



Cabinet

Monday 21 July 2014 at 2.00 pm

Boardroom - Brent Civic Centre, Engineers Way,
Wembley, HA9 0FJ

Membership:

**Lead Member
Councillors:**

Portfolio

Butt (Chair)	Leader of the Council
Pavey (Vice-Chair)	Deputy Leader of the Council
Denselow	Lead Member for Stronger Communities
Hirani	Lead Member for Adults, Health and Well-being
Mashari	Lead Member for Employment and Skills
McLennan	Lead Member for Regeneration and Housing
Moher	Lead Member for Children and Young People
Perrin	Lead Member for Environment

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

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democracy.brent.gov.uk

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence.

Item	Page
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1	Declarations of personal and prejudicial interests	
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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 - 6
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3	Matters arising	
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Environment and Neighbourhoods reports

4	Changes to Recycling and Green Waste Collections	7 - 30
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This report presents a proposal to reduce the amount of waste generated by Brent residents and to deliver £378,000 financial savings. This will be done by increasing the frequency of the dry recycling service and by extending the coverage of the weekly separate food waste collection service. It is intended these improvements will be made possible by implementing a new 'opt in' chargeable garden waste collection service.

Ward Affected:
All Wards

Lead Member: Councillor Perrin
Contact Officer: Chris Whyte, Environment Management
Tel: 020 8937 5342 chris.whyte@brent.gov.uk

5	Road closures for street parties and special events	31 - 38
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This report advises the Committee of current charges and a recommendation to reduce costs for street parties and special events, following complaints that the Brent charge is excessive in comparison to other London boroughs.

Ward Affected:
All Wards

Lead Member: Councillor Perrin
Contact Officer: Eric Marchais, Transportation Unit
Tel: 020 8937 5452 eric.marchais@brent.gov.uk

Children and Young People reports

6 Extension of Childcare at Treetops and Barham Park Children's Centres 39 - 56

This paper sets out proposed changes to Brent's Children's Centres which aim to increase the supply of childcare while maintaining the reach of our children's centre provision.

Ward Affected:

Stonebridge;
Sudbury;
Willesden
Green

Lead Member: Councillor Moher

Contact Officer: Gail Tolley, Strategic Director,
Children and Young People
Tel: 020 8937 6422 gail.tolley@brent.gov.uk

Adult and Social Care reports

7 ASC Accommodation Based Care and Support Market Development Plan (MDP) 57 - 110

The MDS sets out clearly our approach to market development and how we want to change our approach to engaging with the local marketplace to achieve this; moving from a fragmented, 'ad-hoc' approach to a far more strategic, organised approach which we communicate widely.

Ward Affected:

All Wards

Lead Member: Councillor Hirani

Contact Officer: Amy Jones, Commissioning
and Quality
Tel: 020 8937 4061 amy.jones@brent.gov.uk

Regeneration and Growth reports

8 Proposals for Clement Close 111 - 140

This report seeks approval for an exemption to the tendering requirements of Contract Standing Orders and delegation of powers to officers to agree the terms and enter into a development agreement with Brent Housing Partnership (BHP) to develop the subject site.

Ward Affected:

Brondesbury
Park

Lead Member: Councillor McLennan

Contact Officer: Sarah Chaudhry, Head of
Strategic Property
Tel: 020 8937 1705
sarah.chaudhry@brent.gov.uk

9 Peel Road update on proposals 141 - 166

This paper sets out proposals for the redevelopment of 1-5 Peel Road, Wembley, (Appendix 1 and 2) as independent living accommodation for clients with learning disabilities.

Ward Affected:
Northwick Park

Lead Member: Councillor McLennan
Contact Officer: Sarah Chaudhry, Head of
Strategic Property
Tel: 020 8937 1705
sarah.chaudhry@brent.gov.uk

10 Housing Strategy

167 -
226

This report presents the draft Housing Strategy, covering the period 2014-19, for approval.

Ward Affected:
All Wards

Lead Member: Councillor McLennan
Contact Officer: Jon Lloyd-Owen, Operational
Director, Housing and Employment
Tel: 020 8937 5199 jon.lloyd-
owen@brent.gov.uk

11 Brent RE:FIT Programme Report – authority to proceed to Call-Off Contract Phase 2

227 -
234

Brent REFIT is a programme designed to deliver energy savings for existing corporate buildings and schools using the GLA REFIT Framework Agreement. This is an “Invest to Save” scheme with guaranteed returns over the agreed payback period. This programme aims to contribute to reducing energy consumption and its associated costs in addition to mitigating CO₂ emissions with the installation of Energy Conservation Measures (ECMs) in Brent Council buildings and schools.

Ward Affected:
All Wards

Lead Member: Councillor McLennan
Contact Officer: Peter Balham, Schools Capital
Programme
Tel: 020 8937 1331 peter.balham@brent.gov.uk

12 Procurement and Management of Temporary Accommodation

235 -
252

This report seeks authority pursuant to the Council’s Contract Standing Orders 88 and 89 to invite tenders for a contract for the Procurement and Management of Temporary Accommodation in support of the Council’s Housing Association Leasing Scheme (HALS). This procurement exercise is designed to provide a sufficient supply of accommodation within London and predominantly within Brent. The proposed contract is anticipated to commence from 1 February 2015 for a period of three (3) years, with an option to extend for up to a further two (2) years.

Ward Affected:
All Wards

Lead Member: Councillor McLennan
Contact Officer: Zaheer Iqbal, Major Projects
Team

13 Bio Fuel Supplies for Civic Centre CHP 253 -
260

This report requests authority to award contracts as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

Ward Affected: All Wards
Lead Member: Councillor McLennan
Contact Officer: Gordon Ludlow, Client
Facilities Management
Tel: 020 8937 5306 gordon.ludlow@brent.gov.uk

14 Carlyon Road - disposal of property 261 -
278

This report sets out proposals for the disposal of the Councils' land and premises at 1C Carlyon Road, Alperton, HA0 1HH, appendix 1 details a location plan, title plan (as per heads of terms) and site plan (as per heads of terms).

Ward Affected: Alperton
Lead Member: Councillor McLennan
Contact Officer: Sarah Chaudhry, Head of
Strategic Property
Tel: 020 8937 1705
sarah.chaudhry@brent.gov.uk

Central Reports

15 Treasury Management 2013/14 Annual Report 279 -
288

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

16 Review of 2013/14 Financial Performance 289 -
420

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

17 Financial Forecasts for 2014/15 421 -
428

This report highlights the overall financial position of the Council as at

May 2014. The report will cover the following topics: Budget Monitoring summary Council Tax & NNDR collection rates, Debt analysis, Capital Programme summary and Financial Control.

Ward Affected:
All Wards

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

18 Revenues, Benefits and Housing Software acquisition 429 -
436

This report concerns the procurement of Housing and Revenue and Benefits Software to replace existing software provided to the council by Northgate Information Solutions. This report requests approval to invite tenders in respect of software to enable the council to administer and manage its Housing service and our Revenue and Benefits services as required by Contract Standing Orders 88 and 89.

Ward Affected:
All Wards

Lead Member: Councillor Pavey
Contact Officer: Prod Sarigianis, IT Services
Tel: 020 8937 6080
prod.sarigianis@brent.gov.uk

19 Performance and Finance Review Quarter 4 437 -
458

The purpose of this report is to provide Members with a corporate overview of performance information, to support informed decision-making, and to manage performance effectively.

Ward Affected:
All Wards

Lead Member: Councillor Butt
Contact Officer: Ben Spinks, Assistant Chief Executive
Tel: 020 8937 6677 ben.spinks@brent.gov.uk

20 Reference of item considered by Scrutiny Committee

None.

21 Exclusion of Press and Public

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

APPENDICES:

- Peel Road update on proposals

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

- Carlyon Road - disposal of property
- Brent RE:FIT Programme Report – authority to proceed to Call-Off Contract Phase 2

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

22 Any other urgent business

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

Date of the next meeting: Tuesday 26 August 2014



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 on a first come, first served basis.

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LONDON BOROUGH OF BRENT

MINUTES OF CABINET Monday 16 June 2014 at 7.00 pm

PRESENT: Councillor Butt (Chair), Councillor Pavey (Vice-Chair) and Councillors Hirani, Mashari, McLennan, Moher and Perrin

Also present: Councillor Carr

Apologies for absence were received from: Councillor Denselow

The Leader welcomed everyone to the first meeting of the new Cabinet following the elections, especially Councillor Perrin as a newly elected member and Gail Tolley, recently appointed Strategic Director for Children and Young People.

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

None declared.

2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 22 April 2014 be approved as an accurate record of the meeting.

3. **Matters arising**

None.

4. **Adult Home Care Services - framework appointments**

Councillor Hirani (Lead Member for Adults, Health and Well-being) introduced the report which followed on from a report submitted to the Executive in June 2012 when it was agreed that the Council should lead a procurement process to create a multi-lot Framework on behalf of the West London Alliance group of boroughs plus Southwark and Wandsworth and associated health partners for the provision of Home Support Services. The Framework was split into six lots and advertised in November 2012 to seek initial expressions of interest from care providers. The Cabinet was now being asked to appoint the service providers as required under Contract Standing Order 88.

The Cabinet also had before it Appendix 3 to the report which was not for publication as it contained the following category of exempt information as specified in 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)”.

RESOLVED:

- (i) that approval be given to the appointment to the West London Alliance Framework to provide Home Support of those providers listed in Appendix 1 of the report submitted for a period of four (4) years;
- (ii) that the award of Call-Off Contracts to all those providers listed in Appendix 1 of the report submitted be agreed to enable Brent to use these providers for its own home care needs.

5. **Advocacy Services - Learning Disabilities, Safeguarding, Mental Health and Older People and Young People with Physical Disabilities**

Councillor Hirani (Lead Member for Adults, Health and Well-being) introduced the report which summarised the process undertaken to tender for the advocacy services contract and recommended the award of the contract. He pointed out that the contract covered a new area of provision for younger people with physical disabilities and that there was a focus on education and training. Councillor Hirani explained that three organisations had expressed an interest and this had resulted in them submitting a consortium bid. In answer to a question about how duplication of service provision could be avoided, Councillor Hirani stated that there was currently no duplication of provision in this area but acknowledged that it would require the appropriate contract management to avoid this occurring in the future.

RESOLVED:

- (i) that Voiceability Limited be awarded a contract as lead organisation for a consortium for Advocacy Services for Safeguarding Mental Health, Learning Disabilities, Older People with Physical Disabilities and Younger People with Physical Disabilities for a term of 2 years with a possible extension of 1 year, starting on 1 July 2014;
- (ii) that the reasons, as detailed in paragraph 3.7 of the report submitted, for the further extension to the existing contracts from their current expiry date of 31 May 2014 to the commencement date of the contract detailed in (i) above be noted and that the legal advice, detailed in paragraph 5.3 of the report submitted, as to the use of delegated powers to effect such extension be also noted.

6. **Safer Lorry Scheme**

Councillor Perrin (Lead Member for Environment) introduced the report which recommended support for implementing a London wide, minimum standard of safety features on all HGVs over 3.5 tonnes.

RESOLVED:

- (i) that the principle of creating a new pan-London traffic order requiring minimum safety features for all HGVs over 3.5 tonnes be agreed;
- (ii) that authority be delegated to London Council's Transport and Environment Committee to exercise the functions set out in paragraph 3.13 of the report submitted.

7. Leasing of Office Accommodation Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ

Councillor McClennan (Lead Member for Regeneration and Housing) explained that a review had been carried out on how space in the Civic Centre was utilised and it had been found that there was sufficient room available that could be let. The report before Cabinet put forward a proposal for this.

The Cabinet also had before it Appendix 1 to the report which was not for publication as it contained the following category of exempt information as specified in 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)".

RESOLVED:

that a lease of up to 10 years be entered into on office accommodation in the Civic Centre in accordance with the details set out in appendix 1 to the report submitted, marked not for publication.

8. Expansion of Woodfield SEN School

Councillor McClennan (Lead Member for Regeneration and Housing) explained that there was the opportunity to expand Woodfield School by re-using the modular units that previously formed part of the temporary school provision for The Village School. The report before Cabinet proposed a contract variation to achieve this.

The Director of Regeneration and Growth was asked to inform members of the Cabinet why the school could no longer afford to make a contribution towards the capital costs and what the disposal value of the modular units might have been. He also explained that the proposed contract covered the cost of the school expansion but that if the school wanted additional works to be done then this could be offered as an extension to the contract.

Councillor McLennan confirmed that both governing bodies approved of the proposal.

RESOLVED:

- (i) that the proposal to deliver the expansion of Woodfield SEN School by the re-use of modular units from the temporary Village School be noted;
- (ii) that a variation to the Council's contract with Henry Brothers (Magherafelt) Limited (The Village School Decant & Legacy Contract) be approved to include

the proposed expansion works for Woodfield School up to a maximum value of £1.3m.

