a CES scheme.

#### 4. Financial Implications

- 4.1 Although taking the scheme forward in partnership with other local authorities and receiving shared funding there will be some minimal costs required to run the collective energy switching scheme in Brent as follows:

Aspect of the Project	Cost (£)
Member of staff to manage the project – to be funded from existing resources	Staff time
Promotional design and materials	To be covered by DECC funding - but may require an additional £2,000-5,000 for more local promotions.
Legal and procurement expertise on the setup of the scheme	To be covered by DECC funding.
Provision of a phone line (non-automated) for residents to register offline (it is hoped this would be shared with other participating authorities, or would use an existing Brent customer services number)	To be covered by DECC funding

- 4.2 Residual costs of up to £5,000 may be required to target local promotions and this will be funded within the departmental budget.

## 5. Legal Implications

- 5.1 If Members approve the introduction of a CES scheme, the intention is to collaboratively procure legal and procurement consultancy advice in relation to the best joint approach to introduce a CES scheme. If the option of establishing a CES scheme in association with sixteen other London boroughs is preferred, the proposal is to collaboratively procure an organisation to assist residents with collective energy switching. The proposal is that these collaborative procurements are carried out using the Contracts Standing Orders and Financial Regulations of one of the other local authorities working with London Councils. Under Contract Standing Orders 85(c) such collaborative procurements need to be tendered in accordance with Brent Standing Orders and Financial Regulations, unless the Executive grants an exemption in accordance with Standing Order 84(a). A request for an exemption under Standing Order 84(a) can be approved by the Executive where there are good operational and / or financial reasons, and these reasons are set out in paragraph 3.6 above.
- 5.2 If the preferred option is to establishing a CES scheme in association with sixteen other London boroughs, the procurement of an organisation to assist residents with collective energy switching will be classed as a service concession contract. Service contracts are not formally regulated by the Public Contracts Regulations 2006 (EU Regulations) although the general EU Treaty principles (e.g. transparency, equal treatment and non-discrimination) are relevant to the procurement. Similarly the contract for legal and procurement consultancy advice will not be formally regulated by EU Regulations as the estimated value is below the relevant EU threshold, with only the EU Treaty principles being potentially relevant.
- 5.3 Officers are in the process of liaising with the other sixteen London boroughs to ensure there are effective inter-organisation arrangements in relation to the procurements and also in relation to the subsequent operation of the CES scheme if selected. Officers will need to ensure appropriate legal, financial and other relevant advice is obtained in establishing suitable governance arrangements, to include clear accountability and liability of organisations.
- 5.3 Should the preferred option be to join a pre-existing CES scheme, full information regarding the establishment and operation of the proposed scheme will need to be reviewed to confirm that it is legally permissible for the Council to join such scheme.
- 5.4 Collective switching must comply with current standards of practice to include:
- A customer must not be sold a product or service that he or she does not fully understand or that is inappropriate for their needs and circumstances
  - Material about a customer's product or service must not be changed without clearly explaining to him or her why
  - A customer must not be prevented from switching product or supplier without good reason
  - Products that are unnecessarily complex or confusing must not be offered

- It must be made easy for customers to make and action is to be taken promptly and courteously to put things right when a mistake is made
- Collective purchasing activities will also need to comply with wider consumer protection requirements, the provisions of the electricity and gas supply licences (where relevant) and the current standards of conduct governing suppliers' interactions with customers.

It will therefore be necessary that any contract with the energy switching organisation clearly sets out such requirements to ensure that the CES scheme is operated to the highest standards.

5.5 Since the Council will be collecting personal data it will additionally need to consider its obligations under the Data Protection Act 1998, particularly with regard to security of data. These matters will need to be addressed not only in the contract with the energy switching organisation but also in the MOU between London boroughs.

## **6. Diversity Implications**

6.1 The Council is required to comply with the duties set out in the Equality Act 2010 when exercising its functions. This includes when reaching decisions about embarking on a collective energy switching scheme for residents. The Equality Act 2010 Section 149 requires the Council to pay due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between those who have a protected characteristic and those who do not. An Equality Impact Assessment has been carried out and is set out in Appendix 1. The scheme will be promoted to all residents and made accessible via multiple methods to ensure that everyone is included and the option is made available to as many people as possible. With regards to socially and economically disadvantaged households, who are, according to the analysis, more likely to be paying high service bills and less likely to seek alternative cheaper means by switching, specific steps will be taken to ensure that these groups are encouraged to participate and to engage. These are set out below in paragraphs 6.3 and 6.4.

6.2 Up until November 2012 customers who were in debt to their energy supplier of more than £200 were prevented from switching suppliers. This would have excluded some families from participating in the switch. However Government has raised this threshold to £500 effective from 1 November 2012, allowing many more Brent households to be able to switch to a better tariff if they find a cheaper deal.

6.3 The following will be undertaken to ensure equal access to the scheme:

- Promotion via Brent Magazine, Brent website, posters (e.g. in libraries, One Stop Shops, etc.), BHP, Housing Associations, etc. to make awareness of the scheme as high and equally accessible as possible
- To ensure that residents can sign up via more traditional methods to supplement expressing interest online (e.g. paper forms will be made

available, and it is hoped that registration will also be able to take place via telephone.

- 6.4 There is a risk that such a scheme will appeal to more educated, wealthier households. Therefore it will be important to place a particular emphasis on promoting and explaining the scheme to less economically mobile households (e.g. through housing associations, etc.).

## **7. Staffing/Accommodation Implications (if appropriate)**

- 7.1 A part-time member of staff resource to manage this scheme is required. This employee would represent Brent and contribute towards the London Councils' project, oversee local promotions (with support from Design and Communications) and undertake project management for the Council. It is proposed that the resource is diverted from the Environmental Projects and Policy team to support this scheme.
- 7.2 There will be no accommodation implications.

### **Background Papers**

Equality Impact Assessment  
Collective Energy Switching Options – comparison  
DECC funding bid

### **Contact Officers**

Judith Young, Head of Policy Information and Performance  
Tel – 020 8937 5305  
Email – judith.young@brent.gov.uk

Helen Sankey, Environmental Projects and Policy Officer  
Tel – 020 8937 5316 / #7011  
Email – helen.sankey@brent.gov.uk

**Phil Newby**  
**Director of Strategy, Partnerships and Improvement**

## Appendix 1: Equality Impact Assessment

<b>Department:</b> Strategy, Partnerships and Improvement	<b>Person Responsible:</b> Helen Sankey
<b>Service Area:</b> Policy and Performance	<b>Timescale for Equality Impact Assessment :</b>
<b>Date:</b> 6 November 2012	Completion date: 13 November 2012
<b>Name of service/policy/procedure/project etc.:</b> Collective Energy Switching Scheme	<b>Is the service/policy/procedure/project etc.:</b> New <input checked="" type="checkbox"/> Old
<b>Predictive</b> <input checked="" type="checkbox"/>  <b>Retrospective</b>	<b>Adverse impact</b> Not found <input checked="" type="checkbox"/> Found  Service/policy/procedure/project etc., amended to stop or reduce adverse impact Yes No <input checked="" type="checkbox"/>
<b>Is there likely to be a differential impact on any group?</b> Yes No <input checked="" type="checkbox"/>	Please state below:
1. <b>Grounds of race:</b> Ethnicity, nationality or national origin e.g. people of different ethnic backgrounds including Gypsies and Travellers and Refugees/ Asylum Seekers Yes No <input checked="" type="checkbox"/>	2. <b>Grounds of gender:</b> Sex, marital status, transgendered people and people with caring responsibilities Yes No <input checked="" type="checkbox"/>
3. <b>Grounds of disability:</b> Physical or sensory impairment, mental disability or learning disability Yes No <input checked="" type="checkbox"/>	4. <b>Grounds of faith or belief:</b> Religion/faith including people who do not have a religion Yes No <input checked="" type="checkbox"/>
5. <b>Grounds of sexual orientation:</b> Lesbian, Gay and bisexual Yes No <input checked="" type="checkbox"/>	6. <b>Grounds of age:</b> Older people, children and young People Yes No <input checked="" type="checkbox"/>
<b>Consultation conducted</b> Yes No <input checked="" type="checkbox"/>	
<b>Person responsible for arranging the review:</b> Judith Young	<b>Person responsible for publishing results of Equality Impact Assessment:</b> Helen Sankey
<b>Person responsible for monitoring:</b> N/A	<b>Date results due to be published and where:</b> N/A

1. [What is the service/policy/procedure/project etc. to be assessed?](#)

Collective Energy Switching Scheme

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

Every year, people in the UK waste £4 billion on their energy. Energy bills are now one of the biggest costs that families face, but the complexity of the various tariffs on offer, currently over 400, means that 80 per cent of people are paying too much for their energy.

Households are now spending twice as much on power to their homes than they were ten years ago, and more than 5m households in the UK are estimated to spend more than 10 per cent of their income on energy and are classified as living in 'fuel poverty'. In response, and following the successful development of other local authority-led collective switching schemes (such as in Cornwall), Secretary of State, Edward Davey, has written a letter to all Local Authorities encouraging them to get involved in collective purchasing and switching schemes to help residents get a better deal on their energy bills: [Letter to Local Authorities from Edward Davey, 25 July 2012.](#)

Cuts to benefits and lower wages mean that many people will turn to debt to pay the bills. Furthermore, the government's package of welfare reform measures will have a disproportionate impact in Brent – over 3,000 households in Brent are at risk of losing their homes from April 2013. Combined with changes to the Council Tax benefit regime many Brent residents will be significantly worse off.