9. Retendering of the Borough's Rough Sleepers' Outreach and Housing Advice and Resettlement Services

Councillor McClennan (Lead Member for Regeneration and Housing) introduced the report by stating that there had been a significant increase in the numbers of those sleeping rough in the borough. An independent needs analysis had shown how there was a clear need to maintain the current level of resourcing for rough sleeping services but also a desire to remodel the structure of these services to sharpen focus and so improve quality.

Members of the Cabinet discussed how the work undertaken in supporting rough sleepers needed to be integrated with other support provided such as through the employment strategy. Questions were asked around the level of outreach work and how any service provider might cope with those rough sleepers that had serious drinking problems. The Director of Regeneration and Growth replied that the contract required increased outreach work so that contact could be made with more people. He added that the provider would be expected to have the ability to deal with those that had a drinking problem but that there was also an element of responsibility on the rough sleeper to respond positively to the support provided.

RESOLVED:

- (i) that tenders be invited for a contract for Rough Sleepers' Outreach Services and a contract for Rough Sleepers' Housing Advice and Resettlement Services on the basis of the pre-tender considerations set out in paragraph 3.21 of the report submitted;
- (ii) that officers evaluate the tenders received on the basis of the evaluation criteria set out in paragraph 3.21 of the report submitted before reporting back to a future meeting of the Cabinet.

10. Disposal of loft space at 96 Leighton Gardens, London NW10 3PU

The Cabinet considered a report on the disposal of the Council's loft space within the Housing Revenue Account at 96 Leighton Gardens, NW10 3PU.

RESOLVED:

- (i) that the Council's loft space at 96 Leighton Gardens be disposed of to the leaseholder on the first floor flat at 96B Leighton Gardens (the top floor flat which adjoins the loft space), for a capital receipt;
- (ii) that the Operational Director of Property and Projects be delegated authority to agree the terms of the disposal and grant a supplementary lease for the sale of the loft space.

11. Brent Education Commission Review

Councillor Moher (Lead Member for Children and Young People) introduced the report and referred to the review which had been separately circulated. She regarded it as an excellent piece of work which presented the Council with 34 recommendations for consideration. The Chief Executive and chair of the Commission added that there was a feeling within the education community within Brent that the time was right for a change in approach to the role of the Council and to address needs in some areas. The Chair of the Scrutiny Committee had indicated he wanted the report on the agenda for the next Scrutiny Committee so that views could be fed back to the Cabinet. Cabinet members recognised that with the fragmented provision of education it was crucial that the Council worked in close collaboration with the schools.

RESOLVED:

- (i) that the findings of Brent's Education Commission be noted;
- (ii) that the lead member responsible for Children and Young People and the Strategic Director, Children and Young People, consider the recommendations in detail and bring back a report in September 2014 with an action plan based on those recommendations that are accepted and are being taken forward.

12. **Internal Audit Options April 2015 onwards**

Councillor Pavey (Deputy Leader) introduced the report which concerned the provision of outsourced internal audit services from 1 April 2015.

The Cabinet also had before it Appendix 3 to the report which was not for publication as it contained the following category of exempt information as specified in 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)".

RESOLVED:

- (i) that tenders be invited for internal audit services on the basis of the pre-tender considerations set out in paragraph 3.29 of the report submitted;
- (ii) that officers evaluate the tenders received on the basis of the evaluation criteria set out in paragraph 3.29 of the report submitted.

13. **Appointments and nominations to outside bodies**

RESOLVED:

- (i) that Councillors McClennan and Collier be nominated to the London Housing Consortium;
- (ii) that Councillor Pavey be nominated to the London Councils Grants Committee with Councillors Denselow, McLennan, and Perrin as his deputies;

- (iii) that the appointment of Councillors Perrin (C), Denselow, Mashari, McLennan and Moher to the Highways Committee and Councillors Pavey (C), Denselow, Hirani, McLennan and Perrin to the Barham Park Trust Committee be noted.

14. **Any other urgent business**

None.

The meeting ended at 8.00 pm

M BUTT
Chair



Cabinet
21 July 2014

**Strategic Director, Environment and
Neighbourhoods**

Wards affected:
ALL

Changes to Recycling and Green Waste Collections

1.0 Summary

- 1.1 This report presents a proposal to reduce the amount of waste generated by Brent residents and to deliver £378,000 financial savings. This will be done by increasing the frequency of the dry recycling service and by extending the coverage of the weekly separate food waste collection service. It is intended these improvements will be made possible by implementing a new 'opt in' chargeable garden waste collection service. These proposals will improve and extend the council's recycling offer and reduce the amount of waste generated overall. They would also abide by the national waste hierarchy, which recognises prevention of all waste and the recycling of food waste as having the best environmental impacts with regard to waste management.

2.0 Recommendations

- 2.1 That the Cabinet approves increasing the frequency of the dry recycling service to a weekly service.
- 2.2 That the Cabinet approves the extension of the separate food waste collection service to all street level properties.
- 2.3 That the Cabinet approves the introduction of a chargeable garden waste collection service as the means of facilitating these improvements as set out and detailed in section 4 of this report."
- 2.4 That the Cabinet note the financial and non-financial benefits that will accrue from these changes.
- 2.5 That the Cabinet agrees the amendment to the Public Realm Contract and the minor changes to the contract targets to allow these proposals to go ahead.

3.0 Detail

3.1 Background

- 3.1.1 The UK's waste hierarchy sets out five steps for dealing with waste ranked according to environmental impact. Waste prevention (reduction), which offers the best outcomes for the environment, is at the top of the hierarchy followed by re-use and then recycling. The EU's revised Waste Framework Directive creates a legal imperative for Councils to take account of the waste hierarchy, having been transposed into UK law through the Waste (England and Wales) Regulations 2011 and the Public Realm contract is specifically engineered to focus on reducing waste.



1

- 3.1.3 In addition to these environmental imperatives, Brent Council, like many local authorities faces a serious financial situation. The council's position is such that it faces a budget shortfall of £53m by 2016-17. It is imperative that the council facilitates better waste reduction and improves recycling in ways that are financially sustainable and to an extent that achieves financial savings.

3.2 Current situation

- 3.2.1 The council currently provides an alternate weekly collection of dry recycling and refuse. This means dry recycling is collected every two weeks. The council has provided a free weekly garden waste collection service to around 60,000 households since 2005. The service is provided by Veolia using 240L wheeled bins for the mixed collection of garden waste and food waste.
- 3.2.2 In addition, and in order to encourage waste reduction, householders can currently benefit from heavily subsidised home compost bins, priced at £19.98 plus £5.49 for delivery of a 220 litre bin and £22.98 plus £5.49 delivery for a 330 litre bin. This compares to £40 plus £5 for delivery for a 330 litre bin at

¹ www.wrap.org.uk

B&Q. Residents can also take garden waste free of charge to the Household Waste Recycling Centre (HWRC) in the borough free of charge.

3.3 **New proposals for managing recycling and green waste**

3.3.1 Taking into account the need to deliver financial savings, to reduce the overall amount of waste produced in Brent and to encourage environmentally sustainable behaviour, the proposal is to increase the frequency of dry recycling collections and to extend separate food waste recycling collections to all street level properties. This will be made possible by changing the garden waste service to a paid for/opt in service. These changes would take effect from March 2015. The new weekly dry recycling and food waste collections would start from then. The new chargeable garden waste service would run fortnightly from 1 March to 30 November and monthly from 1 December to 28 February, as much less green waste is produced at that time of year. The collection days for garden waste may change and this will be communicated to those residents that sign up.

3.3.2 The main improvements that are proposed are set out below:

- The alternate weekly co-mingled dry recycling service will be replaced with a better, weekly service, using the 240L blue-lidded bins already in place. This will encourage additional recycling. The day of the collection will remain the same as it is currently – but on a weekly basis. Houses on the North Circular Road will be provided with hessian sacks that will be emptied weekly.
- The food waste service will remain weekly but will be made available to all street level households. Each household will be supplied with a 23L caddy to present for collection each week. The day of the collection will remain the same.
- New vehicles with split compartments will collect both dry recycling and food waste at the same time, meaning fewer vehicles are needed overall.
- Residual waste collections will be unaffected and the day of the collection will remain the same.
- The existing green waste collection service will have food waste removed and will be for garden waste only. It will become an opt in, chargeable service.
- The council's waste policy would be amended to exclude garden waste from the residual waste bin. This would need to be strictly enforced by Veolia and the Council's Waste Enforcement Team.
- More frequent waste collections are also likely to reduce the amount of waste that is fly-tipped in Brent.

4.0 **Garden Waste Charging**

4.1 These improvements to the recycling services can only be made possible by ensuring separate provision for food waste and by introducing a new charge for the garden waste-only service. Officers have investigated how charging for garden waste can be implemented.

4.2 30 of the 32 London Boroughs provide a garden waste collection service. Of these, 17 fully or partly charge for the service. Thirteen make no charge. A survey of these boroughs highlighted a range of charges for a garden waste service from £35 to £75 for a 240L wheeled bin per year (for detail, see Appendix 2). Bearing in mind the results of this and the Equalities Impact Assessment, it is suggested that the fee is set at the lower end of the range - £40 a year per household which equates to less than 80p a week. The charge of £40 a year is in line with the charge in Ealing. The service will be discounted by 20% for those in receipt of means tested benefits including housing or council tax benefit, Job Seekers Allowance, Income Support and Pension Credit. Residents will be able to pay online and by phone

4.3 To make it happen, Veolia would manage the new chargeable garden waste service according to the following parameters:

- Residents may share bins for garden waste (where a primary address to invoice is agreed).
- Residents may opt to have more than one garden waste bin, at an additional cost. Garden waste will only be taken if it presented in the bin. We will not take 'side waste'.
- If residents lose their bin it will be charged in accordance with the current arrangements for residual waste bins, where the resident pays £46.08 for a new bin and delivery.
- The service will be administrated by Veolia who will be responsible for billing and payment collection and managing the participant database to ensure that collections are made only from those households that subscribe.
- Residents who would prefer not to subscribe will have their 240L bin removed.

5.0 Timetable for service changes

5.1 The timetable has been planned to minimise any unnecessary inconvenience to residents. The timetable below means that residents will continue to receive a green waste service during the peak months of 2014 and Veolia will be able to remove the unwanted garden waste bins during the least productive months. The proposed timelines for the service change are as follows:

- Extensive communication with residents will start in July 2014. This will explain the new service improvements and will promote the council's subsidised home composting bin and the option of using the council's Recycling Centre at Abbey Road, where garden waste can be deposited free of charge.
- Residents are asked to sign up and pay for the new garden waste service by 30 November 2014. The payment will cover the year starting on 3 March 2015, so the period from 1 December-28 February is free of charge.
- The current mixed green and food collections will be phased out during that period and where a household doesn't sign up by 30 November, their 240L garden bins will be collected and a new food waste container will be delivered at the same time.

- All food waste containers will be issued to all street level households before March.
- If a resident decides they want to join the service after their bin has been removed they will need to pay for a new bin.
- The weekly dry recycling collection service starts on 3 March 2015
- The new separate food waste service starts on 3 March 2015
- The chargeable garden waste service starts formally on 3 March 2015.

6.0 Impact on Waste Tonnages and Recycling

6.1 It is anticipated that these service changes and the enhanced promotion of home composting will see the amount of green waste collected reduce by 43% by weight, and that of that 43% reduction, 40% will divert to home composting, 25% to the Recycling Centre (free of charge) and 35% will no longer be produced. It is anticipated that implementing these changes will have no significant impact on the council's recycling rate. This is because the amount of dry recycling that is collected by the more convenient weekly service will remain the same and, whilst the amount of collected organic waste will reduce, this waste will be mainly displaced to home composting or to the council's Recycling Centre at Abbey Road, where it can be deposited free of charge.

6.2 This is line with evidence from a number of boroughs where chargeable garden waste schemes have already been introduced. This generally shows that whilst some garden waste tonnage might be 'lost', significant negative impact on the recycling rate is unlikely. Indeed, the existing free garden waste collection actually draws in material that could be composted at home, meaning that the total amount of waste collected is actually inflated. Whilst free garden waste services are an easy way to increase recycling rates, there is no environmental benefit, as the extra material needs to be moved and processed. In line with the waste hierarchy it is better to avoid the need for this waste to be collected and treated in the first place.

6.3 A more frequent collection of dry recycling will be more convenient for residents and may see less waste illegally fly-tipped on streets and pavements.

7.0 Impact on contract targets

7.1 The implications of these service changes for two of the four key targets set out in the Public Realm Contract are as follows:

1. The CO₂ emissions would be slightly worse as Veolia would operate fewer vehicles but the vehicles to be used (twin packs) would be less fuel efficient. The exact change will be negotiated with Veolia if this proposal is agreed by the Cabinet.
2. Customer satisfaction with waste collection may reduce in 2015/2016 but would then increase again in 2016/17.

Year	Waste Collection (CSw)	Notes

2014/15	80	No change
2015/16	70	Reduced from 82
2016/17	85	No change

8.0 Summary of Benefits

8.1 The main benefits of the proposed scheme are, therefore, as follows:

- A new, weekly dry recycling service.
- A separate food waste collection service made available to all street level properties.
- A significant operational cost saving that will help sustain these new service improvements.
- Enhanced promotion of waste reduction and home composting.
- A reduction in the tonnes of waste needed that must be disposed of - without significant negative impact on the council's recycling rate.
- Potentially, less fly-tipping.

9.0 Financial Implications

9.1 In year 1 there is a £260,000 cost to be paid to Veolia which includes £230,000 for the mobilisation of the new services. From year 2 onwards this is reduced to £22,000. The total annual net benefit of implementing these proposals would be £140k in Year 1 (to account for set up costs) and £378k in each year thereafter (see table below). This fully accounts for the cost of increasing the frequency of the dry recycling service and of extending the food waste service.

9.2 Veolia will be responsible for collecting the service charge from customers and will pass on all income received from customers to the council and make up any difference fully to a guaranteed annual amount offered of £400,000. Veolia will retain any income collected over and above £400,000. If the full cost of the service in any Contract Year is significantly greater than expected and if the Contractor reasonably believes that such variance is resulting in the Contractor being obliged to pass on income to the Council over and above that which it is receiving from customers, such variance shall be subject to the agreement of the Parties (acting reasonably).

9.3 As the service commences in March 2015 it is proposed that the charging schedule be amended from the start of the 2015/16 financial year. In 2015/16 there is a £260,000 cost to be paid for Veolia which includes £230,000 for the mobilisation. From 2016/17 onwards this reduces to £22,000. The total annual net benefit of implementing these proposals would be £140k in 2015/16 (to account for set up costs) and £378k in each year thereafter (see table below).

		2015/16	2016/17	2017/18
Net operating efficiency	-£47,000	-£47,000	-£47,000	-£47,000
Annual administration	£50,000	£50,000	£50,000	£50,000
Caddies	£112,000	£5,000	£5,000	£5,000
Caddy repay charge	-£98,000	£14,000	£14,000	£14,000

Mobilisation	£178,000	£0	£0	£0
Start up administration	£50,000	£0	£0	£0
Communications	£15,000	£0	£0	£0
Total cost	£260,000	£22,000	£22,000	£22,000
Income	-£400,000	-£400,000	-£400,000	-£400,000
Net saving	-£140,000	-£378,000	-£378,000	-£378,000

9.4 There is an open opportunity to discuss potential alternatives to the current priced option for the service with Veolia. The pricing and the schedule of fees could be subject to review at any time if it was established that further benefits may be possible. Officers have asked Veolia to maintain an on-going evaluation of prices so that alternative levels of charging could be considered if necessary.

10.0 Legal Implications

10.1 The Council has a duty under section 45(1) of the Environmental Protection Act 1990 to arrange for the collection of household waste. Generally, no charge can be levied for collection of household waste except in cases set out in section 45(3) of the Environmental Protection Act 1990 and paragraph 4 of Schedule 1 of the Controlled Waste Regulations of 2012 and these statutory provisions allow a Council to charge for the collection of garden waste. Section 45(3) allows councils to recover a reasonable charge for the collection of such waste.

10.2 The introduction of a chargeable green waste service will require a variation to the Public Realm Contract. Schedule 14 of the Public Realm Contract (Change Protocol) sets out the principles to be applied in the event that the Contract is subject to a Variation or any other change.

10.3 In agreeing the recommendations, regard should be had to the equality and diversity matters detailed in Section 12.

11.0 Diversity Implications

11.1 It is expected that a weekly collection of dry recycling will be more convenient for all residents and will ensure any existing pressures households may face with regards to waste storage will be reduced and overcome.

11.2 Extended food waste provision will also ensure more residents have access to this important service.

11.3 A detailed Equality Impact Assessment has been completed (Appendix 1) to establish the implications of the garden waste charge. The outcomes of the assessments demonstrate that there will be little impact for residents, apart from those older residents on low incomes or those with a disability on a low income. The council will continue to support residents who may have difficulty accessing our services, by way of assisted collection schemes and/or direct support from officers, where necessary. Residents in receipt of means tested

benefits including housing or council tax benefit, Job Seekers Allowance, Income Support and Pension Credit will receive a 20% discount.

- 11.4 In addition, a subscription scheme may actually ensure a fairer distribution of service provision. For example, in Exeter, feedback from residents suggested a chargeable garden waste service was the fairest option for that city because many houses had small or no gardens, meaning that many residents were subsidising others. Such circumstances equally apply to Brent.

Public Sector Equality Duty

- 11.5 The public sector equality duty, as set out in section 149 of the 2010 Act, 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 have a “protected characteristic” and those who do not share that protected characteristic.
- 11.6 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.
- 11.7 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.
- 11.8 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 introduction of additional licensing for the area of Brent and the introduction of selective licensing. 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 Cabinet, Members of the Cabinet must consider the effect that implementing such a particular decision will have in relation to equality before making a decision. An Equality Impact Assessment will assist with this.
- 11.9 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.
- 11.10 The Equality Impact Assessment is set out in Appendix 1 to this report.

12.0 Staffing/Accommodation Implications (if appropriate)

12.1 There are no staffing or accommodation implications for council staff as a consequence of this report.

Background Papers

Appendix 1: Equality Impact Assessment

Appendix 2: Charging Arrangements Elsewhere

Contact Officers

Chris Whyte, Head of Service, Recycling and Waste, Extension 5342

SUE HARPER

Strategic Director Environment and Neighbourhoods

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Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Environment and Neighbourhoods Service Area: Environment and Neighbourhoods	Person Responsible: Name: Jenny Isaac Title: Operational Director Contact No: 020 8937 5001 Signed:
Name of policy: Managing the Public Realm Option for Chargeable Green Waste	Date analysis started: May 2014 Completion date: tbc Review date: ongoing
Is the policy: New <input checked="" type="checkbox"/> Old <input type="checkbox"/>	Auditing Details: Name: Chris Whyte Title: Head of Recycling and Waste Date: May 2014 Contact No: 020 8937 5342 Signed:
Signing Off Manager: responsible for review and monitoring Name: Chris Whyte Title: Head of Recycling and Waste Date: Contact No: 020 8937 5342 Signed:	Decision Maker: Name individual /group/meeting/committee: Cabinet Date:

2. Brief description of the proposed new contract. Describe the aim and purpose of the policy what needs or duties is it designed to meet? How does it differ from any existing practice in this area?

Please refer to stage 2 of the guidance.

This Equality analysis should be read in conjunction with the previous Public Realm contract analysis.

As part of the worsening economic climate officers have been working to identify other options to reduce tonnes of waste, increase recycling and to deliver financial savings. This led to an option to encourage home composting and to charge for green waste. This would generate a saving of approximately £378k per annum. A similar policy has been rolled out elsewhere in London in the following local authorities: Bromley, Ealing, Havering, Lewisham, Lambeth, Kingston, Merton, and Richmond. It is estimated that over 10,000 households in Brent already have a compost bin at home.

The table below shows the current charges for garden waste collections in London and whether discounts are offered – it highlights that the charges range from £10 for sacks to £75 for a 240L wheeled bin:

Local Authority	Charge for garden waste (per annum)	Container provided	Discounts
Bromley	£60	240L bin	n/a
Ealing	£40	240L bin	25% discount for over 65s or on benefits £30 for six months
Havering	£35	240L bin	£28 for over 60s or on benefits.
Kingston	£75	240L bin	£64 for over 60s £49 for six months
Lambeth	£35	2 x re-usable sacks	£23 for six months
Lewisham	£10 per roll (10 sacks)*	sacks	n/a
Merton	£65	240L bin	£50 for over 60s £30 for six months
Richmond	£60	240L bin	£45 for over 75s £50 if paying by credit/debit card (£35 for over 75s) £30 for 6 months with further discount for over 75s and if paying by credit/debit card

*this amount is not per annum.

Looking at this, the proposed charge for a resident to have their green waste collected is £40 a year – less than 80 pence a week. There will be a 20% discount for OAPs and those in receipt of means tested benefits. This includes housing or council tax benefit, Job Seekers Allowance, Income Support and Pension Credit.

- Residents can avoid the charge by buying heavily subsidised compost bins –

220 litres for £16.98 or 330 litres for £19.98 plus £5.49 delivery charge

- Residents would be asked to subscribe for the service by phone or online
- Anyone not subscribing will have their 240 litre organic bin removed and all residents will be given a 23 litre kerbside container for their food waste plus a 5 litre kitchen caddy with a guidance leaflet
- Food and recycling will be collected weekly with residual waste remaining fortnightly

This option has been shown to increase recycling in other parts of the country and gives residents a weekly food waste collection – overcoming concerns about leaving food outdoors for longer periods and in the hot weather.

In addition home composting has significant environmental advantages. Home composting specifically tackles those elements of the household waste stream that make the largest contributions to landfill both in terms of weight and carbon impacts. In addition, the material streams that can be home composted – garden waste and food waste – have been predicted to be two of the three fastest growing components of household waste in the future, making home composting a key waste prevention initiative.

Home composting can also play a significant contribution to reducing the amount of unsorted waste sent to landfill. The Waste and Resources Action Programme (WRAP)¹ estimates that residents using home compost bins can compost up to 150kg/hh/year² (equivalent to 2.88kg/hh/week).

If this proposal is agreed there would be an extensive communications campaign managed by Veolia explaining how the new service works and setting out the collection day changes

3. Describe how the proposed new policy will impact on all of the protected groups:

Residents already have the option to compost at home with a minimal outlay for a compost bin. This policy change is designed to encourage further home composting and to ensure that residents without gardens are not subsidising those residents who choose not to compost. It is estimated that approximately 10,000 households already have a compost bin at home purchased as part of the subsidised scheme from the Council. This excludes households who may have purchased home compost bins using other means..

The following table shows the proportions of residents living in properties that will or are likely to have access to their own garden space. It is possible that up to 50% of residents won't be affected, for example if they live in flats, maisonettes or apartments as they are unlikely to have a garden.

1 www.wrap.org.uk

2 The diversion figure is mostly relevant to home composting schemes which offer additional support to participants

Proportions of residents living in different property types

	Bren t	Bromle y	Haverin g	Lewisha m	Lambet h	Kingsto n	Merto n	Richmon d	Londo n
% detached houses - 2011	6.5	18.4	10.9	3.3	2.4	12.7	5.8	8.4	6.2
% semi-detached houses - 2011	23.9	29.9	40.7	13.1	8.2	31.4	18.1	24.1	18.6
% terraced houses - 2011	16.9	21.6	26.4	28.2	16.3	17.9	38.3	26.9	22.9
% Flat, maisonette or apartment - 2011	52.7	30	21.8	55.4	73.2	38.0	37.6	40.5	52.2

Source: Census 2011.

The table below sets out the average weekly earnings in boroughs that are already charging for green waste collections.

Average weekly earnings per green waste charging borough in London (equivalised data*)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Brent</i>	368.4	359.8	395.5	394.7	398.7	421.6	438.0	438.6	416.9
Bromley	440.1	449.2	461.2	464.8	479.5	506.3	548.4	546.5	555.0
Havering	385.1	413.4	449.3	463.9	424.9	455.8	504.9	485.7	511.9
Kingston upon Thames	435.7	441.5	460.7	479.0	499.8	527.4	521.7	568.0	584.5
Lambeth	404.3	425.5	446.7	460.3	455.6	490.7	493.8	523.1	546.2
Lewisham	394.9	429.6	425.1	431.8	431.4	436.4	445.5	487.0	475.7
Merton	436.3	439.4	442.5	493.9	474.4	511.3	527.0	529.3	543.8
Richmond upon Thames	564.9	567.8	595.6	584.7	583.0	578.2	642.0	623.1	670.8
London	419.7	435.9	448.7	458.0	468.0	486.7	503.0	517.5	518.5

*Source: GLA London Datastore. *equivalised means that the data has been revised to account for other relevant factors, in this case household size, composition etc. to give a realistic estimate of average weekly earnings.*

The table shows that many of the other charging boroughs have a higher mean income and the trend is that their incomes are rising. Brent and Lewisham have declining AWEs with Brent's negative trajectory being more pronounced. Brent also has the lowest AWE in the group.

To ensure that the new service is inclusive, green waste charges have been kept as low as possible (£40 per year per container) and discounts will be offered to pensioners and those in receipt of means tested benefits. This includes housing or council tax benefit, Job Seekers Allowance, Income Support and Pension Credit. A further mitigating action of the offer is a heavily subsidised home composting arrangement should households prefer this. Prices are:

- a) 220 litres - £19.98 plus £5.49 delivery charge
- b) 330 litres - £22.98 plus £5.49 delivery charge

The potential impact is summarised in section 6.