Our social care services will continue to come under considerable strain.

Brent's population makes it more imperative that its residents' costs are able to be kept as low as possible:

- median earnings for employees living in Brent are significantly lower than average in London – £493.60/wk in Brent in 2011, compared to £610.20/wk in London as a whole. (GLA figures show Brent has the second lowest levels of pay in London with 30% of employees earning less than the London Living Wage)
- the average rent level for a 2-bed property in Brent is £1,344, which is 74% of median earnings
- rents in Brent are increasing 2.9% per year – they are now the 5<sup>th</sup> highest in London
- 3,000 households will see a reduction in their housing benefit from the cap
- at least 1,000 families in Brent will have less income under universal credit of up to £83 per week from 2013
- an 11% increase is predicted in the population aged 65+ between 2012 and 2020 (most of these age group will no longer be receiving a salary).

These statistics show that Brent's residents are likely to be even more financially challenged than others across the country – it will therefore be imperative for them to be able to reduce as many outgoings as possible, by as much as possible.

It is often the least wealthy who use the least energy but pay the most for the energy that they do use. Households that need to spend more than 10% of their income on energy costs in order to meet a prescribed standard of warmth are referred to as 'fuel poor'. Fuel poverty is a major social problem, causing and exacerbating financial hardship and negative health and well-being impacts as well as impeding efforts to reduce carbon emissions. In 2009, 7.7 million individuals in 2.7 million households were fuel poor, on low incomes and faced energy costs amounting to £1.1 billion higher than those of middle/higher income people with typical costs – an average fuel poverty gap per household of £415. It is hoped that this scheme will help to address this imbalance and reduce the energy bills of those who participate.

Setting up a collective switching scheme for Brent's residents and businesses would fit perfectly with Brent's three priorities<sup>1</sup>, and tackling residents' financial issues. By negotiating

---

<sup>1</sup> Brent Council's work is to be guided by three priorities:



a better price for residents' energy the people of Brent can be offered a fairer price for their energy, which will help the prosperity of the borough and with tackling residents' debt problems. Such a scheme could also be part of the development of a radical change in our approach to social care, putting the emphasis on preventing the need for care services.

The key benefits of a collective switching scheme are:

- residents can make savings on their energy bills
- it may help reduce the number of people in fuel poverty
- it may help to reduce the demand on social services
- it provides another way of getting the messages about energy efficiency, managing personal finances, etc. out to residents
- it may help increase partnership working in the borough, as organisations work together to promote and develop the collective switching scheme.

### 3. Are the aims consistent with the Council's Comprehensive Equality Policy?

The aim of the collective energy switching scheme is to enable residents to make savings on their energy bills and to help reduce the number of people in fuel poverty. The scheme will be promoted to all residents and made accessible via multiple methods, to avoid exclusion of certain groups of people. This vision is consistent with the aims of the Council's Comprehensive Equality Policy.

### 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?

There is no adverse impact on any of the protected characteristics groups. The scheme is available to everyone and is aimed at helping and encouraging those less likely or able to switch services to ensure that they pay competitive prices for their services.

Up until this month, customers who were in debt to their energy supplier of more than £200 were prevented from switching suppliers. This would have excluded some families from participating in the switch. However, this threshold has now been raised to £500 with effect from 1 November 2012, allowing potentially tens of thousands more households nationally to be able to switch to a better tariff if they find a cheaper deal.

The following will be undertaken to ensure equal access to the scheme:

- promotion via Brent Magazine, Brent website, posters (e.g. in libraries, One Stop Shops, etc.), BHP, Housing Associations, etc., to make awareness of the scheme as high and equally accessible as possible
- to ensure that residents can sign up via more traditional methods, to supplement expressing interest online (e.g. paper forms will be made available, and it is hoped that registration will also be able to take place via telephone)

### 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.).

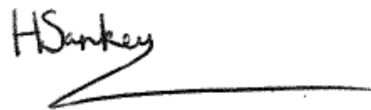
- 1) to make Brent a fairer place – tackling inequality and injustice and ensuring all our residents have the opportunities they are entitled to expect in London today;
- 2) to pursue growth and prosperity for the Borough. This means more jobs, more opportunities and better pay across Brent;
- 3) to preserve and strengthen our sense of community.

Similar schemes that have been set up by other local authorities have been used as case studies to help with researching the undertaking of collective energy switching scheme, to include aspects that will prevent exclusion of certain groups of people, and to help form this judgement.
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)
There are no unmet needs that can be identified that affect specific groups.
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?
No consultation has taken place. This project was carefully researched for best practice by speaking to several other local authorities that have set up similar collective energy switching schemes (Cornwall, Tower Hamlets and Oldham).
8. Have you published the results of the consultation, if so where?
N/A
9. Is there a public concern (in the media etc.) that this function or policy is being operated in a discriminatory manner?
There is currently no public concern that the Collective Energy Switching scheme will be operated in a discriminatory manner.
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.
There is no evidence to suggest that the strategy itself will have an adverse impact. There is a risk that such a scheme will appeal more to more educated, wealthier households – it will therefore be important to place a particular emphasis on promoting and explaining the scheme to less economically mobile households (e.g. through housing associations, etc.).
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?
There is a risk of people not trusting energy companies enough to make a switch in energy provider; sometimes people prefer to remain paying what they are doing rather than to undergo change and the uncertainty of the cost of energy bills – even with the assurance that their bills will be lower if they switch. It will therefore be important to undertake the following: <ul style="list-style-type: none"> <li>• promote the scheme to develop general awareness of the collective energy switch for Brent residents</li> <li>• provide sufficient information about the scheme that people feel able to trust it</li> <li>• give residents access to a helpline to ask any questions they may have</li> <li>• make it clear that expressing interest does not commit people to making a switch after the reverse auction has taken place.</li> </ul>

13. What is the justification for taking these measures?
The main justification for taking these measures is to reduce the energy bills of Brent residents and to help poorer households out of fuel poverty.
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.
The demographics of participating residents will be collected and monitored to assess the equality of the project. Information regarding the amount residents who sign up for the scheme currently pay for their energy will also be gathered; this will be compared with what they pay for their energy after the reverse auction has occurred and the switch has taken place. This data will enable us to monitor the level of success of the scheme to reduce residents' energy bills, and in encouraging more economically disadvantaged families to switch their energy supplier, to get a better deal. Numbers of participants will also be monitored.
15. What are your recommendations based on the conclusions and comments of this assessment?
It is recommended that this EIA is reviewed after the first switching of Brent residents' energy providers has taken place.
Should you:
16. If equality objectives and targets need to be developed, please list them here.
The objectives are to: <ul style="list-style-type: none"> <li>• encourage sign-up from residents of all levels of wealth and income</li> <li>• to help to reduce fuel poverty in Brent.</li> </ul>
17. What will your resource allocation for action comprise of?
This is to be agreed after the paper has been taken to Executive.

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

Signed by the manager undertaking the assessment:



Full name (in capitals please): Helen Sankey

Date: 6 November 2012

Service Area and position in the council: Strategy, Partnerships and Improvement - Environmental Projects and Policy 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**

*An online version of this form is available on the Corporate Diversity Team website.*

This page is intentionally left blank

## Appendix 2: Collective Energy Switching Options

Brent Council has two main options available as to how to progress with the introduction of a collective energy switching (CES) scheme:

- To set up a scheme specifically for Brent residents (possibly in partnership with Energy Solutions, or directly with an energy switching provider such as iChoosr)
- To participate in a switching scheme with other local authorities in England.

There are pros and cons of each option, as outlined below.

Setting up a scheme specifically for Brent residents only:

<b>Pros</b>	<b>Cons</b>
Can plan and develop the scheme, promotions, etc. specifically to Brent and the borough's needs, etc.	Very unlikely to get 5,000 households interested in making the switch – but this is a minimum number needed to go to reverse auction
Can develop and roll out the scheme to suit our own timings	Will require much more financial investment than if entering into a collective switching scheme with other councils
	Will need a much greater investment of time and staff resource from Brent Council
	Expertise is required, which is not held within the council
	Likely to end up undertaking work that is just 'reinventing the wheel', with many other councils having undertaken such schemes and developed the necessary skills, etc.
	Reputational risk if things go wrong; switch is unable to happen, etc.

Joining in a collective switching scheme with other authorities:

<b>Pros</b>	<b>Cons</b>
Can 'piggy back' on the skills, research and experience of others – don't need the expertise in Brent	Less control over the scheme – have to fit with what has already been planned, pre-arranged timings, etc.
Will not matter how many Brent residents we have signed up to the scheme, as numbers will be supplemented by other council residents	May have less time to promote the collective energy switch – e.g. Oldham Council are undertaking their next reverse auction in January 2013
Better buying power with a higher number of households from across the country/region undertaking the switch – should get a much better deal for our residents through economies of scale	
Can share resources e.g. promotional	

literature	
Cheaper than setting up own scheme	
Likely to be much less time-consuming than developing own scheme	
Less reputational risk as not run directly by the council	

If joining in a collective switching scheme with other authorities, there are 2 options:

- 1 establishing a new scheme with those other authorities; or
- 2 joining a pre-existing set up by another authority.

Oldham Council have already set up a collective energy switching scheme (in partnership with iChoosr) that they are encouraging other councils to participate in with them. Numerous other councils have already expressed an interest to take part with them (e.g. Greater Manchester Combined Authority, Tower Hamlets, etc.). Oldham Council held a briefing session on 23<sup>rd</sup> October to encourage further councils to join their collective switching scheme. They are due to go to auction (their second) in January 2013 with a third planned in April 2013.