Please give details of the evidence you have used:

In order to determine whether or not the project is likely to have an adverse impact or even discriminate against any groups in the resident base, the following data sets and documentation have been utilised and referred to where appropriate:

1. Performance management data
2. Data from WLWA waste strategies
3. Census data 2011 (updated data sets – May 2013 revision)
4. Census 2001 (revised data sets)
5. Brent demographic data (Evidence Base)
6. Mosaic Public Sector (all types shown for comparison)
7. National and local statistics (ONS, GLA, NOMIS, GiGL etc.)
8. 'Brent Our Future' 2010-2014, the council's corporate strategy
9. Brent Council's 'Household Waste Collection Strategy 2010-2014
10. Service level waste collection data
11. CACI income data (2011, 2012 and 2013)
12. GLA London Datastore (various)

How the datasets and information have been utilised is described above. For a full list, please visit the Data Room, see section 6 evidence (below).

4. Describe how the proposed new contract will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;

The public realm contract and the green waste scheme is designed to continue the robust waste collection service of the previous contract by ensuring that all sections of Brent are catered for and none are discriminated against.

It is important to note that the services offered do not promote discrimination, harassment or any form of victimisation, rather they promote the ease of day to day life in the borough and have been researched prior to implementation to ensure a good fit with the area demographic in question.

(b) Advance equality of opportunity;

The new public realm contract and the green waste scheme has been designed to give Brent residents a good standard of service. In recent years, the council has introduced several new facets to its waste collection service in order to increase value for money and provide residents with a fairer and better quality service.

This policy option has no impact on advancing equality of opportunity.

(c) Foster good relations

This policy option has no impact on fostering good relations.

5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.

i. Who did you engage with?

Members: Members were involved as part of the Budget options engagement.

6. Have you identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.

Please refer to stage 2, 3 & 4 of the guidance.

Category	Impact	Mitigation
Age	In some cases elderly residents have a lower income and there is a risk that the charge would impact on them.	<p>Residents will have the option of a one off payment for a subsidised home compost bin to help mitigate the financial impact and manage the garden waste arisings.</p> <p>Where an impact is identified, residents above retirement age will benefit from a 20% discounted annual subscriptions for the garden waste collection service.</p> <p>Brent Mosaic identifies that 1.77% of the population falls within the group of “elderly people reliant on state support”. The council will ensure that where residents in this group have access to garden waste, clear communications and support channels are in place to mitigate potential impacts.</p>
Disability	In some cases residents with a disability have a lower income and there is a risk that the charge would impact on them.	<p>Residents will have the option of a one off payment for a subsidised home compost bin to help mitigate the financial impact and manage the garden waste arisings.</p> <p>Where an impact is identified, there will also be a discount for the subscription of the service for those residents in receipt of means tested benefits. This includes housing or council tax benefit, Job Seekers Allowance, Income Support and Pension Credit.</p>
Gender	No impact	No impact identified.
Race	There may be some impact due to the language barrier, particularly where there are pockets of fast moving transient residents.	Any language barriers will be mitigated by the well designed and flexible communications strategy and action plans that are being

		<p>designed for the contract.</p> <p>Brent Mosaic identifies that 10.65% of the population falls within the group of “lower income workers in urban terraces in often diverse areas”. The council will ensure that where residents in this group have access to garden waste, clear communications and support channels are in place to mitigate potential impacts.</p>	
Pregnancy and maternity	No impact identified.		
Faith	No impact identified.		
Gender re-assignment	No impact identified.		
Marriage and civil partnership	No impact identified.		
Religion or belief	No impact identified.		
Sexual orientation	No impact identified.		

Please give details of the evidence you have used:

In order to ensure that all stages of this project are based on accurate and timely information, the project team constructed a comprehensive data room for the duration of the project. The data room included several types of relevant documentation, indexed according to function and use, and ranging from borough wide policies, GIS mapping and performance information to individual parks listings with land usage etc.

The data room gave bidders a thorough snapshot of the borough and its public realm service. Prospective bidders got a good idea of the borough’s demographics and recent service performance before doing their own detailed due diligence and tailoring their respective bids to the needs of the client base. Once the contract has been awarded, the new contractor can use the information in their performance management and continuation of service.

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age			X
Disability			X
Gender re-assignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race			X
Religion or belief			X
Sex			X
Sexual orientation			X

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only).
Please refer to stage 4 of the guidance.

No major change

Your analysis demonstrates that:

- *The policy is lawful*
- *The evidence shows no potential for direct or indirect discrimination*
- *You have taken all appropriate opportunities to advance equality and foster good relations between groups.*

Please document below the reasons for your conclusion and the information that you used to make this decision.

N/a.

Adjust the policy

This may involve making changes to the policy to remove barriers or to better advance equality. It can mean introducing measures to mitigate the potential adverse effect on a particular protected group(s).

Remember that it is lawful under the Equality Act to treat people differently in some circumstances, where there is a need for it. It is both lawful and a requirement of the public sector equality duty to consider if there is a need to treat disabled people differently, including more favourable treatment where necessary.

If you have identified mitigating measures that would remove a negative impact, please detail those measures below.

Please document below the reasons for your conclusion, the information that you used to make this decision and how you plan to adjust the policy.

N/A

Continue the policy

This means adopting your proposals, despite any adverse effect or missed opportunities to advance equality, provided you have satisfied yourself that it does not amount to unlawful discrimination, either direct or indirect discrimination.

In cases where you believe discrimination is not unlawful because it is objectively justified, it is particularly important that you record what the objective justification is for continuing the policy, and how you reached this decision.

Explain the countervailing factors that outweigh any adverse effects on equality as set out above:

The proposal to encourage home composting and to implement a charge for green waste would be lawful and the potential impact is mitigated as far as responsibly possible. The council will ensure that the charge for the collection of garden waste compares positively against other local authorities in London and that discounts will apply for residents in the older age groups and for those residents in receipt of means tested benefits. This includes housing or council tax benefit, Job Seekers Allowance, Income Support and Pension Credit.

Residents will also have the option to purchase a heavily subsidised home compost bin. Home composting has significant environmental and economic advantages than other means of managing garden waste.

All residents will receive a weekly food waste collection service.

Please document below the reasons for your conclusion and the information that you used to make this decision:

The information used to make the decision is set out in the body of the equality impact assessment.

A thorough and wide ranging communications plan will be drawn up and focused information will be available to residents. We will be using local media sources (for example our website) and wider publicity will include media such as The Brent Magazine and external advertising.

Stop and remove the policy

If there are adverse effects that are not justified and cannot be mitigated, and if the policy is not justified by countervailing factors, you should consider stopping the policy altogether. If a policy shows unlawful discrimination it must be removed or changed.

Please document below the reasons for your conclusion and the information that you used to make this decision.

N/A

9. Monitoring and review

Please provide details of how you intend to monitor the contract in the future. Please refer to stage 7 of the guidance.

The Public Realm Services Contract will be underpinned by Contract Targets and Key Outcome Targets.

Performance monitoring will be continuous and equality considerations will be taken into account both when decisions are made and after the changes are implemented. Where equalities data is not currently captured, this may be introduced via the performance management arrangement in the new contract.

After implementation of the new scheme, there will be detailed analysis of KPIs including recycling, levels of waste sent to landfill, services available to residents via our parks, grounds maintenance and satisfaction rates. This should enable the service to respond to identified issues in a focused manner. There will be dedicated performance management and contract management teams on both the client and contractor to ensure successful delivery throughout.

10. Action plan and outcomes

At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
Robust communications plan		Chris Whyte	Residents well informed about the new scheme		

Please forward to the Corporate Diversity Team for auditing.

**Appendix 2:
Summary of comparable boroughs with chargeable garden waste service**

Borough	Garden Waste Service	Charging Structure
Ealing Council	Fortnightly collection – year round 240 litre wheeled bin OR Biodegradable sacks	£40 per bin per year 25% discount for concessions (over 65's, means tested benefits) Additional bins can be obtained at 25% discount £20 for 25 biodegradable sacks £40 for 50 biodegradable sacks
London Borough of Kingston	Fortnightly collection – year round 240 litre wheeled bin OR Biodegradable sacks	£69 per bin per year (maximum three) £59 for concessions £25 per roll of 10 biodegradable sacks £22 concessions
London Borough of Richmond upon Thames	Fortnightly collection – year round 240 litre wheeled bin OR 110 litre biodegradable sacks	£50 per bin per year (direct debit) £60 per bin per year (other payment) 25% discount for over 75's £14 per pack of 10 sacks £230 per 1100 litre bin per year (flats)
London Borough of Merton	Fortnightly collection – year round 240 litre brown wheeled bin OR 75 litre paper sacks	£65 per bin / pack of 25 75-litre paper sacks (maximum three bins) £50 for concessions
London Borough of Havering	Fortnightly collection – year round 240 litre green wheeled bin	£33 per bin year year £26.40 for concessions Additional bins can be obtained at 20% discount
London Borough of Lambeth	Fortnightly collection – year round Reusable sacks	£25 per licence (maximum two) PLUS reusable sacks – £5 each
London Borough of Wandsworth	Service on request Biodegradable sacks	£16 – each single collection of up to 20 sacks £3.50 – roll of 20 biodegradable sacks
London Borough of Lewisham	Service on request Biodegradable sacks	£10 per roll of 10 biodegradable sacks
Southend Borough Council	Fortnightly – year round 240 litre wheeled bin OR biodegradable sacks	£44.40 – 52 week permit £33.25 – 39 week permit PLUS £28.40 – wheelie bin £15.80 = service charge extension (from 39 to 52 weeks) £5.50 – roll of 10 biodegradable sacks
Tandridge District Council	Fortnightly – year round 240 litre brown wheeled bin	£42.50 per bin per year (maximum six)
Gloucester City Council	Fortnightly collection – year round 240 litre green wheeled bin	£36 per bin per year £18 per bin per year if receiving Housing / Council Tax Benefit
Reigate & Banstead Borough Council	Fortnightly collection – year round 240 litre brown wheeled bin OR 60 litre reusable sacks	£36 per bin per year (maximum six) £18 per sack Additional £5 for not paying direct debit
Oxford City Council	Fortnightly collection – year round 240 / 140 litre brown wheeled bin OR 75 litre paper sacks	£35 per bin per year (no limit on number of bins) £35 per roll of 20 biodegradable sacks £25 per roll of 10 biodegradable sacks
Exeter City Council	Fortnightly collection (summer) Monthly by appointment (winter) 240 litre brown wheeled bin OR Biodegradable sacks	£35 per bin per year £10 per roll of 10 biodegradable sacks

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Cabinet
21 July 2014

**Strategic Director, Environment and
Neighbourhoods**

For Action

Wards Affected: ALL

Road closures for street parties and special events

1.0 SUMMARY

- 1.1 This report advises the Committee of current charges and a recommendation to reduce costs for street parties and special events, following complaints that the Brent charge is excessive in comparison to other London boroughs.
- 1.2 The Council currently place notices for traffic orders for road closures on site and in the local press to inform the public of planned road closures for special events, and charges organisers accordingly. The cost to organisers for a road closure for a special event is currently £1,325 and is higher in comparison to other London boroughs, some of which impose no charge.
- 1.3 This report considers relevant legislation and guidance issued by the Secretary of State for Communities and Local Government on 18 January 2014 in recommending changes to current procedures.
- 1.4 Some other London boroughs have introduced 'Play Streets' where the local community close a street to traffic for a period of time by arrangement with the Council. The Council have received enquiries about play streets from residents who would like to close their road for a 3 hour event in order to allow children to play in their street. This would also require notices and a Traffic Management Order as for special events, and this report considers these applications.

2.0 RECOMMENDATIONS

- 2.1 That the Committee approves a reduction of charges for street parties and special events (for example; ad-hoc play street applications) organised by local residents on non-traffic sensitive streets from £1,325 to £200 per event plus VAT to cover the costs of producing the required statutory Traffic Order, drafting the site notice and checking traffic management plans.

- 2.2 The Committee approve the reduction of charges for regular special events (e.g. street closures for annual religious events, or regular events hosted by local community groups) from £1,325 to £1,125 plus VAT.
- 2.3 The Committee notes that the charges for special events hosted by commercial groups shall be maintained at the current rate of £1,325 plus VAT.
- 2.4 The Committee notes that street party organisers will continue to be required to arrange their own traffic management and meet these costs in full under the new application process.

3.0 BACKGROUND

- 3.1 The Road Traffic Regulation (Special Events) Act 1994 gives Traffic Authorities the powers to make Traffic Management Orders on a temporary basis to facilitate the holding of sporting events, social events or entertainment events on the public highway.
- 3.2 In 2011, the Council received 7 street party applications to celebrate the Royal Wedding and a further 19 applications in 2012 to commemorate the Royal Jubilee. The Council covered the road closure costs for both the order and traffic management arrangements for these street parties. Since then, there have been numerous street party enquiries but the organisers have not proceeded, mainly due to costs.
- 3.3 When the Act was passed, it was envisaged that it would primarily be used to provide for the traffic management needs of substantial events, such as the UK leg of the Tour de France. However, in practice, these powers are used for smaller events such as street processions and street parties.
- 3.4 The original 1997 guidance from the Department for Transport on procedures for making “special event” orders for smaller events included compulsory consultation of interested parties, general public notice in local newspapers, site notices, and any other steps the authority may consider appropriate to give general advance warning and to notify people that they consider may be affected.
- 3.5 In January 2014 the Secretary of State for Communities and Local Government published a guide to organising street parties and encouraging organisers to question any charges the Council makes for road closures. The guidance makes clear that Councils are expected to take a “light” touch approach. Costs should be kept to a minimum. See appendix A.
- 3.6 Secretary of State for Transport approval is required if there is more than one special event road closure in a specific road in a calendar year.