Other London boroughs are interested in taking part in a collective switching scheme (e.g. Tower Hamlets have already started promotions and residents are signing up (they may join in with the Oldham's auction, to supplement numbers); Havering have signed up to Peterborough City Council's scheme; Haringey, Sutton and Enfield are all interested in setting something up).

# DECC Local Authority Funds

ANNEX A

Application Form

## APPLICATION FORM

**Please note:** completed bids should be submitted by 5pm on 30<sup>th</sup> November 2012 by email to [la.funds@decc.gsi.gov.uk](mailto:la.funds@decc.gsi.gov.uk)

### SECTION 1: To be completed by all applicants

1.1 Applicant Details	
<b>Lead Local Authority</b> [supported by London Councils]	
Name of Local Authority	Royal Borough of Kingston upon Thames
Name of contact within the Local Authority	Shadia Rahman (Climate Change Officer)
Address	Strategic Assets Asset Management Service Guildhall 2 High Street Kingston upon Thames KT1 1EU
Telephone number of contact	020 8547 5763
Email address of contact	shadia.rahman@rbk.kingston.gov.uk
<b>Other participating Local Authorities</b> [supported by London Councils]	
Name of Local Authority	London Borough of Bexley
Name of contact within the Local Authority	Julie Evans (Team Leader)
Address	Housing Support & Initiatives Civic Offices Bexleyheath Kent DA6 7LB
Telephone number of contact	020 3045 4854
Email address of contact	Julie.Evans@bexley.gov.uk



Name of Local Authority	Brent Council
Name of contact within the Local Authority	Judith Young (Head of Policy, Information and Performance)
Address	349-357 High Road Wembley Middlesex HA9 6BZ
Telephone number of contact	020 8937 5305
Email address of contact	Judith.young@brent.gov.uk

Name of Local Authority	London Borough of Croydon
Name of contact within the Local Authority	George Simms (Energy Use Reduction Officer)
Address	Planning & Environment Croydon Council Taberner House 18th floor (NE) Park Lane Croydon CR9 3JS
Telephone number of contact	020 8726 6000 x 62314
Email address of contact	George.Simms@croydon.gov.uk

Name of Local Authority	London Borough of Ealing
Name of contact within the Local Authority	Janet Rudge (Energy Officer)
Address	Sustainability Team London Borough of Ealing Perceval House 14-16 Uxbridge Road London W5 2HL
Telephone number of contact	020 8825 9394
Email address of contact	rudgej@ealing.gov.uk

Name of Local Authority	London Borough of Enfield
Name of contact within the Local Authority	Deborah Southwell (Project Manager, Enfield 2020)
Address	Civic Centre Silver Street Enfield EN1 3XA
Telephone number of contact	020 8379 4565
Email address of contact	Deborah.Southwell@Enfield.gov.uk

Name of Local Authority	Royal Borough of Greenwich
Name of contact within the Local Authority	Heather Williamson (Sustainability Team Leader)
Address	Directorate of Regeneration, Enterprise and Skills The Woolwich Centre 35 Wellington Street London SE18 6HQ
Telephone number of contact	020 8921 5380
Email address of contact	Heather.Williamson@royalgreenwich.gov.uk

Name of Local Authority	London Borough of Hackney
Name of contact within the Local Authority	Richard Caton (Lead Programme and Project Manager, Programmes and Projects)
Address	Chief Executive's Directorate 1 Hillman Street Hackney London E8 1DY
Telephone number of contact	020 8356 3336
Email address of contact	richard.caton@hackney.gov.uk

Name of Local Authority	London Borough of Haringey
Name of contact within the Local Authority	Adam Parvez
Address	River Park House 225 High Road London N22 8HQ
Telephone number of contact	020 8489 5691
Email address of contact	Adam.Parvez@haringey.gov.uk

Name of Local Authority	London Borough of Islington
Name of contact within the Local Authority	Andrew Ford (Energy Advice Manager)
Address	222 Upper Street London N1 1XR
Telephone number of contact	020 7527 2022
Email address of contact	andrew.ford@islington.gov.uk

Name of Local Authority	London Borough of Lambeth
Name of contact within the Local Authority	Malcolm de Vela (Energy Efficiency Manager)
Address	Corporate Procurement Team - Energy Management Unit Finance and Resources Department London Borough of Lambeth
Telephone number of contact	020 7926 3591
Email address of contact	mdevela@lambeth.gov.uk

Name of Local Authority	London Borough of Merton
Name of contact within the Local Authority	Jon Buick (Climate Change Project Officer)
Address	Environment and Regeneration 12th Floor Merton Civic Centre London Road Morden London SM4 5DX
Telephone number of contact	020 8545 4665
Email address of contact	jon.buick@merton.gov.uk

Name of Local Authority	London Borough of Newham
Name of contact within the Local Authority	Sue Walker (Manager, Domestic Energy Efficiency Team)
Address	Community Infrastructure Operations Directorate London Borough of Newham Direct House Bridge Road Depot Abbey Road London E15 3LX
Telephone number of contact	020 3373 0630
Email address of contact	Sue.Walker@newham.gov.uk

Name of Local Authority	London Borough of Richmond upon Thames
Name of contact within the Local Authority	Jess Wiles (Sustainability Team Leader)
Address	York House Stable Block Richmond Road Twickenham TW1 3AA
Telephone number of contact	020 8891 7302
Email address of contact	jess.wiles@richmond.gov.uk

Name of Local Authority	London Borough of Southwark
Name of contact within the Local Authority	Sheryl Charles (Strategy Officer)
Address	Sheryl Charles London Borough of Southwark 17-19 Bournemouth Road London SE15 4UJ
Telephone number of contact	020 7525 1858
Email address of contact	Sheryl.Charles@southwark.gov.uk

Name of Local Authority	London Borough of Sutton
Name of contact within the Local Authority	Mark Dalzell (Head of Parks, Highways and Environmental Sustainability)
Address	24 Denmark Road Carshalton Surrey SM5 2JG
Telephone number of contact	020 8770 4695
Email address of contact	Mark.Dalzell@sutton.gov.uk

Name of Local Authority	London Borough of Waltham Forest
Name of contact within the Local Authority	Juliet Nicholas (Energy and Carbon Reduction Officer)
Address	Energy & Carbon Reduction Team Property & Major Projects Room 301, Sycamore House Waltham Forest Town Hall complex Forest Road, Walthamstow London, E17 4JF
Telephone number of contact	020 8496 4212
Email address of contact	Juliet.Nicholas@walthamforest.gov.uk



## 1.2 Proposal Summary

**Describe the proposal and how it will be delivered. What will it achieve? Who will it benefit? (max 300 words)**

This proposal from 17 London boroughs and London Councils aims to deliver a collective energy switch with a 'critical mass' from across London and ensures direct support to the vulnerable. It encompasses approximately 1.8 million households, of which we estimate 360,000 are fuel poor.

This will include:

1. Appointing a switching provider to facilitate the collective energy switch across the boroughs.
2. Using local engagement methods and branding to maximise uptake and ensure the greatest savings from energy bills are achieved.
3. Promoting a comprehensive message around savings from wider actions including behaviour change, installation of energy saving measures and, where appropriate, income maximisation.
4. Managing residents' expectations and ensuring they are informed and empowered to take control of their energy choices, reduce fear of energy bills, and are able to undertake fuel switching.

The proposal:

- Enables participating boroughs to engage directly and clearly with their own residents through local community groups, trusted partners and councillors to ensure consumer protection.
- Promotes collaborative working across borough boundaries and with partner agencies to target the most vulnerable, share expertise and maximise the use of resources.
- Will generate a range of engagement activity including a communications toolkit and community outreach workers to promote a comprehensive message around energy empowerment and education.
- Encourages one-to-one support, where appropriate, to engage and help the most vulnerable residents.
- Delivers, by working with local partners, existing energy efficiency programmes and other services to maximise the potential for reducing consumers' energy bills.
- Includes robust, independent evaluation of the benefits to consumers, particularly the vulnerable, and customer satisfaction; assessment of its success at reaching vulnerable consumers, considering both energy use and savings achieved.
- Includes exploring the opportunity to minimise the switching fee from each customer to maximise their potential savings.
- Includes exploring the option to increase the carbon-saving opportunity by considering whether and how a robust renewable-energy tariff could be one of the options offered.

### 1.3 Stakeholder Engagement

**Describe how your proposal has been developed and will be delivered with local partners – to ensure that delivery of measures reflects local conditions on the ground. (max 200 words)**

Each of the participating boroughs will develop a stakeholder engagement strategy. Working with local voluntary and community groups (VCGs), who have close links to key communities, and building on the work of previous local schemes (e.g. Warmer Homes Healthy People, Coldbusters and pan-London RE:NEW), will ensure excellent take up of the scheme. London Councils' membership of the London Voluntary Service Council will also be used to enhance local partnerships.

Trusted voices such as local AgeUK offices, Citizen's Advice Bureaus, faith groups, tenant and resident associations, and liaison networks have frequent, direct contact with a large consumer base, including many vulnerable people. These channels will be used to ensure those who may gain the most from the scheme will be made aware of it.

Support from ward councillors can be powerful in persuading people to participate, so we will support them to act as ambassadors for the scheme through training and awareness-raising. London Councils will support this activity through its cross-borough councillor network and channels to maximise effectiveness.

Please also see Sections 1.4 and 4.1.

We will also be linking up as far as possible with other London bids/ schemes (e.g. Tower Hamlets, HEET etc.) for the planned March 2013 auction and beyond.

### 1.4 Value for Money

**Demonstrate how the proposal will ensure value for money and generate net benefits.**

- The multi-borough approach will greatly reduce duplication of effort and resources required for legal and procurement activity to select a switching partner.
- We will establish a robust switching scheme to help ensure consumer protection.
- Through collaboration with research institutions such as Islington's research with UCL (a separate but closely related project) and Kingston University, we will actively seek out and adopt best-practice communication practices and strategies to maximise uptake, particularly among vulnerable consumers.
- We will make savings by developing a cross-borough communication toolkit that can be locally branded. Joint procurement of promotional material and a programme of cross-borough awareness-raising roadshows will also deliver efficiencies.
- Customer information will be collated, if appropriate, to add value in targeting energy efficiency initiatives such as ECO and the Green Deal (see Section 4.3).
- Scheme evaluation will be crucial to understand the overall value for money (VfM) and net benefits; this will include the establishment and monitoring of performance indicators and a post-switch evaluation and analysis report outlining successes and lessons learnt,

## 1.4 Value for Money

including opportunities to increase affordable warmth availability (see also Section 4.4).

- The use of strategic partnerships (e.g. sub-regionally), and existing voluntary and community networks, will be harnessed to reach vulnerable consumers (see also Section 1.3) whilst maximising VfM.

## 1.5 Project Milestones

**Please give a brief summary of the key milestones from your project plan (including dates). The project should plan for delivery by 31<sup>st</sup> March 2013. Describe briefly who will deliver it and what will have been achieved by that date and an assessment of the risks to delivery.**

Date	Milestone	Lead	Outcome
<b>December</b> 12/12/12	Governance framework agreed for funding, delivery plan and monitoring	Kingston	Agreement between the boroughs of key delivery milestones and funding allocation
12/12/12	Specification agreed for: <ul style="list-style-type: none"> <li>• consultants for (1) procurement and (2) legal expertise, plus an (3) evaluation partner</li> <li>• Job description for cross-borough project officer</li> </ul>	London Councils	Agreed specification
14/12/12	Procurement process agreed for appointing a switching provider following an options appraisal and risk assessment	London Councils	Timeline set for appointing switching provider
<b>January</b> 04/01/13	Advertise for procurement and legal expertise, evaluation partner and cross-borough project officer <i>This can be brought forward and be dependent on the release of the grant offer letter from DECC</i>	London Councils	External procurement process initiated

## 1.5 Project Milestones

18/01/13	Engagement toolkit available	London Councils with partners	Shared resources and consistent messaging across the boroughs
21/01/13	Appoint procurement and legal consultants, evaluation partner and project officer for the multi-borough collective <i>This may be earlier and dependant on the release of the grant offer letter from DECC</i>	London Councils & Kingston	Shared resource to help meet milestones
23/01/13	Stakeholder engagement plans for each borough completed and collated including breakdown of costs.	Cross-borough project officer	Documentation of the engagement approach adopted by each borough or sub-region
28/01/13	Specification agreed for switching provider and utility company requirements	London Councils	Protect residents and make inclusive to vulnerable
<b>February</b> 04/02/13	Initiate legal arrangements for participating Local Authorities with the prospective switching provider	London Councils	Outline roles and responsibilities
15/02/13	Appoint switching provider	London Councils	Auction date agreed and support materials provided to boroughs
4 weeks	Registrations with local residents by each borough, both online and face-to-face	All participating boroughs	Local approach to support registration of residents
<b>Mid- March</b> 22/03/13	Reverse auction held with energy companies by switching provider across the boroughs	Switching provider	Critical mass generated for reverse auction
27/03/12	Winning offer made to residents via email or letter	Switching provider	Indicative performance of the reverse auction against 'key performance indicators' (KPI) (before any offers have been accepted by registered residents) such as <ul style="list-style-type: none"> <li>offered highest and lowest saving and tariff price,</li> </ul>

## 1.5 Project Milestones

			<ul style="list-style-type: none"> <li>anticipated (i) saving across the collective, (ii) average saving from the collective.</li> </ul> <p>Ability to compare against the lowest market price at the time</p>
31/03/12	Final monitoring and evaluation report	Cross-borough project officer & Evaluation consultant	Summary of anticipated success, best practice approaches / case studies, lessons learned and recommendations including indicative assessment of engagement methods.

We would like to present to DECC the journey, for the resident, which is anticipated beyond the auction and initial evaluation of the collective energy switch. The bid proposal does not require further support for activities beyond the 31 March and the boroughs will not be responsible for the actions and milestones presented below.

<b>Date</b>	<b>Milestone</b>	<b>Lead</b>	<b>Outcome</b>
24/04/13 (4 weeks notification of action offer)	Accept winning offer – registered residents receive winning offer and have a month to accept or decline	Switching provider	Support from switching provider with call centre support
05/06/13 (4-6 weeks after agreement to auction offer)	Close out – administration of the switch for those that accept the winning offer	Switching provider	Support from switching provider with call centre support

Although the customer journey is managed by the winning utility company post the collective energy action, it has been identified there is further opportunity for evaluation. This is an optional consideration for any party to follow up and consider and inform decisions to conduct further collective energy switches for residents.

<b>Date</b>	<b>Potential further Milestone</b>	<b>Potential Lead</b>	<b>Desired Outcomes</b>
May / June 2013	Opportunity to follow up with winning utility company after offers have been accepted and residents have been switched	Evaluation consultant	Demographic of those that switched, Complaints, reductions in fuel debt

## 1.5 Project Milestones

March 2014	End of 1 year with winning utility company	Evaluation consultant	Opportunity to understand desire for further switching
------------	--	-----------------------	--

Delivery of the proposal will be the responsibility of all the participating boroughs, with support from London Councils. This includes the appointment of the switching provider and engaging local residents, particularly the vulnerable to access the scheme.

The scheme aims to achieve a multi-borough collective energy switch by the end of March 2013. This will include the appointment of a switching provider, delivery and implementation of a comprehensive communication plan for residents, adopting local approaches to engaging vulnerable residents and a robust evaluation of the scheme's approach and outcomes, considering both energy use as well as savings.

The key risks to delivery are outlined below with mitigation actions:

Risk	Mitigation action
Procurement and legal agreements between boroughs and the switching provider are delayed and/or inconsistent	Establish clear governance and roles and responsibilities for the boroughs from the outset to enable timely appointment of the switching provider
There is a lack of resident interest in/ take-up of the scheme – particularly among vulnerable residents	Ensure clear and transparent information is shared with residents and stakeholders; Provision of an engagement toolkit with consistent and comprehensive messages for participating boroughs to use; Work collaboratively with trusted agencies and local communities
The reverse auction does not deliver the level of savings across the critical mass of registered residents especially the vulnerable	Ensure the switching provider is experienced and understands the domestic UK energy market to draw in the most competitive offers from utility companies
The scheme does not provide adequate consumer protection for participants	Ensure clear, transparent and timely information is given to residents

## 1.6a Proposal Funding

**DECC has three funds from which Local Authorities can bid for support. Please indicate which fund(s) you would like to bid for (and the amount) in the table below, and continue on to the relevant part of the application form.**

### 1.6a Proposal Funding

Fund	Funding (£000s)			Complete...
	Capital	Programme	Total	
Fuel Poverty Fund				Section 2 + 6
Green Deal Fund				Section 3 + 6
Collective Switching Fund		£617,505	£617,505	Section 4 + 6

### 1.6b Other sources of funding (where applicable)

Please provide details of other sources of funding for the project.

Funding source	Capital	Programme	Total

## SECTION 2

### FUEL POVERTY FUND

#### 2.1 Impact on Fuel Poverty

## 2.1 Impact on Fuel Poverty

**Describe how the proposal will help to reduce the extent of fuel poverty. (max 200 words)**

## 2.2 Targeting

**Explain how the fund will be targeted. (max 200 words)**

## 2.3 Strategic Fit



### 2.3 Strategic Fit

**Describe how your programme is consistent with other aspects of the Government's fuel poverty strategy (and/or local relevant strategic priorities) (max 200 words)**

### 2.4 Monitoring and Evaluation

**a) Set out how key performance indicators will be monitored during the project.**

**b) Describe your plan for evaluation of the project.**

**2.5 Project Costs****Provide brief details of the main costs of the project.**

<b>Deliverable</b>	<b>£000s</b>
a.	
b.	
c.	
d.	
e.	
f. Evaluation and monitoring	
<b>Total cost of project during 2012-13</b>	
<b>Total funding contribution required from DECC</b>	

## SECTION 3

**Green Deal Pioneer Places Fund** (in completing this section applicants should demonstrate how the proposal addresses the primary purpose and desired outcomes set out in the Green Deal fund guidance notes at section 3 above)

### 3.1 Required information

Green Deal ready plans: LAs would create a portfolio of households ready to enter into Green Deal plans between 28 January 2013 and 31 March 2013.