4.0 APPLICATIONS AND COST REDUCTION OPTIONS

- 4.1 Applicants for special event road closures can be divided into 3 categories:
 - Resident street parties,

- Public community group events e.g. religious festivals, St. Patricks Day, sporting festivals
 - Commercial group events.
- 4.2 Road closures for street parties or special events such as play streets would not be acceptable on traffic sensitive streets, i.e. bus routes, Principal classified (A) roads or non-Principal Classified (B & C) roads.
- 4.3 Officers have identified that the costs for street parties could be reduced by ceasing to place adverts and notices in the local press and amending the process to provide clearer information and reduce officer involvement.
- 4.4 A charge of £200 plus VAT will cover the traffic order and associated site notices, and checks to traffic management plans.
- 4.5 Details of the current application process for applying for a street party are available on the Council's website. The current minimum notice period for submitting an application form for a street party is 8 weeks, and the process requires the applicant to notify neighbours a minimum 6 weeks in advance, refer objections to the Council, complete a risk assessment, obtain public liability insurance to indemnify the Council, make arrangements for parking suspension, traffic management and for a traffic management order to be advertised in the local papers and on-street.
- 4.6 Under the new application process for street parties and special events (e.g. ad-hoc play street applications) the same general process would be followed. However to ensure that the street closure has full community support the applicant will be required to contact neighbours at least 4 weeks in advance, place notices on-street and obtain one signature from each household within the area of the closure, agreeing to the closure and provide the Council with a copy of the signed approval at least 3 weeks before the event. This is similar to the approach used by some other London boroughs. Site notices will be e-mailed (or sent) by the Council to organisers for them to put up themselves. Notices would not be published in newspapers, in line with the latest government guidance. Under the new process, it is anticipated that applications for street parties and play streets could be processed within 6 weeks instead of 8 weeks as the traffic orders would not be advertised in the press. The six week period allows officers adequate time to assess the traffic management arrangements for the event, and subsequently for the traffic order to be programmed and drafted, and advance warning notices to be placed on street. Procedures and guidance for organising events will be amended and the Council website will be updated to provide details of requirements under the new process.
- 4.7 If there are objections, the Operational Director would consider whether these are significant and whether the street closure arrangements should go ahead, with or without amendment. If there are no objections and the applicant provides the council with an application form supporting the closure and there is signed support from over 50% of residents (one signature per household), then the Operational Director will authorise the closure. The Operational Director will consider all objections and comments received from interested parties in deciding on whether the closure can proceed.

- 4.8 Examples of regular special events held by community groups include the Ealing Road Chariot Festival, Neasden Diwali and the Kingsbury Temple procession. These occur every year and residents are aware of the traffic disruption caused by them. The charges for such events can be reduced from £1,325 to £1,125 plus VAT as a reduced level of notification will now be required for public community group events.
- 4.9 Examples of recent commercial special events this year include the 5K Colour Run, 2.8 Hours Later. These events usually affect numerous streets, and the charge shall therefore be maintained at the current rate of £1,325 plus VAT.
- 4.10 Wembley Event day closures are not considered special event closures. They are imposed by permanent orders, last made in 2012 under the Road Traffic Regulation Act 1984. There is a legal requirement for these permanent traffic orders to be updated to cover scheduled Wembley Event days on an annual and ad-hoc basis with full costs recovered by the Council. No changes to these traffic management arrangements are proposed.

5.0 LEGAL IMPLICATIONS

- 5.1 Road closures for street parties or special events such as play streets would not be acceptable on traffic sensitive streets, i.e. bus routes, Principal classified (A) roads or non-Principal Classified (B & C) roads.
- 5.2 A borough-wide prohibition on drinking alcohol in public places was brought in to address anti-social behaviour. Although enforcement can be relaxed, action will be taken if complaints are made and the event is seen as rowdy.
- 5.3 Organisers are currently required by the Council to have public liability insurance with a limit of indemnity of no less than £5m for each claim (the minimum necessary when bouncy castles or other physical entertainment is used) and indemnify the Council against any claim arising from their activities. This is considered best practice and this will remain a requirement for any street closures.
- 5.4 The applicant is required to provide signing and guarding in accordance to the Traffic Signs Regulations and General Directions 2002. These signs can be obtained from various hire companies. The applicant is responsible for ensuring that adequate signage and traffic management is in place for the duration of the event. The Council will approve the traffic management arrangements as part of the application process.
- 5.5 If organisers wish to sell alcohol, provide entertainment to the wider public or charge money to the event then a Temporary Event Notice (licence) costing £21 is also required from the Council. This is for events of less than 500 people, including staff.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The 2013/14 budgeted and actual income received from special event street closures was circa £10k. A similar level of income receipt is expected for 2014/15.

- 6.2 Income from street parties did not form part of the budgeted revenue in 2013/14 and no income was received in the financial year.
- 6.3 Based on an assessment that was carried out by officers within Transportation service on both the ad-hoc and regular street parties and special event, it is anticipated that the proposed pricing regime is not likely to cause any significant financial impact on transportations budget performance. It is also envisaged that the proposed fees reductions for various street parties and special events (e.g. ad-hoc play street applications) organised by local residents on non-traffic sensitive streets is likely to result in more community events in the borough and could generate more income.
- 6.4 All traffic management costs, including other associated costs will continue to be covered by the applicant.
- 6.5 The charges will be reviewed annually as part the Councils annual fees and charges review and inflationary increases reported, for consideration and approval by senior management and executive members.

7.0 Equalities and diversity implications

- 7.1 An initial assessment has been carried out and officers do not believe that there are negative equalities and diversity implications associated with the approval of this report at this time.
- 7.2 The new policy will reduce costs and therefore support religious and community events and community cohesion.

Appendices

Appendix “A” – “Your Guide to Organising a Street Party”

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SUE HARPER

Strategic Director of Environment and Neighbourhoods

Appendix A

Your guide to organising a street party

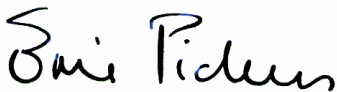
Foreword by Eric Pickles

Secretary of State for Communities and Local Government

Street parties are a great British tradition and an important part of community life. They are a simple way to take time out from our busy lives and get to know our neighbours. Thousands of people across the country celebrated the Royal Wedding and the Diamond Jubilee with a street party and we want you to carry on with this without getting bogged down in paperwork and red tape.

We have produced this straightforward guidance on how to hold a street party, which includes a simple form for you to use to let your local authority know about your plans. There are plenty of reasons to hold a street party, including annual events like The Big Lunch in early June, celebrating national holidays or just because you want to get together with your neighbours. So why not get planning!

Good luck and enjoy your party!



What sort of events does this apply to?

This is about the sort of street parties that groups of residents get together to arrange for their neighbours. The main differences between a small street party and other public events are listed below:

STREET PARTIES

For residents/neighbours only
Publicity only to residents
In a quiet residential road or street
Self-organised
Normally no insurance
No formal risk assessment needed
No licences normally necessary unless the sale of alcohol is involved

OTHER PUBLIC EVENTS

Anyone can attend
External publicity (such as in newspapers)
In buildings, parks etc.
Professional/skilled organisers
Insurance needed
Risk assessment common
Licence usually needed

It's that simple

Organising a street party just for residents and neighbours is very simple and does not need a licence. Use the form at the end of this guide to apply to your council, which in most cases will be the district or borough. This should provide all the information they need. [Find your council](#) by entering your postcode at the prompt.

The number one tip for holding a party is to plan early, share jobs out among residents and get in touch with your council at least 4 to 6 weeks in advance. A good first point of contact will be your council's highways, events or communities team. If you encounter any difficulties speak to your

local councillor who will be happy to help.

More helpful tips, advice and support for organising a successful event can be found on the Streets Alive website www.streetparty.org.uk and The Big Lunch website www.thebiglunch.com. Do check them out, they're great.

Street parties - the myths and the facts

Myth 1: It's too difficult and confusing

Streets Alive and The Big Lunch have great websites to help you plan (www.streetparty.org.uk and www.thebiglunch.com). You can also use GOV.UK to access local information and contact details for more advice (enter your postcode at: [Apply to hold a street party](#)).

You should not need a risk assessment – just the common sense precautions you take in your own daily life.

Myth 2: You need a licence

The Licensing Act 2003 does not require a music licence at a street party unless amplified music is one of the main purposes of the event.

However, if you plan to sell alcohol you will need to check whether you need a Temporary Events Notice. This is a temporary permission for licensable activities which currently costs £21 and covers events of less than 500 people. For more information or to make an application, please contact your local licensing authority by entering your postcode at [Temporary Events Notice](#).

Myth 3: The law requires complex forms for a road closure and councils need to sign off every detail

For most small parties in quiet streets, all your council needs to know is where and when the closure will take place so they can plan around it (for example, so emergency services know). They will need a few weeks' advance notice as they will need to put in place a traffic regulation order. If councils really need more information they will contact organisers, but they are expected to take a 'light touch' approach. If your council asks for excessive information, you should challenge them.

Or you can organise a gathering or 'Street Meet' on private land, such as a driveway or front garden, without any requirement to fill in council forms. Residents should speak to their council about plans - Streets Alive has some [excellent guidance](#) on how to go about it.

Myth 4: The law requires a fee to be charged for a road closure

The Department for Transport has scrapped guidance that led some councils to over-complicate the process and to charge people wanting to close their road. If your council is making a charge, you have every right to question what those charges are for.

Myth 5: It's too late to ask for a road closure

Some councils have set deadlines to help them manage their work. But there are no deadlines in law, so if they look unreasonable ask your council to be flexible. If you can't or don't want to close your road, you could plan a simpler Street Meet (see Myth 3 above).

Myth 6: You need to buy expensive road signs

Some local councils will lend you signs and cones, or you can hire or buy signs, or even print your own from downloadable templates if they are for use in daylight. [Streets Alive gives advice](#) about this.

Myth 7: You need expensive insurance

There is no requirement from central government to have public liability insurance. Many councils do not insist on it so you should challenge those who do.

But if you think insurance would be a good idea, have a look at the advice on the Streets Alive and Big Lunch websites and shop around. Quotes for insurance start from as little as £50, which can be split between people attending, or you could hold a raffle or ask for donations to cover the costs.

Myth 8: You need a food licence

The Food Standards Agency (FSA) has confirmed that one-off events such as street parties aren't usually considered food businesses, so there are no forms to fill in. However you must ensure that any food provided is safe to eat.

The FSA provides more [detail about street parties](#) on its website.

The NHS Choices website has practical tips on [how to prepare and cook food safely](#).



Cabinet
21 July 2014

**Report from the Strategic Director
of Children and Young People**

Wards affected:
Sudbury ward
Willesden Green ward
Stonebridge ward

**Extension of Childcare at Treetops, Barham Park and
St Raphael's Children's Centres**

1. Summary

- 1.1. This paper sets out proposed changes to Brent's Children's Centres which aim to increase the supply of childcare while maintaining the reach of our children's centre provision.
- 1.2. The changes set out in the paper represent an adjustment to the current offer rather than a major reorganisation.
- 1.3. Following approval from Cabinet, officers would aim to implement the proposals in order to enable children to begin to take up places at the new provision from September 2014.

2.0 Recommendations

- 2.1 That the Cabinet approves the re-designation of the children's centre satellite delivery at Barham Park Children's Centre (currently 1.5 days per week) as Nursery Education Grant-funded childcare provision for two, three and four year olds open five days per week, managed by a private, voluntary or independent early years provider, with children's centre sessions being delivered in the evenings and at weekends and seeks permission for the proposed changes from the Barham Park Trust
- 2.2 That the Cabinet approves the reorganisation of the Willesden Locality Children's Centres so that Treetops Children's Centre building becomes a satellite children's centre providing evening and weekend sessions, with new satellite provision being established part-time in Willesden Health Centre
- 2.3 That the Cabinet approves the use by the current private provider of on-site nursery provision at Treetops Children's Centre of the space released during

the working day to provide additional Nursery Education Grant-funded nursery for two, three and four year olds.

- 2.4 That the Cabinet approves the conversion of the large hall at St Raphael's Intergenerational Centre using two year old capital funding to provide Nursery Education Grant-funded childcare for two, three and four year olds, open five days per week, such childcare to be managed by a private, voluntary or independent early years provider.

3.0 Detail

Statutory obligations- children's centres

- 3.1 The Childcare Act 2006 made local authorities responsible for the provision of children's centres, working with partners in health and JobCentre Plus. In particular, the LA responsibility is to ensure integrated early childhood services from children's centres and to meet the requirements for the inspection of children's centres by Ofsted.
- 3.2.0 The statutory guidance for children's centres (May 2012) and the Ofsted inspection framework for children's centres (April 2013) both emphasise the essential role of local authorities in ensuring sufficient children's centres to deliver positive outcomes for families with young children, particularly for families with greater levels of need. In addition, local authorities must ensure:
- 3.2.1 Good quality performance management of children's centres with requirements to set and monitor progress against targets and to provide outcomes and profile data of the reach area.
- 3.2.2 Children's centres comply with all safeguarding requirements and have links with Children's Social Care to address any safeguarding issues as quickly as possible.
- 3.2.3 Integrated services that support school readiness, health and wellbeing and effective parenting outcomes for families with children aged nought to four years particularly those with greater levels of need.
- 3.3 Under Section 7 of the Childcare Act 2006 local authorities have a duty to provide 15 hours of free early learning and childcare for eligible three and four year olds (amended in 2012 to include two year olds delivered in two phases). In September 2013 phase 1 of the two year olds duty was implemented and the government estimates that 20 per cent of this age group will have benefited nationally. The scheme will be extended to phase 2 from September 2014 when 40 per cent of two year olds will benefit. Locally this equates to about 1,057 two year olds in phase 1 and 2,345 two year olds in phase 2.

4.0 Reconfiguration proposals

4.1 We have taken account of:

- **The statutory requirements on local authorities** in relation to performance management, the provision of outcomes and profile data, safeguarding and ensuring sufficient integrated early childhood services are delivered through children's centres.
- **Financial risks to the council** from breaching any agreements with the Department for Education (DfE) in relation to capital investments. This has implications in relation to any potential building closures given requirements to ensure that centres that benefited from DfE capital grants continue to operate as children's centres for at least 25 years. In the event that Brent closes any of these centres, there are one-off costs associated with capital claw-back. However, these costs are not relevant to the extension of childcare (confirmed by DfE March 2014).
- **The revised Ofsted inspection framework for children's centres** which identifies 'good' as children's centres that have, at a minimum, contact with at least 80 per cent of all families in their reach area and engage at least 65 per cent of target families in each year in good quality provision, with demonstrable outcomes from targeted support and identification and early support for target families from children's centres. The children's centres are inspected on a locality basis with our one children's centre nursery inspected separately. Currently four localities and the children's centre nursery have been inspected under the new framework. Two localities have been judged as requiring improvement, two localities and the children's centre nursery have been judged as good. The remaining localities are due for inspection imminently.
- **Levels of need in Brent.** For Brent, there are approximately 11,100 families with children aged nought to four years that are 'target families' of which 3,300 are identified with greater levels of need. To ensure at least a good grade, Brent needs to have contact with at least 13,700 families with children aged nought to four years each year through children's centres and actively engage in support for 7,215 target families. Atypical service delivery hours and increased NEG funded provision, in particular for targeted two year olds will increase contact and support.
- **The importance of children's centres in providing early help.** Children's centres are at the front-line of identification of and engagement with families at risk of escalating problems. The Common Assessment Framework is used to identify families' needs and target support to prevent more costly and intensive social care interventions being required.
- **Two year old targets.** Local authorities are required to make available 15 hours of free early education for eligible two year olds. The two year old offer has been run on a pilot basis in the borough since 2009, but a large marketing campaign was carried out across the borough in preparation for the implementation of the statutory duty. Through summer and autumn of 2013, there was a surge in demand as the effects were felt of the

campaign to reach eligible families. This demand is likely to increase further when the criteria are widened to include low income families in receipt of Working Tax Credit.

4.2 Creation of nursery provision at Barham Park Children's Centre

4.2.1 It is proposed to lease Barham Park Children's Centre building (currently a satellite children's centre) to a PVI provider to create a children's centre two year old nursery specifically for children eligible for NEG 2. A competitive process would allow providers rated as at least Ofsted Good to apply to lease the premises in order to provide this service.

4.2.2 It is currently considered that a lease is the preferred route but there will be further discussion with Property Services and Legal regarding the exact length and terms of the arrangements with the provider. Following these discussions, officers will report to Cabinet if further approval is necessary or appropriate.

4.2.3 The proposed lease to a PVI provider would result in increased provision of two year old nursery education to a greater number of deprived families. The lease would also reserve rights allowing the Early Years and Families Support service to access the premises at specified times to continue to undertake direct outreach into the setting to work specifically with early years practitioners and children so that the same number of families or more can access provision. This is considered important given the nursery will be catering for deprived two year olds in the Wembley locality. The lease would also reserve rights allowing the Early Years and Family Support Services to access the premises to offer evening and weekend children's centre activities targeting working families and in particular dads (currently under-represented). This is a key priority for Brent.

4.2.4 This proposed approach avoids the risk of capital claw-back as childcare is considered a children's centre activity. The outcome would be cost neutral to the local authority.

4.3. Changes to provision at Treetops Children's Centre

4.3.1 It is proposed to lease the Treetops Children's Centre building to the existing nursery provider who currently occupies adjoining nursery premises. The nursery provider will have exclusive occupation of the Treetops Children's Centre premises from 0800 - 1800 Monday to Friday. The lease would however reserve rights allowing the Early Years and Family Support Service to access the premises in the evenings and at weekends in order to offer weekend and evening children's centre activities.

4.3.2 Income from the lease of the Treetops Children's Centre building will be used by the Council to enter into an arrangement with Willesden Health Centre to enable part-time delivery of children's centre services from this site. This centre is located in an area that is substantially more deprived than Treetops and which can cater more readily for families with greater levels of need. This change increases nursery provision for two, three and four year olds and enables some additional children's centre provision to take place in an area reaching more disadvantaged families while being cost neutral to the council.

This assists the council in addressing the shortcomings identified in the recent Willesden Locality Ofsted inspection where insufficient numbers of targeted families were being reached and too few services outside of core hours were being delivered. This change in service will enable staff to increase the reach of children's centre services within the current resourcing envelope.

4.3.3 The children's centre network manager currently working at Treetops will, given these changes, become responsible for ensuring successful delivery from Willesden Health Centre and ongoing service delivery in the evenings and weekends from Treetops and contribute to development of the wider service, working closely with the Head of Service.

4.4 Changes to provision at St Raphael's Children's Centre

4.4.1 It is proposed that the currently under-utilised hall space at St Raphael's Intergenerational Centre is converted to enable a private childcare provider to offer Nursery Education Grant places for two, three and four year olds in this space. A competitive process would allow providers rated as at least Ofsted Good to apply to lease/license premises from which to provide this service. The outcome would be cost neutral to the local authority. It would also ensure that the full complement of children's centre services can continue to be delivered at this site. This helps the service to sustain children's centre service delivery and to increase provision for two year old free early education to a greater number of deprived families.

4.5 Consultation

4.5.1 It is a legal requirement where changes are proposed to the structure of children's centres that consultation on the proposed changes should be carried out with Locality Advisory Boards, partner agencies, service users and the local community. This consultation process has started and the initial timescale would have seen this completed. There have been some glitches in the programme including an Ofsted Inspection, that have meant that this process is not yet complete at time of writing so will require an oral update at the Cabinet meeting. The consultation to date has shown positive results as all aspects of the proposal represent an enhancement of the current service and any services which will no longer be available at current delivery times will be available nearby. The Parents' Forum discussions have shown a positive response to the proposals and the chairs of the Locality Advisory Boards have also shown support for the proposals. A questionnaire has been issued to staff and Advisory Board members. A separate questionnaire is being made available in hard copy and on Survey Monkey for users of the centres. Three focus groups are taking place and the Cabinet will be informed of the outcome.

Consultation is also being carried out with private, voluntary and independent providers of early years provision in the areas affected. There may be some anxiety from these providers around changes to provision in their local areas. Population and Ofsted information indicates however that there is sufficient demand to warrant the creation of new high quality places in these areas.

5. Financial Implications

- 5.1 These proposals avoid one-off costs arising from capital claw-back where the DfE has made investments.
- 5.2 If the hall at St. Raphael's is occupied by a private provider for nursery provision, the benefit to the council will be a contribution to the running costs of a largely underused council site. These costs would potentially be covered via a rental income stream to be agreed with property services at the time of tendering the lease.
- 5.3 The private provider will cover all costs for providing the additional provision with no financial implication for the council.
- 5.4 Any potential additional costs associated with the department running additional services at the satellite sites will be covered within the current Early Years budget. It is anticipated that the changes will be cost neutral to the council.

6. Legal Implications

- 6.1. Under Section 17 of the Children Act 1989, the council is under a duty to safeguard and promote the welfare of children who are in need, and promote the upbringing of children by their families by providing a range of services appropriate to those children's needs.
- 6.2. Under Section 5 of the Childcare Act 2006, the council has duties to secure sufficient children's centres for the area it serves and is required to consult with families about changes to children's centre reach areas and buildings as set out in this report. Section 5E also places a duty on the council to deliver integrated early childhood services that deliver school readiness, parenting, health and wellbeing and reduced inequalities outcomes for very young children and parents as part of a programme of support jointly with partners including Health and JobCentre Plus.
- 6.3. Under Section 98C of the Childcare Act 2006, the local authority's obligations in relation to Ofsted inspection of children's centres are also set out. The framework of inspection for children's centres emphasises contact with most families (more than 80 per cent) in an area with at least 65 per cent of target families actively engaged in support from children's centres as minimum for a 'good' inspection judgement.
- 6.4. Section 7 of the Childcare Act 2006(as substituted by Section 1 of the Education Act 2011, fully in force from 1 September 2013), which places a duty on English local authorities to secure early years provision free of charge. Regulations made under Section 7 set out the type and amount of free provision and the children who benefit from the free provision.
- 6.5. The Barham Park Children's Centre is on land owned by the Barham Park charity which Brent Council holds on Trust as a recreational charity. The proposed disposal of Barham Park Children's Centre premises to a PVI provider will need the consent of the Barham Park Trust Committee. The site

is the subject of a formal application to the Charity Commission for consent to lease the land to Brent Council.

- 6.6.** As detailed in paragraph 4.2, it is currently considered that it is appropriate for the council to lease the Barham Park Children's Centre premises to a PVI provider reserving rights to the council to continue to use the premises at specified times, particularly in the evenings and at weekends.

7. Equalities Legislation

- 7.1.** Section 149 of the Equality Act 2010 sets out the public sector equality duty which requires the council, when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimisation and other conduct prohibited under the Equality 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.

- 7.2.** A 'protected characteristic' is defined in the Equality Act as:

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

- 7.3.** Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

- 7.4.** 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.

- 7.5.** Complying with the duty may involve treating some people better than others, as far as that is allowed by the discrimination law.

- 7.6.** Due regard to the need to eliminate discrimination, advance equality, and foster good relations must form an integral part of the decision making process. The Council must consider the effect that implementing a particular policy will have in relation to equality before making a decision.

- 7.7.** 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 gathering details and statistics on who use

the facilities. A careful consideration of this assessment is one of the key ways in which the Council can show “due regard” to the relevant matters. Where it is apparent from the analysis of the information that the proposals would have an adverse effect on equality then adjustments should be made to avoid that effect (mitigation).

- 7.8. The duty is not to achieve the objectives or take the steps set out in s.149. Rather, the duty on public authorities is to bring these important objectives relating to discrimination into consideration when carrying out its functions. “Due regard” means the regard that is appropriate in all the particular circumstances in which the authority is carrying out its functions.
- 7.9. There must be a proper regard for the goals set out in s.149. At the same time, the council must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures, economics and practical factors will often be important. The weight of these countervailing factors in the decision making process is a matter for the council.

8. Diversity Implications (Equalities Impact Assessment attached as Appendix One)

- 8.1. Efforts will be made to minimise any negative impact of the changes.
- 8.2. While a number of families will be impacted by this proposal, we have sought to mitigate the impact by the following:
- Increasing evening and weekend provision at Treetops Children’s Centre and making additional satellite provision available at Willesden Health Centre for families living in the Willesden locality. This will locate more service delivery in an area where there are more disadvantaged families and provide evening and weekend provision for working families.
 - The space identified for use at St Raphael’s Children’s Centre is an intergenerational space that is currently poorly utilized in an area of social deprivation.
 - Increasing childcare provision for families with young children at Treetops Children’s Centre.
 - Increasing childcare provision for disadvantaged 2-year olds in Wembley locality through Barham Park Children’s Centre building and increasing evening and weekend provision of children’s centre services reaching more working families.
 - Increasing childcare provision for disadvantaged 2 year olds is a particular priority in Harlesden locality where need is high and there are fewer good and outstanding providers available.

9. Staffing/Accommodation Implications

- 9.1.** Accommodation implications include the proposed usage on a lease or license of the Treetops Children's Centre, Barham Park Children's Centre and St Raphael's Children's Centre buildings by early years providers who would offer early years places. Children's centre services will continue to be provided by local authority staff at times more suited to working families.