Cost Information	Capital	Programme	Total
Total Cost			
Cost breakdown from DECC fund: <i>[provide details below on how the DECC fund would be utilised]</i>			
Estimated funding from Green Deal Providers/ECO			
Required Funding Deliverables	Number	Capital	Programme
Total expected number of households to sign up to a Green Deal plan as a result of the programme			
Total expected number of businesses to sign up to a Green Deal plan as a result of the programme			
Expected demand legacy: (# GD plans from city events/show homes/Health Links)			
Further useful metrics			
Number of households to have solid wall insulation			
Number of businesses to have solid wall insulation			
Total Assessments (30% conversion from assessment to Green Deal – see Annex B)			
Number of local show homes and planned events			
List, where appropriate, of local partners			

### 3.2 Delivering Green Deal and driving future demand

**How will the DECC funding be used to deliver Green Deal and stimulate/drive more demand in the future? Is there a legacy plan in place? (max 400 words)**

### 3.3 Leveraging additional funding

**How will the DECC funding be used to lever in additional funding to support the proposal? (max 200 words)**

### 3.4 Innovation & local partnerships

**Summarise how the proposal demonstrates innovative plans for building demand for the Green Deal and how you propose to involve local partners? (max 300 words)**

### 3.5 Monitoring and Evaluation

**a) Set out how key performance indicators will be monitored during the project.**

**b) Describe your plan for evaluation of the project.**

### 3.6 HECA

**How would your proposal link with your HECA report for March 2013? (max 200 words)**

## SECTION 4 'Cheaper Energy Together' Scheme

### 4.1 Engagement with Vulnerable Consumers

**Describe how the proposed scheme will effectively engage with vulnerable consumers and the approaches that will be taken. Describe who the customers are and how many you expect to engage with. (max 200 words)**

Vulnerable groups on low incomes, such as older people, single people and those with children are typically most affected by fuel poverty. Local trends for fuel poverty vary, so each partner borough will identify their residents with greatest need. We estimate this proposal covers 1.8 million households<sup>1</sup>, of which we estimate 360,000 are in fuel poverty<sup>2</sup>; the latter group is a particular target.

Partner boroughs will engage communities effectively, delivering a comprehensive message around energy empowerment and education. Our scheme will facilitate bespoke engagement with residents by all partner boroughs, but will be based on three key approaches to engaging vulnerable residents:

1. Existing local community networks, including residents previously contacted by affordable warmth officers, neighbourhood forums, and social landlord resident liaison networks, plus targeted information in libraries and similar public spaces.
2. New contacts including local credit unions, ward councillors, customer service referrals, benefits advice and new public health teams, and job centres, and sub-regional third-sector organisations.
3. One-to-one support for the most vulnerable, e.g. using community outreach workers to focus on residents who may need extra help and guidance. These workers, where possible, will be recruited from within existing relevant community networks and could operate across borough boundaries if appropriate.

---

<sup>1</sup> Based on figures from Census 2011

<sup>2</sup> Based on the GLA's report "In from the cold? Tackling fuel poverty in London"; <http://www.london.gov.uk/sites/default/files/Fuel%20poverty%20-%20Final%20report.pdf>

## 4.2 Innovation in Design of Scheme

**Describe how the proposed scheme will demonstrate innovation – in the design of the scheme and in the ways of engaging with consumers. (max 200 words)**

- The proposed scheme has the potential to attract a “critical mass” of customers and generate benefits previously unseen in a collective switching scheme. Holding a potentially large reverse auction in a high-profile region is expected to attract significant interest from energy suppliers, which will help secure the best deals for consumers.
- We will use innovative engagement methods to enhance engagement with vulnerable residents. For example, using community outreach workers to reach a maximum number of residents; using local apprenticeships for direct support; running TV boards in shopping centres and promotion through community media; and using new contacts (see Section 4.1).
- We will address issues around termination fees and pre-payment meters through agreeing a robust specification with the switching provider to ensure the best deal for consumers.
- The proposal will include robust, independent evaluation of the benefits to consumers, particularly the vulnerable (see Section 4.4).
- We will explore the opportunity to minimise the switching fee from each customer switch so as much of the saving as possible stays with residents.
- We will link up with Islington’s research with UCL into the most effective ways of engaging with vulnerable consumers.
- To increase potential carbon reduction through the scheme, the group will explore whether and how a robust green-energy tariff could be one of the options offered.



### 4.3 Strategic Fit

#### **Describe how the proposed scheme will take a holistic approach to reducing consumers' energy bills. (max 200 words)**

As well as promoting the scheme through the networks and channels outlined in Section 1.3, boroughs will ensure that it is closely linked to public health, existing energy efficiency programmes and other services to maximise the potential for reducing consumers' energy bills.

In particular the scheme will be promoted through, and will promote, the following initiatives and services:

- RE:NEW, which provides home energy visits to consumers to give advice on reducing energy consumption and saving money as well as providing referrals for energy efficiency measures
- Warm Homes Healthy People engages vulnerable and fuel-poor households, particularly the hard-to-reach, to help them save money on energy bills and access funding for measures, to achieve positive outcomes for health as well as energy and money.
- Welfare rights work – boroughs will work with benefits advice teams to promote the scheme through contact with consumers, helping to ensure that a high proportion of fuel poor households is reached.
- Social housing – boroughs will seek to promote the scheme through contact with tenants
- Local work to support concurrent DECC-led initiatives, such as ECO and the Green Deal, and work with health providers.

The scheme will also raise awareness of the positive benefits of potential national reform of the energy market.

## 4.4 Evaluation

### **Describe how the scheme plans to capture and share learning. (max 200 words)**

Our approach to the scheme's evaluation will be based primarily around: gaining a clear picture of the amount and type of households that have benefited from the scheme as well as those that have not; and quantifying the savings achieved for residents to demonstrate value for money. We will monitor both quantitative measures e.g. demographics and types of households (including those in fuel poverty), and energy bill and energy usage before and after switching; and qualitative measures around behaviour change relating to energy usage and consumption as well as customer satisfaction with the way the scheme was delivered. The latter will cover the efficiency and appropriateness of the routes used to target vulnerable households in particular. The evaluation will also include understanding motivation for switching for those who do not join the scheme. This will help develop future projects.

We will appoint an evaluation partner before the auction takes place to ensure that all boroughs have a common framework for data collection and evaluation. We have spoken to independent experts from the Energy Saving Trust and LSE/University of Chicago to inform our evaluation approach. Empirical data from the switching provider will be incorporated into the evaluation methodology allowing a greater understanding of the savings and energy usage achieved for residents.

See also Section 1.4 for links to other research work.

## 4.5 Transparency

**Describe how the proposed scheme will communicate transparently to ensure consumers are informed and understand it, and are provided with key pieces of information – such as any expected savings to be made by switching – that are accurate and not misleading. (max 200 words)**

Although anticipated savings are between £50 and £200, residents may save less, or nothing at all. To manage expectations we will provide a clear communication campaign from the start setting out a comprehensive approach – empowering people in their energy choices, reduce fear of energy bills and encourage additional savings through energy efficiency measures. This will be encompassed within an engagement toolkit.

The scheme will support residents, particularly the vulnerable, through the following steps:

1. Understanding fuel bills, the best deal for the resident in their specific circumstances and current energy terms and conditions – e.g. any issues around a termination fee for switching and impacts for those on pre-payment meters, and effects on Warm's Homes Discount
2. Signposting those residents that wish to switch independently in their own time and seek the market's very best deals
3. Considering potential financial savings from simple behaviour-change actions, home energy efficiency measures such as free loft and cavity insulation and income maximisation by providing appropriate signposting / referral

In addition, we will ensure the resident is informed of the:

- Service they can expect from the winning utility company and the duration of the winning tariff
- Support during and post switch
- Further ways to save on energy bills

## 4.6 Project Costs

Provide brief details of the main activities that funding is requested for and the costs of the project.

Deliverable	£000s
a. Expert procurement and legal advice for participating boroughs to assist in selecting switching provider	<b>£40,000</b>
b. Borough officer involvement in setting detailed specification for switching provider and appointing the provider <i>[based on 17 boroughs plus London Councils]</i>	<b>£95,100</b>
c. Project management/ coordination support across participating boroughs <i>[based on one officer to support all boroughs]</i>	<b>£32,000</b>
d. Borough officer involvement in supporting development and implementation of borough's resident engagement strategy <i>[based on 17 boroughs]</i>	<b>£77,350</b>
e. Materials, communications, training, outreach etc. to support each borough's resident engagement strategy, including a cross-borough communication toolkit, cross-borough awareness-raising roadshows and cross-borough communications to support the scheme's launch <i>[based on 17 boroughs]</i>	<b>£369,000</b>
f. Robust, independent evaluation of the scheme from inception <i>[based on initial discussions with EST and LSE/University of Chicago]</i>	<b>£45,000</b> (of which £20,000 is sought from this DECC fund)
g. Borough officer involvement in the scheme's evaluation <i>[based on 17 boroughs]</i>	<b>£23,800</b>
h. Contingency of 5% for unforeseen costs	<b>£29,405</b>
<b>Total cost of project during 2012-13</b>	<b>£711,655</b>
<b>Total funding contribution required from DECC</b>	<b>£686,655</b>

## SECTION 5

### Renewable Heat Survey - Optional

DECC is seeking information to inform our policies on support for renewable heating. We have included this short survey to gauge interest levels amongst Local Authorities in developing the local renewable heat market.

**Do you have any interest in developing the local renewable heat supply?**

**YES/NO**

If 'yes', please describe any plans you have, **INCLUDING** plans that have not been developed due to lack of funding.