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Strategic Director Children and Young People

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Equality Analysis



Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
<p>Directorate: Children & Young People</p> <p>Service Area:</p>	<p>Person Responsible: Name: Sue Gates Title: Head of Early Years & Family Support Contact No: 020 8937 2710 Signed:</p>
<p>Name of policy: Changing some children's centre provision to provide Nursery Education Grant funded childcare and also increasing some out of traditional hours children's centre services.</p>	<p>Date analysis started: 2014</p> <p>Completion date 23 June 2014</p> <p>Review date: 3 December 2014 and 6 December 2014</p>
<p>Is the policy:</p> <p>New <input checked="" type="checkbox"/> Old <input type="checkbox"/></p>	<p>Auditing Details: Name: Elizabeth Bryan Title: Equality Officer Date: 26 June 2014 Contact No: 0208 937 1190 Signed:</p>
<p>Signing Off Manager: responsible for review and monitoring Name: Sue Gates Title: Head of Early years & family support Date: 23 June 2014 Contact No: 020 8937 2710 Signed:</p>	<p>Decision Maker: Name individual /group/meeting/ committee: Sara Williams Operational Direction – Early Help & Education Date: 23 June 2014</p>

<p>2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area? Please refer to stage 2 of the guidance.</p>
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The proposal is that we will transfer Treetops Children's Centre in Willesden to a childcare provider. Although Treetops is in a more affluent part of Willesden, there are still many parents who would choose this as a nursery for their children to receive their free nursery entitlement. This will increase childcare places (numbers will be confirmed following Ofsted registration) available for Brent families and at least two to three additional staff being employed as childcare workers. To ensure adequate services in the Willesden locality, however, we propose making available additional services through the Willesden health centre and offering evening and weekend provision at the Treetops Children's Centre. The health centre is in a more deprived part of Willesden and it will be easier for some of our targeted vulnerable families to access alongside their healthcare services.

Statistics show that we need an increase of NEG funded child places in the locality. The July 2013 Ofsted report makes clear that Treetops is not well established in the community. This relates mainly to its location in a more affluent part of Brent. By making provision available during the evening and weekend, we hope to increase access to working parents, while simultaneously making more provision available in Willesden where the level of deprivation is more significant. We have in-principle agreement with the childcare provider in relation to this.

At Barham Park Children's Centre in Wembley we propose to lease the Children's Centre to a Nursery Education Grant (NEG) two year and three and four year old provider for use during the day, this will increase the available places in this area. We plan to offer Children's Centre activities outside of traditional service delivery hours for those who cannot access activities during normal opening hours of 9am to 4pm.

We propose to lease the large hall of St. Raphael's Children's Centre in Harlesden to a child care provider for provision of NEG two year and three and four year old places. There is limited good quality provision in this area. This will not impact on Children's Centres services as this hall is an underused integrated space.

3. Describe how the policy will impact on all of the protected groups:

We believe that the impact of the proposals will be neutral on most protected groups except for the 'Age' group and 'Race' group. The 'Age' group will benefit where the impact will be positive on eligible two year olds meeting the DfE criteria who will be able to access targeted childcare provision. In Willesden and Harlesden, the Somali community make up the largest community group (11.5 per cent and 24.8 per cent respectively) and as they also figure in the workless households list, they will be able to access and benefit from the targeted provision offered by the NEG2 entitlement and other children's centre activities. The policy will also benefit working parents who historically have not been able to access many traditional children's centre activities as they have tended to take place between 9am and 4pm on weekdays. Children with a disability will also be able to access places in this provision and this will be a requirement of our engagement of contract.

Please give details of the evidence you have used:

We have used feedback from the annual Parent Satisfaction Survey carried out in children's centres and from Parents Forum discussions. We have also used data on eligible families sent to us by the DfE which when broken down by locality shows a high number of eligible families for the two year free early education entitlement in Wembley, Willesden and Harlesden:

Harlesden	459
Kilburn	243
Kingsbury	225
Wembley	418
Willesden	368

TOTAL 1,713

(Taken from the DWP dataset, April 2014)

4. Describe how the policy will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;

We are not aware of any public concerns of discriminatory practices or policies within these settings. The proposed changes will have a positive impact on most local parties. We anticipate that there is likely to be concern from other local childcare providers who may not be aware of the incoming need in the area. We will understand more the public concerns once consultation has been completed.

(b) Advance equality of opportunity;

We aim to ensure, as per Brent Council's Equality and Diversity Policy Statement, that our services continue to meet the varied individual needs of local children and parents and that they continue to have equal access to services, regardless of their race, heritage, gender, religious or non-religious belief, nationality, family background, age, disability or sexuality, in a fair and equitable manner. Our services will remain relevant, responsive and sensitive and alternative arrangements will be made where required in order to ensure that local children and parents have continued access as appropriate. There will be increased service provisions.

(c) Foster good relations

Our services will remain relevant, responsive and sensitive and alternative arrangements will be made where required in order to ensure that all local children and parents have continued access as appropriate. Informed and local access to childcare is a positive change.

**5. What engagement activity did you carry out as part of your assessment?
Please refer to stage 3 of the guidance.**

i. Who did you engage with?

Consultation is ongoing. Families, staff members, the Advisory Boards and local providers in the relevant areas have been consulted on the proposals. Consultation is taking place across all the protected characteristics and in a targeted fashion for families living in Willesden, Harlesden and Wembley.

ii. What methods did you use?

We have used Parents Forum discussions, other meetings and questionnaires for parents, staff and Advisory boards. These have been made available on-line and in hard copy.

iii. What did you find out?

The consultation is ongoing. We are not expecting negative responses but other childcare providers may have concerns. We believe that there is sufficient demand for NEG funded places in both Willesden, Harlesden and Wembley to warrant the setting up of additional provision.

iv. How have you used the information gathered?

Informal conversations with some parents have already helped us to shape the questionnaires. The feedback gathered will be used to inform the delivery of the childcare provision which will take into consideration the views and responses of affected families, staff, advisory boards all other childcare providers.

v. How has it affected your policy?

N/A yet, but the findings will be used to inform and adapt the policy where needed to ensure that the needs of local families and stakeholders are met.

6. Have you identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.

Please refer to stage 2, 3 & 4 of the guidance.

The primary negative impact of this proposal will be for families who are current users of Treetops Children's centre and Barham Park Children's Centre in that they will not be able to continue accessing the activities currently offered there and will instead have to go to other centres in the locality. We have minimised the impact of this by ensuring that the same or similar services are available in the locality:

- Providing high quality childcare in an area of deprivation and need.
- Increasing evening and weekend provision at Treetops and Barham Park Children's Centre and making additional satellite provision available at Willesden Health Centre for families living in the Willesden locality
- Increasing childcare provision for families with young children at Treetops, St Raphael's and Barham Park Children's Centre

With the above actions in place, we believe negative impact can be brought down to a minimum and in most cases mitigated away.

Please give details of the evidence you have used:

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age	X		
Disability			X
Gender re-assignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race	X		
Religion or belief			X
Sex			X
Sexual orientation			X

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only).
Please refer to stage 4 of the guidance.

No major change

Your analysis demonstrates that:

- *The policy is lawful*
- *The evidence shows no potential for direct or indirect discrimination*
- *You have taken all appropriate opportunities to advance equality and foster good relations between groups.*

Please document below the reasons for your conclusion and the information that you used to make this decision.

We will continue with this proposal which will be subject to the completion of the consultation process.

Adjust the policy

This may involve making changes to the policy to remove barriers or to better advance equality. It can mean introducing measures to mitigate the potential adverse effect on a particular protected group(s).

Remember that it is lawful under the Equality Act to treat people differently in some circumstances, where there is a need for it. It is both lawful and a requirement of the public sector equality duty to consider if there is a need to treat disabled people differently, including more favourable treatment where necessary.

If you have identified mitigating measures that would remove a negative impact, please detail those measures below.

Please document below the reasons for your conclusion, the information that you used to make this decision and how you plan to adjust the policy.

Continue the policy

This means adopting your proposals, despite any adverse effect or missed opportunities to advance equality, provided you have satisfied yourself that it does not amount to unlawfully discrimination, either direct or indirect discrimination.

In cases where you believe discrimination is not unlawful because it is objectively justified, it is particularly important that you record what the objective justification is for continuing the policy, and how you reached this decision.

Explain the countervailing factors that outweigh any adverse effects on equality as set out above:

We believe the outcomes of the changes will be mostly positive for local children and families.

Please document below the reasons for your conclusion and the information that you used to make this decision:

Stop and remove the policy

If there are adverse effects that are not justified and cannot be mitigated, and if the policy is not justified by countervailing factors, you should consider stopping the policy altogether. If a policy shows unlawful discrimination it must be removed or changed.

Please document below the reasons for your conclusion and the information that you used to make this decision.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future.
Please refer to stage 7 of the guidance.

Will renew once consultation is complete and then monitor in 3 months and 6 months through parent satisfaction surveys due in 6 months and parents forums that already meet monthly.


10. Action plan and outcomes

At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome

Please forward to the Corporate Diversity Team for auditing.

 <p>Brent</p>	<p>Cabinet 21 July 2014</p> <p>Report from the Strategic Director of Adults</p>
<p>Wards affected: ALL</p>	
<p>Adult Social Care – Market Development Strategy</p>	

1.0 Summary

- 1.1 Brent's first Market Position Statement (MPS) (Appendix 3), published in January 2014 was our first step in ensuring, as a local authority we are fulfilling our new duty under the Care Act 2014 to promote the diversity, quality and sustainability in the local care and support market. This duty includes a requirement to promote the efficient and effective operation of local services, ensure that people wishing to access local services have a variety of high quality services to choose from; with a focus on the importance of fostering continuous improvement in the quality of services and the efficiency and effectiveness with which such services are provided.
- 1.2 When we published the MPS we committed to developing a Market Development Strategy (MDS) which would set out the approach we would be taking to developing the models of accommodation plus we want locally and how we plan to engage with the Market to develop new provision. The MDS therefore sets out how we will deliver on this commitment.
- 1.3 Appendix one to this report, The MDS sets out clearly our approach to market development and how we want to change our approach to engaging with the local marketplace to achieve this; moving from a fragmented, 'ad-hoc' approach to a far more strategic, organised approach which we communicate widely.

2.0 Recommendations

- 2.1** The Cabinet approve the Market Development Strategy (MDS) for publication.
- 2.2** The Cabinet endorses Adult Social Care's new strategic approach to development of the local social care marketplace.

3.0 Detail

Background

- 3.1** Under the new Care Act 2014, local authorities will take on new functions. This is to make sure that people who live in their areas:
 - receive services that prevent their care needs from becoming more serious, or delay the impact of their needs;
 - can get the information and advice they need to make good decisions about care and support;
 - Have a range of high-quality care providers to choose from.
- 3.2** The Care Act makes clear that local authorities must arrange services that help prevent or delay people deteriorating such that they would need on-going care and support.
- 3.3** The Care Act also requires local authorities to help develop a market that delivers a wide range of sustainable high-quality care and support services that will be available to their communities. When buying and arranging services, local authorities must consider how they might affect an individual's wellbeing. This makes it clear that local authorities should think about whether their approaches to buying and arranging services undermine the wellbeing of people receiving those services.
- 3.4** Local authorities are also required to work with local providers, to help each other understand what services are likely to be needed in the future, and what new types of support should be developed locally.
- 3.5** The MPS which was approved by the Executive in January 2014 set out our vision for more flexible services locally to meet rising demand and increasing cost in the context of significantly diminishing financial provision towards a model that encourages flexible, personalised care with strong emphasis on individuals' outcomes and greater co-operation between services. We want to reduce dependency, support people to remain in their homes and in their

communities for longer and help people to help themselves and be more independent.

3.6 We have ambitious plans in Brent for re-balancing our utilisation of accommodation based care options, shifting progressively over the next three years towards increasing the use of supported living and extra care models of care and support, which we refer to as 'Accommodation Plus' as an alternative to care home provision; investment in which is projected to rise by more than half in 2015-16, and a further three-quarters by 2016-17. At the same time, traditional pathways into residential and nursing care will be increasingly diverted into Accommodation Plus services. This plan will enable us to continue to provide high quality services to local people within our reduced budget.

3.7 The MPS was written for current providers of Accommodation based care and support services (ABCSS) who operate locally and for potential providers who we don't currently work locally but who are considering entering the market in Brent in an attempt to grow diversity in available service provision locally.

The key messages we communicated to the market through this MPS were:

- Brent is committed to supporting all local residents to stay at home for as long as possible or as close to home for as long as possible with excellent quality, flexible, personalised care and support.
- Brent's overall use of traditional Care home provision is declining in line with meeting people's needs better at home and using new models of care and support in the community. This has involved the development of more flexible models of ABCSS.
- We aim to continue this direction of travel by supporting the continued development of more flexible models of ABCSS locally.
- We want to continue to work collaboratively with the market to develop new solutions to meet the needs of Brent residents and we are actively encouraging providers to approach us with proposals for how together we can do things differently.

3.8 When we published the MPS we committed to developing a Market Development Strategy (MDS) which would set out the approach we would be taking to developing the models of Accommodation Plus we want locally and how we plan to engage with the Market to develop new provision. The MDS therefore sets out how we will deliver on this commitment.

3.9 Market development is the process by which we, as commissioners ensure there is diverse, fit for purpose and affordable provision available locally to meet the needs of local people and deliver effective outcomes both now and in the future.