**If applicable, what benefits do you aim to achieve through developing local renewable heating? (Please select all that apply)**

<b>Tackle fuel poverty</b>	<input type="checkbox"/>	<b>Support for technical innovation</b>	<input type="checkbox"/>
<b>Reduce emissions from heating</b>	<input type="checkbox"/>	<b>To engage local people</b>	<input type="checkbox"/>
<b>Support for local installers</b>	<input type="checkbox"/>	<b>To gain learning about renewables</b>	<input type="checkbox"/>
<b>Other (please elaborate)</b>	<input type="text"/>		

**What funding might be required to deliver these plans?**

**(This will give us an indication of the scale of your ambition)**

**If applicable, have you encountered any difficulty securing funds?**

## SECTION 6

### To be completed by all applicants

#### 6.1 Declaration

The project funding that is being applied for is to fund either a new project in relation to which no funding has been allocated or to extend an existing project. The funding will not be used to replace existing funding for a project.

We confirm that local and community organisations are involved in the design or delivery of this proposal, where appropriate.

We confirm that the proposed use of the fund will comply with all relevant requirements of EU law (e.g. relating to procurement and State Aid law).

<b>Name</b>	Roy Thompson
<b>Title</b>	Director of Place
<b>Local Authority</b>	Royal Borough of Kingston upon Thames (lead authority)

<b>Name</b>	Kevin Murphy
<b>Title</b>	Head of Housing
<b>Local Authority</b>	London Borough of Bexley

<b>Name</b>	Judith Young
<b>Title</b>	Head of Policy, Information and Performance
<b>Local Authority</b>	Brent Council

<b>Name</b>	George Simms
<b>Title</b>	Energy Use Reduction Officer
<b>Local Authority</b>	London Borough of Croydon

<b>Name</b>	Pat Hayes
<b>Title</b>	Executive Director Regeneration and Housing
<b>Local Authority</b>	London Borough of Ealing

<b>Name</b>	Ian Davis
<b>Title</b>	Director – Environment
<b>Local Authority</b>	London Borough of Enfield

<b>Name</b>	Pippa Hack
<b>Title</b>	Assistant Director Regeneration
<b>Local Authority</b>	Royal Borough of Greenwich

<b>Name</b>	Ian Lewis
<b>Title</b>	Assistant Chief Executive
<b>Local Authority</b>	London Borough of Hackney

<b>Name</b>	Nick Powell
<b>Title</b>	Head of Carbon Management & Sustainability
<b>Local Authority</b>	London Borough of Haringey



<b>Name</b>	Andrew Ford
<b>Title</b>	Energy Advice Manager
<b>Local Authority</b>	London Borough of Islington

<b>Name</b>	Eugene McLaughlin
<b>Title</b>	Head of Service – Corporate Procurement
<b>Local Authority</b>	London Borough of Lambeth

<b>Name</b>	Chris Lee
<b>Title</b>	Director of Environment and Regeneration
<b>Local Authority</b>	London Borough of Merton

<b>Name</b>	Simon Throp
<b>Title</b>	Programme Manager, Housing Property Services
<b>Local Authority</b>	London Borough of Newham

<b>Name</b>	Ishbel Murray
<b>Title</b>	Assistant Director of Environment
<b>Local Authority</b>	London Borough of Richmond upon Thames

<b>Name</b>	Ian Smith
<b>Title</b>	Head of Sustainable Services
<b>Local Authority</b>	London Borough of Southwark


<b>Name</b>	Mary Morrissey
<b>Title</b>	Strategic Director of Environment and Neighbourhoods
<b>Local Authority</b>	London Borough of Sutton

<b>Name</b>	P.R. Humphreys
<b>Title</b>	Head of Corporate Asset Management
<b>Local Authority</b>	London Borough of Waltham Forest

© Crown copyright 2011  
Department of Energy & Climate Change  
3 Whitehall Place  
London SW1A 2AW  
[www.decc.gov.uk](http://www.decc.gov.uk)

**URN 12D/398**

This page is intentionally left blank

	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Deputy Director of Finance</b></p>
<p>Wards Affected: ALL</p>	
<p><b>Internal Audit Contract - 2013 to 2015</b></p>	

## 1. Summary

- 1.1. This report seeks approval for the council to enter into a contract with the London Borough of Croydon for the provision of internal audit services for a two year period from April 2013 to March 2015. The anticipated cost of this contract over two years, including inflationary uplift is £590,000. The Audit Committee endorsed the proposal at its meeting on 9<sup>th</sup> January 2013.

## 2. Recommendations

- 2.1. The Executive give approval for the council to enter into a contract with the London Borough of Croydon to provide internal audit services from April 2013 to March 2015 and to enter into a related third party agreement with Deloitte and Touche Public Sector Internal Audit Ltd.

## 3. Detail

### Background

- 3.1. In April 2011 the Council entered into a contract with the London Borough of Croydon for the provision of internal audit services. The contract was approved by the Executive at its meeting on 15<sup>th</sup> November 2010<sup>1</sup> and ran from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2013. The gross cost of the contract over the two year period is estimated to be £586,000. The council recovers some £60,000 per annum from Brent Housing Partnership relating to planned audit work.
- 3.2. The London Borough of Croydon entered into a framework agreement (“the Croydon Framework”) with Deloitte and Touche Public Sector Internal Audit Ltd (“Deloitte”) and are able to call off from the Croydon Framework a variable number of days per annum, in order to service the contract with Brent. The

Croydon Framework commenced in April 2008 with an initial term of expiry on 31 March 2015. There was however an option to extend the term of the Croydon Framework and it now runs until March 2018. Croydon currently provide audit services to twenty local authorities, including fourteen in London, via the Croydon Framework. They currently call off some 8,500 audit days from a maximum of 15,000 available days. The contract price is based upon daily rates for different types of audit work. The prices for 2013/14 will not be set until February 2013 although are unlikely to vary significantly from the current rates.

- 3.3. The rationale for entering into this contract in 2011 was documented in an earlier report to the Executive<sup>1</sup>. In summary, the options at the time were to join the Croydon Framework, go out to tender as an individual authority or attempt to recruit an in-house team. The alternate options were seen to be either not cost effective or carry too much risk.
- 3.4. At the time of entering the contract under the Croydon Framework, there was an option to contract for a period of four years. There was no financial advantage in doing so and the Executive agreed to a two year contract on the basis that it would provide an opportunity to review the situation over a shorter time frame. There have been no significant changes in the audit market in the intervening period and the original rationale for using the Croydon Framework remains sound.
- 3.5. The contract has primarily been delivered using staff from Deloitte who had previously been contracted directly by the council on a four year contract between 2007 and 2011. This has provided a degree of continuity and has enabled managers within Deloitte to become familiar with the systems and structures within the council. Over the two year period between 2011 and 2013, Deloitte have delivered some 1,900 audit days. Whilst there have been some concerns over performance, these have been resolved during the relevant period. Auditees within the council and BHP appear satisfied with the service, as evidenced by satisfaction surveys issued after each audit. Schools are generally less happy with the internal audit service although their concerns tend to relate to the assurance assessment by audit rather than the competence or conduct of staff.
- 3.6. The audit plan for 2013/14, which will determine the number of days required to be procured and hence the cost, has not yet been developed and would normally be presented to the audit committee for approval in February 2013. Whilst the council's expenditure is shrinking and some services will reduce over the next two year period, the risks remain significant. Although the contract allows flexibility in the number of days being procured, for the purposes of this report it would be prudent to allow for a similar number of audit days. The maximum anticipated cost to the council is, therefore, likely to be £590,000 over the two year period.
- 3.7. This proposal was discussed and endorsed by the Audit Committee at its meeting on 9<sup>th</sup> January 2013<sup>2</sup>.

#### **4. Financial Implications**

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 89.
- 4.2 The estimated value of this services contract is £590,000.
- 4.1. It is anticipated that the cost of this contract will be funded from existing resources.

#### **5. Staffing Implications**

- 5.1. Internal audit services are currently provided by a combination of Deloitte staff and staff employed by the council. As it is intended to retain the in-house provision, there will be no staffing implications for Council staff.

#### **6. Legal Implications**

- 6.1. The estimated value of an outsourced contract over its lifetime is in excess of the current EU threshold for Services and the nature of these services means they fall within Part A of Schedule 3 of the Public Contracts Regulations 2006 ("the EU Regulations"). The tendering of the services is therefore governed in full by the EU Regulations. As the estimated value of the contract over its lifetime is in excess of £500k, the procurement and award of the contract is subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulations.
- 6.2. It is proposed that the council procure the majority of its internal audit services through the Croydon Framework. Contract Standing Order 86 (d) indicates that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority where the framework agreements is recommended by the relevant Chief Officer to include confirmation that there is budgetary provision for the call-off, provided that the Borough Solicitor has advised that participation is legally permissible save that any High Value contract may only be awarded on the approval of the Executive.
- 6.3. The Croydon Framework has been set up with Croydon acting as a Central Purchasing Body. Regulation 22(2) of the EU Regulations permits the Council as a contracting authority to enter into a contract for services with any other contracting authority provided such contracting authority is acting as a Central Purchasing Body and in carrying out the procurement exercise in question, has fully complied with the Public Contracts Regulations 2006. Croydon is acting as a Central Purchasing Body under the Croydon Framework and has informed the council that it has fully complied with the Public Contracts Regulations 2006 in concluding the Croydon Framework. It would thus appear that the council is able to use the Croydon Framework
- 6.4. To use the Croydon Framework requires the following contractual agreements:

- a) main contract between Croydon and Deloitte - This is the agreement that Croydon entered into with Deloitte following a full tender process for the provision of up to 15,000 audit days per annum (covering all routine audit work and fraud work). This contract commenced 1 April 2008 and runs for 10 years.
- b) sub contract between Brent and Croydon - Underlying this main contract would be a sub contract between the Brent and Croydon, whereby Croydon would undertake to provide Brent with a number of audit days as per its requirement / specification. Croydon would be responsible for delivering the services using their main contract with Deloitte. Croydon would charge Brent at the same contract day rates for any work they undertake in managing and monitoring this contract (the number of days would be agreed in advance each year and would be kept to the absolute minimum necessary).
- c) third party agreement between Brent and Deloitte - This agreement is necessary to ensure that the process remains as stream lined as possible at the operational level and allows existing working practices to continue as far as is required. This agreement would enable Deloitte to issue all audit reports direct to Brent rather than via Croydon

## **7. Diversity Implications**

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

### **Background Information**


1. Report to the Executive from the Director of Finance and Corporate Services: Internal Audit Provision 2011 onwards, 15<sup>th</sup> November 2010
2. Report to the Audit Committee from the Deputy Director of Finance and Corporate Resources: Internal Audit Contract 2013 – 2015, 9<sup>th</sup> January 2013

### **Contact Officers**

Simon Lane  
Head of Audit and Investigation  
email: [simon.lane@brent.gov.uk](mailto:simon.lane@brent.gov.uk)  
tel 020 8937 1260

**Mick Bowden**  
**Deputy Director of Finance**



 <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 COUNCIL' in a circular arrangement.</p>	<p><b>Executive</b> 11 February 2013</p> <p><b>Report from the Deputy Director of Finance</b></p>
<p>Wards Affected: ALL</p>	
<p><b>Applications for National Non-Domestic Discretionary Rate Relief</b></p>	

## 1.0 Summary

- 1.1 The Council has the discretion to award rate relief to charities or non-profit making bodies. It also has the discretion to remit an individual National Non-Domestic Rate (NNDR) liability in whole or in part on the grounds of hardship.
- 1.2 This report includes applications received for discretionary rate relief since the Executive Committee last considered such applications in October 2012.
- 1.3 The applications are for 100% discretionary rate relief from Meanwhile Space CIC who are working with the Council on the Electric House Project in Willesden and on the Wembley regeneration project. These are detailed in Appendix 2.

## 2.0 Recommendations

- 2.1 Members are asked to agree granting Meanwhile Space CIC 100% discretionary rate relief in respect of the Electric House project in Willesden and their meanwhile use properties in Wembley Hill Road as detailed in Appendix 1.

## 3.0 Details

- 3.1 Details of the Council's discretion to grant rate relief to charities, registered community amateur sports clubs and non-profit making organisations are contained in the financial and legal implications sections (4 and 6).
- 3.2 Appendix 1 sets out the criteria and factors to consider for applications for NNDR relief from Charities and non-profit making organisations. This was agreed by the Executive in February 2008.

- 3.3 Appendix 2 details the work of Meanwhile Space CIC in the Electric House project in Willesden. It also details further applications from Meanwhile Space in respect of 2 other properties they have taken on as part of the Wembley Regeneration Programme (project known as Why Don't You Wembley) as well as an extension of relief for 5-7 Wembley Hill Road. It should be noted that the costs to the council in granting relief to Meanwhile Space will be borne by the projects so that in effect the award of relief is cost neutral.
- 3.4 The criteria for awarding discretionary rate relief focuses on ensuring that the arrangements are consistent with corporate policies and relief is directed to those organisations providing a recognised valued service to the residents of Brent. Further detail is set out in Appendix 1. Any relief granted in 2012/13 will be for a three-year period which follows the policy previously agreed by the Executive.
- 3.5 Charities and registered community amateur sports clubs are entitled to 80% mandatory rate relief and the council has discretion to grant additional relief up to the 100% maximum.
- 3.6 Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum.

#### **4.0 Financial Implications**

##### **4.1 Discretionary Rate Relief**

- 4.1 Charities and registered community amateur sports clubs receive 80% mandatory rate relief, for which there is no cost to the Council. The Council has the discretion to grant additional relief up to the 100% maximum, but has to bear 75% of the cost of this from the Discretionary Relief Budget.
- 4.2 Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum. The Council has to bear 25% of the cost of any relief granted.
- 4.3 The Council, where it has decided to grant relief, has followed a general guideline of granting 100% of the discretionary element to local charities and 25% of the discretionary element to non-local charities.
- 4.4 It has also granted 25% of the whole amount requested (which is entirely discretionary) to non-profit making organisations. This general policy was endorsed for continuation by the Executive in February 2008.
- 4.5 The total 2012/13 budget available for discretionary spending is £91,000. £105,346 has already been committed in respect of applications approved for 2012/13. However there is no implication on the discretionary relief budget for awarding relief as set out in Appendix 2 as these schemes are cost neutral with the costs of relief being met by the project's budget

## **5.0 Staffing Implications**

5.1 None

## **6.0 Legal Implications - Discretionary Rate Relief**

6.1 Under the Local Government Finance Act 1988, charities are only liable to pay 20% of the NNDR that would otherwise be payable where a property is used wholly or mainly for charitable purposes. This award amounts to 80% mandatory relief of the full amount due. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. Under the Local Government Act 2003, registered Community Amateur Sports Clubs also now qualify for 80% mandatory relief.

6.2 The Council has discretion to grant relief of up to 100% of the amount otherwise due to charities, Community Amateur Sports Clubs, and non-profit making organisations meeting criteria set out in the legislation. These criteria cover those whose objects are concerned with philanthropy, religion, education, social welfare, science, literature, the fine arts, or recreation.

Guidance has been issued in respect of the exercise of this discretion and authorities are advised to have readily understood policies for deciding whether or not to grant relief and for determining the amount of relief. Further details of the Brent policy are shown in Appendix 1.

6.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow Brent to grant the relief for a fixed period. One year's notice is required of any decision to revoke or vary the amount of relief granted, if in the case of a variation, it would result in the amount of rates increasing. The notice must take effect at the end of the financial year.

6.4 The operation of blanket decisions to refuse discretionary relief across the board would be susceptible to legal challenge on grounds that the Council would be fettering its discretion. The legal advice provided to officers and Members is that each case should be considered on its merits.

## **7.0 Diversity Implications**

7.1 Applications have been received from a wide variety of diverse charities and organisations, and an Impact Needs Analysis Requirement Assessment (INRA) has been carried out on the eligibility criteria. All ratepayers receive information with the annual rate bill informing them of the availability of discretionary and hardship rate relief. Ratepayers who have previously applied for relief are sent annual discretionary application forms. Details of all the applicants are shown in the Appendices.

## **Background Information**

Report to Executive 11<sup>th</sup> February 2008 – National Non-Domestic Relief and Hardship Relief.

Report to Executive 16<sup>th</sup> January 2012 – Non Domestic Rate Relief

**Contact Officers**

Paula Buckley, Head of Service Improvement - Brent House  
Tel. 020 8937 1532

Richard Vallis, Revenues & IT Client Manager – Brent House  
Tel 020 8937 1503

Alex Hearn, Regeneration Officer – Brent House  
Tel 020 8937 1048

Nicola Lewis, Regeneration Officer – Brent House  
Tel 020 8937 4477

Mick Bowden  
Deputy Director of Finance

**ELIGIBILITY CRITERIA FOR APPLICATIONS FOR NNDR DISCRETIONARY RELIEF FOR CHARITIES & FROM NON PROFIT MAKING ORGANISATIONS**

**Introduction**

The following details the criteria against which the Local Authority will consider applications from non profit making organisations. In each case the individual merits of the case will be considered.

- (a) Eligibility criteria**
- (b) Factors to be taken into account**
- (c) Parts of the process.**

**(a) Eligibility Criteria**

- The applicant must be a charity or exempt from registration as a charity, a non-profit making organisation or registered community amateur sports club (CASC).
- All or part of the property must be occupied for the purpose of one or more institutions or other organisations which are not established or conducted for profit and whose main objects are charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
- The property must be wholly or mainly used for the purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

**(b) Factors to be taken into account**

The London Borough of Brent is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

- a. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide
- b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills
- c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief
- d. The organisation should be able to demonstrate a major local contribution.
- e. The organisation should have a clear policy on equal opportunity.
- f. There should be policies on freedom of access and membership.

- g. It should be clear as to which members of the community benefit from the work of the organisation.
- h. Membership should be open to all sections of the community and the majority of members should be Brent residents
- i. If there is a licensed bar as part of the premises, this must not be the principle activity undertaken and should be a minor function in relation to the services provided by the organisation.
- j. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.
- k. The organisation must not have any unauthorised indebtedness to the London Borough of Brent, including rate arrears. Rates are due and payable until a claim for discretionary rate relief is heard.

**(c) Parts of the process**

**No Right of Appeal**

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal appeal process against the Council's decision. However, we will re-consider our decision in the light of any additional points made. If the application is successful and the organisation is awarded discretionary rate relief, it will be applied to the account and an amended bill will be issued.

**Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

**Duration of award**

The current policy awards relief for one year only and the applicant has to reapply on an annual basis.

The new policy will award relief for a period of two years if the application is made in 2008/09 and for three years if made in 2009/10. However, a confirmation will be required from the successful applicants that the conditions on which relief was previously awarded still apply to their organisation. This will help ensure that the Council's rate records remain accurate.

**Withdrawal of relief**

One years notice has to be given by the Council for the withdrawal of relief.

**Unlawful activities**

Should an applicant in receipt of discretionary rate relief be found guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

	Type of Charitable/Non-Profit Making Organisation	Current Policy
		Discretionary Relief Limited to
1	Local charities meeting required conditions (80% mandatory relief will apply)	<b>20%</b> <b>(100% of remaining liability)</b>
2	Local Non-profit-making organisations (not entitled to mandatory relief)	<b>25%</b>
3	Premises occupied by a Community Amateur Sports Club registered with HM Revenue & Customs. (80% mandatory relief will apply)	<b>20%</b> <b>(100% of remaining liability)</b>
4	Non-Local charities (80% mandatory relief will apply)	<b>25%</b> <b>(of remaining liability)</b>
5	Voluntary Aided Schools (80% mandatory relief will apply)	<b>20%</b> <b>(100% of remaining liability)</b>
6	Foundation Schools (80% mandatory relief will apply)	<b>20%</b> <b>(100% of remaining liability)</b>
7	All empty properties	<b>NIL</b>
8	Offices and Shops	<b>NIL</b>
9	An organisation which is considered by officers to be improperly run, for what ever reason, including unauthorised indebtedness.	<b>NIL</b>
10	The organisation or facility does <b>not</b> primarily benefit residents of Brent.	<b>NIL</b>
11	Registered Social Landlords (as defined and registered by the Housing Corporation). This includes Abbeyfield, Almshouse, Co-operative, Co-ownership, Hostel, Letting / Hostel, or YMCA.	<b>Nil</b>
12	Organisations in receipt of 80% mandatory relief where local exceptional circumstances are deemed to apply.	<b>Up to 20%</b> <b>(100% of remaining liability)</b>

This page is intentionally left blank



## NON PROFIT MAKING ORGANISATIONS - APPLICATION FOR 100% DISCRETIONARY RATE RELIEF

### 1. Electric House Project, 296 Willesden Lane NW2 5HZ - Meanwhile Space C.I.C.

Address	Period of relief	Amount of relief	Cost of relief (25%) – to be borne by the project
Ground Floor, Electric House, 296 Willesden Lane, London NW2 5HZ	30/10/2012 – 31/3/2013	£9,791.16	£2,447.79
Total		£9,791.16	£2,447.79

### Background

1. Electric House is owned by Network Housing and is currently empty. The building is to be redeveloped during 2013/14, however whilst the property is empty, the council is delivering a project that will fill the building with meanwhile use.
2. This will complement the meanwhile use already taking place in Willesden Green – Queens Parade is a parade of shops that has been filled with meanwhile activity over the past year, supporting new businesses and attracting people back to the high street.
3. Bent Council has employed Meanwhile Space CIC as consultants to manage the second phase of work in Willesden Town Centre. Part of this work includes taking on and managing Electric House to fill the vacant space with meanwhile activity. Meanwhile Space CIC liaised with the owners, Network Housing who are agreeable for the space to be used by Meanwhile Space CIC whilst it is empty.
4. Meanwhile Space CIC signed a lease with Network Housing on 30 October 2012, initially until the end of January 2013, however it is likely that this will be extended to end of March 2013. Within the project budget funds have been set aside to cover the cost of awarding discretionary rate relief to 31 March 2013.
5. Initially it will only be the ground floor space which will be used for meanwhile activity. There is potential to use the first floor though this currently is not in use. The space will be used for mainly creative use and will look to engage the community and support local businesses, along with attracting more people to the area.

6. The activities hosted at Electric House will bring footfall to the area, support local businesses and provide space for community and creative projects. Occupants will be supported in any way they can be, drawing on Meanwhile Space CIC's expertise and experience and access to a range of networks.
7. Art exhibitions will be held, showing work by local residents and art students. This will give them an insight in to how to put on future exhibitions and generate interest in their work.
8. A 'School of Shops' will be delivered which will include hosting a series of workshops which will encourage local businesses to attend. These workshop sessions with businesses will cover topics such as visual merchandising, marketing, customer services and commerciality.
9. The workshops are to be run by local artists/facilitators who are hoping that they may be able to run similar sessions in future as a business. This provides them with the opportunity to test out their ideas and gain experience in a safe environment.
10. The space also provides opportunity to engage with young people from the local area. Ideas include working with them on a graffiti art workshop using space available at Electric House.
11. The range of activities at Electric House will provide a safe space for people to test out ideas which they may not have opportunity to elsewhere. Running alongside this, it will also deliver business support and advice to both new and existing businesses, and aims also to increase visitor numbers to the High Street. Electric House will build on the success of Queens Parade and will aim to rejuvenate the high street further.
12. Meanwhile Space CIC is a non-profit organisation and as such would normally only be considered for 25% discretionary rate relief based on the current policy (as set out in Appendix 1). Incurring the remaining 75% rates liability for these premises would mean a significant proportion of the project budget would be spent on business rates, rather than driving and delivering the social and economic regeneration of the town centre. The Council has previously agreed to award Meanwhile Space CIC 100% rates relief for properties it occupies as part of the Willesden Green project. The 25% cost of awarding the relief will be met from the budget allocated to the Electric House project.

## **Recommendation**

Meanwhile Space CIC are a non-profit making organisation working with the Council to promote the regeneration of Willesden Green. The Electric House project compliments and builds upon the work being undertaken by Meanwhile Space in respect of the units in Queens Parade. It is therefore recommended that the Council grants 100% discretionary rate relief in respect of Electric House for the periods of their occupation. The cost of awarding the relief will be met from the project's budget.

## 2. Wembley Regeneration Project - Meanwhile Space C.I.C.

Address	Period of relief	Amount of relief	Cost of relief (25%) – to be borne by the project
5-7 Wembley Hill Road	1/10/2012 – 31/3/2013	£6,412.00	£1,603.00
1 Wembley Hill Road	17/10/2012 – 31/3/2013	£1,903.31	£475.83
Ground floor, Cottrell House, 53 – 63 Wembley Hill Road	4/1/2013 – 31/3/2013 (occupied from Mid February)	£7,234.82	£1,808.71
Total		£15,550.13	£3,887.54

### Background

1. At the meeting of the Executive on 23 April 2012 it was agreed to award Meanwhile Space CIC 100% discretionary rate relief for the period 1/4/2012 to 30/9/2012 for 5-7 Wembley Hill Road. Their occupation of this unit has been extended to 31 March 2013 and so an extension of the relief is sought for the period 1/10/2012 – 31/3/2013. In addition they have taken on 1 Wembley Hill Road for 6 months from 17 October 2012 and the ground floor at Cottrell House from 4 January 2013
2. In February 2012 the London Borough of Brent entered into an agreement with Meanwhile Space CIC to deliver a project within empty shops and commercial premises within Wembley town centre and regeneration area. The project's aim is to deliver opportunities that will facilitate training and skills development of Brent residents with a view to improving people's chances of gaining employment. The project is funded by the council from the New Initiatives budget from the Regeneration and Major Projects Department.
3. The property at 5-7 Wembley Hill Road has been providing opportunities for local people to market their business ideas whilst simultaneously working to engage the local community via the "Coming Soon Club". These people have been given training in running a business as well as other commercial skills. They have used the premises for displaying and marketing their products.
4. In addition local businesses and training providers have been engaged to assist with the delivery of physical improvements to the vacant shops/premises to make them more marketable

5. Meanwhile Space have now taken on a further shop at 1 Wembley Hill Road from where one of the start-up businesses will further promote their enterprise with a view to eventually taking on the premises in their own right. Rate relief is sought for 6 months only in respect of this property.
6. In addition they have just taken on the ground floor of Cottrell House in Wembley Hill Road. This unit will provide further incubation space for the “Coming Soon Club” Project, where residents can test bed start-up business enterprise, and provide community projects with spaces to operate within their local community. Utilising the existing space, individuals will be given an opportunity to test ideas, develop business skills and access training and support, such as affordable childcare. With the right support and training, ideas could turn into businesses that earn a living for individuals and go on to provide employment for others. The aim to support between 35-40 start up businesses within the first 12 months.
7. This lease for Cottrell House is part of the Coming Soon Club project managed by Meanwhile Space and commissioned by Brent council to meet the regeneration strategy for Wembley. Meanwhile Space supports the Council’s strategic objective of bringing vacant spaces back into use by creating incubator spaces where residents can test bed start up business enterprise, helps foster sustainable built environments that drive economic regeneration and reduces poverty, inequality and exclusion. In addition community projects will promote community cohesion and improve quality of life.
8. Meanwhile Space CIC is a non-profit organisation and as such would normally only be considered for 25% discretionary rate relief based on the current policy (as set out in Appendix 1). Incurring the remaining 75% rates liability for the properties secured on a meanwhile lease would mean a significant proportion of the project budget would be spent on business rates, rather than driving and delivering the social and economic regeneration of the town centre. The 25% cost of awarding the relief will be met from the budget allocated to the Wembley Regeneration project.

## **Recommendation**

Meanwhile Space CIC are a non-profit making organisation working with the Council to promote the regeneration of Wembley. The initial use of 5-7 Wembley Hill Road has already realised benefits, it is therefore recommended that the Council continues to grant 100% discretionary rate relief to Meanwhile Space for their use of Cottrell House, 5-7 Wembley Hill Road and 1 Wembley Hill Road to 31 March 2013. In addition entitlement to 100% relief should continue if their occupations continue after 1 April 2013 as seems likely. The cost of awarding relief will be met from the project’s budget.