3.10 Further to developing our market intelligence, which sets out our evidence of future supply and demand locally, we must facilitate the market through

'intervention' and 'structuring' activity; what we mean by this is the need to intervene in the market by working with the providers to support the delivery of models of provision we want through practical activity i.e. support to remodel current services to meet need and/or to develop new provision. Providing input, advice, guidance and practical support along the way to facilitate this change. We have a number of examples of where we have worked with providers to achieve this in the past. But this MDS is about setting out a much more strategic and 'organised' approach to how we do this.

3.11 Although we recognise there is a need to continually develop and grow our market intelligence as part of the commissioning cycle, since we undertook significant market analysis to develop our first MPS in January 2014 we haven't waited to start working with the market until the publication of this MDS; we have already started to undertake work to intervene and structure the market locally in Brent.

3.12 Since we published the MPS in February 2014, we haven't waited to publish the MDP to start working with the market; we have already started to undertake work to intervene and structure the market locally in Brent. For example:

- we are working with one housing developer who is currently in the process of developing 40 units of Accommodation Plus capacity, which will include shared facilities for tenants, carers, and visitors including a hairdressers', carer's restroom, an activity room, buggy store, and laundry. This Development is due to complete in 2015.
- Another housing developer who is in the process of developing a further 99 units of Accommodation Plus capacity are being developed by a Housing Association in Brent, which is due to complete in 2015.

Together, these two initiatives will enable 139 local older people to be supported to live more independently than they would otherwise be able to within a care home. We have also undertaken a number of initiatives with providers locally on an individual basis to develop Accommodation Plus models of provision through the remodelling of current provision for supported living, deregistration of regulated services and working with providers to develop new provision. However, our approach to this in the past has been on a more fragmented and opportunistic basis i.e. it has relied on us being approached by providers and developers, sometimes later on in the planning process than is ideal. The publication of our MDS marks a change in the way we will work to intervene and structure the market; a far more strategic, planned approach that will move us forward at greater pace.

3.13 In addition to this activity the most significant example so far of work we have done to begin to intervene and structure the market locally has been through the work we have done as part of Phase One the New Independent Living Accommodation project (NAIL).

3.14 The NAIL project was established to begin to realise the vision within our MPS and to build on the work we have already done to intervene and structure the marketplace locally. The project was set up as an initial work stream to start to identify potential new sites and opportunities to remodel current sites for Accommodation plus provision for the further 200 units of Accommodation Plus capacity needed in Brent. As set out in the MPS we envisage this capacity being split across groups as per the table below:

Client Group	Accommodation Plus Capacity Units Needed
Learning Disabilities	62
Older People	93
Mental Health	22
Physical disability	22
Total	200

3.15 The NAIL project is set out in two phases: Phase One (January to June 2014) to start to develop the local market and begin to facilitate and determine the financial viability of the concept; and Phase two (July 2014 – March 2017), which will be the period through which we continue to facilitate the market; this will also be the phase in which the new accommodation is delivered and the market has been structured to ensure other care and support services are in place to make sure this new Accommodation Plus model of provision is fully supported and realised in Brent.

Phase One has now been completed. The aim of which was to:

- Identify suitable sites and engage with potential investors and developers
- Explore opportunities to remodel existing sites or properties to 'Accommodation Plus' options with local providers and businesses
- Develop a business case exploring further potential accommodation options and costs of development.

3.16 A further aim of Phase One of the projects was to identify opportunities for the next 'tranche' of sites for delivery in the years after 2016/17 and beyond further to the 200 new units we identified were necessary in the MPS.

3.17 The focus of Phase One of the NAIL project was specifically around the delivery of the accommodation itself. This was a conscious decision made by the council because delivering this number of units of accommodation to this deadline was the biggest challenge and therefore the biggest risk. However, it is important to note that there are three clear elements to achieve the successful delivery of this project through Phase Two and the wider objectives set out in the MPS. We have to:

- deliver the accommodation

- ensure that the accommodation meets the needs of the population we support and that the care and support commissioned to deliver services in the accommodation enhances the focus on independence, choice, control and quality of life
- Identify and appropriately 'match' individuals to the right accommodation option for them at the right time. That best meets their care and support needs.

3.18 Some of the sites identified as part of Phase One of the NAIL project are already coming to fruition, indeed reports are being presented to Cabinet in July regarding two sites identified, namely; 1 Clement Close and 1-5 Peel Road, to seek approval to agree to the use of these sites to develop supported living accommodation for people with learning disabilities.

3.19 To deliver the additional numbers in the timescale while ensuring earlier involvement in location and design, one of the outcomes of Phase One of the NAIL project was clear: - that we have to deliver through a range of mechanisms:

Deliver sites in at least 3 different ways:

- Development and delivery of new sites, which is currently the focus for the delivery of the majority of new units.
- Remodelling of residential/nursing homes (working in partnership with existing care home providers)
- Remodelling of sheltered housing (working in partnership with local housing associations), and

However, as set out in the MPS we want providers and developers who are keen to work with the council to approach us with their ideas and proposals, who are keen to work in partnership with us to deliver the vision in Brent of more Accommodation Plus provision. It is not a case of the council approaching providers to stipulate they must develop new sites or remodel their current provision.

3.20 Another critical element to delivering the vision of our MPS is to not only engage with the market around the actual accommodation but to fully engage with all types of providers in the local market who we will also need to work with us to deliver this new model, including the full range of care and support providers who deliver services currently as well as new market entrants, community and voluntary sector providers and crucially customers, carers in shaping the models of accommodation, care and support we want to commission locally.

3.21 **Our approach to engagement with the market and what we need to achieve**

3.21.1 The importance of mature and constructive partnership working in the social care market to ensure sufficient capacity and diversity of services is critical

in ensuring an innovative and flexible approach to delivery demanded in the era of personalisation, and the financial risk-sharing that entails. This is a new approach that supports the need for us to take a more strategic approach to market development, rather than the approach we have historically taken; a more fragmented, 'piecemeal' approach.

3.21.2 As commissioners locally we need to develop our market development role, to inform all parts of the market about what is happening and what may be needed in the future. We need to be a real resource for providers and customers (whether discussing local authority funded provision or not), offering information and intelligence about the whole market and what our vision is regarding the models of provision we want in Brent (MPS).

3.21.3 Providers should feel able, albeit in confidence, to discuss their long term business plans and where appropriate and welcomed, discuss whether support to strategic business planning is needed.

3.21.4 There is a need to identify where there are barriers to market entry and work with providers and/or developers on how these might be overcome. There is also a need to ensure that procurement arrangements do not hinder the development of creative solutions.

3.21.5 With this in mind we will be engaging in a way that embodies a new approach of co-production and partnership working that will mean that commissioning decisions we make and arrangements we put in place are:

- Open - decisions are visible and open to fair challenge.
- Inclusive - designed to ensure diversity and choice and facilitate smaller providers to take part in any new forms of contractual relationships.
- Flexible- terms and conditions whether individual, framework or block contracts are not simply given but are open to discussion with a great emphasis on co-production.

3.22 Engagement plan - Developing a Brent Market Engagement Network (BMEN)

3.22.1 Setting out how we want to develop the market in Brent and what we need to achieve to realise our vision in the MPS is not enough and we must also be clear about how we plan to engage with the market to do this. We want to do this by developing a well planned, effective and established Brent Market Engagement Network (BMEN).

3.22.2 Through the BMEN we want to:

- Promote a greater understanding of the Health and Social care market locally and identify any gaps in provision.
- Provide the ability to escalate strategic operational issues from providers
- Encourage and value research, development and innovation.
- Support mutual improvements in business efficiency.
- Support the development of high quality provision.
- Help sustain, manage and develop the market.

3.22.3 The BMEN will work in a way that encourages:

- Engagement in discussion in a respectful and constructive manner, debating but accepting different perspectives
- A positive attitude and ‘can do’ approach to the work of the BMEN
- A solution focussed approach to problem solving and conflict resolution
- Engagement in an open and transparent manner, which highlights any relevant conflicts of interest as they may arise.

3.22.4 We plan on developing and implementing a number of different mechanisms to develop an effective BMEN with the market in delivering our MDS including the following mechanisms:

Type of engagement	Provider Events/summits	Regular forums for different provider markets with opportunities to come together	Provider ‘Drop-in’ sessions/advice surgeries	Direct engagement with providers and developers as part of delivery of phase two of the NAIL project and beyond
Purpose and desired outcome	Large-scale events to engage with the market place on a wide scale to share the council’s strategic commissioning intentions and direction of travel and to start high level discussions about new models of provision and to gauge feedback from the marketplace on our plans	Smaller scale meetings to engage with specific sectors within the wider market place on a regular basis to discuss the council’s strategic commissioning intentions and direction of travel and how they impact on specific sectors of the market around new models of provision	Regular monthly ‘drop-in’ sessions for providers from all sectors of the marketplace to have an opportunity to meet with commissioners on a more informal basis to discuss ideas and gain clarity on any issues specific to their organisation and to seek advice and support around developing these and to ensure this fits with the councils direction of travel (please note these sessions are not an opportunity to be used as an opportunity to discuss any on-going contractual or operational issues – these will be disused and	Meetings and working groups with various different developers and providers as and when required to facilitate the development and realisation of new models of accommodation plus models of provision. This level of engagement will be required, not just the accommodation but with other providers with we will be working with to model and deliver the care and support services required in the

			addressed via the normal processes in place. A number of slots will be made available and will be on a 'first come, first serve' basis	community to support the accommodating plus model of provision.
Frequency	Adhoc	Bi-monthly	Monthly	As required
Dates already planned	31st July 2014 11 th Sept 2014 Further dates to be determined	TBD	From August 2014 onwards	As required

3.23 In terms of direct engagement we want to develop a clearly defined process for providers and developers to approach the council outlining their proposals for possible new sites and opportunities to remodel existing provision. The process we currently have in place for this is somewhat 'ad-hoc' and relies predominantly on email approaches to individual council officers. This is not entirely effective as these communications may not be directed to the right person/team and therefore may not be acted on as swiftly as required and doesn't allow us, as commissioners to build a comprehensive picture of the scale and types of providers who are approaching us in a proactive way who are keen to work in partnership with us.

4.0 Financial Implications

- 4.1 There are no direct financial implications in the publication of this strategy
- 4.2 There will be financial implications in relation to the development of individual sites and the procurement of the care and support services. These implications will be fully set out and explored on an individual site basis when approval to proceed is being sought from the Cabinet (as per reports for the Clement Close and Peel road sites).

5.0 Legal Implications

- 5.1 There are no direct legal implications in the publication of this strategy.
- 5.2 There will be legal implications and considerations in relation to the development of individual sites and the procurement of the care and support services. These implications will be fully set out and explored on an individual site basis when approval to proceed is being sought from the Cabinet (as per reports for the Clement Close and Peel road sites).
- 5.3 The Care Act 2014 received Royal Assent on 14 May 2014. The Care Act is expected to be brought into force after October 2014. On 6 June 2014 the Department of Health launched a consultation on draft secondary legislation and statutory guidance that will accompany the Care Act. The MPS and the

MDS will therefore need to be reviewed to ensure that they are consistent with secondary legislation and statutory guidance once this is published in its final form.

6.0 Diversity Implications

6.1 Please see appendix 2 Equality Analysis report. This has identified the following positive impacts:

- people with learning disabilities are able to lead full and independent life in the community
- People will be able to access the community and take part in more activities in their local community to meet their individual needs

7.0 Staffing Implications

7.1 There are no direct implications for Council staff arising from this report.

Background Papers

Appendix one – Draft Brent Market Development
Appendix two – Equality Impact Analysis
Appendix three – Brent Market Position Statement

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Brent

Market Development Strategy and Engagement Plan Adult Social Care

“Empowering people to be independent”

“Building a more diverse accommodation based care market in Brent to better meet the needs of local people to ensure ‘whole person care’ and reduce over reliance on residential and nursing care.”

1. Introduction

Brent's first Market Position Statement (MPS), published in January 2014, was our first step in ensuring, as a local authority, we are fulfilling our new duty under the Care Act 2014 to promote the diversity, quality and sustainability in the local care and support market. This duty includes a requirement to promote the efficient and effective operation of local services, ensure that people wishing to access local services have a variety of high quality services to choose from; with a focus on the importance of fostering continuous improvement in the quality of services and the efficiency and effectiveness with which such services are provided.

The MPS therefore sets out Adult Social Care's vision for more flexible services locally to meet rising demand and increasing cost in the context of significantly diminishing financial resources. At the heart of the MPS is the principle that services should be inherently responsive to individuals' needs and preferences and promote greater choice and control. This is what we mean when we talk about 'personalisation'. This requires a shift away from traditional care home service provision towards a model that encourages flexible, personalised care with strong emphasis on individuals' outcomes and greater co-operation between services. We want to reduce dependency, support people to remain in their homes and in their communities for longer and help people to help themselves.

Brent adult social care has ambitious plans for re-balancing our use of accommodation based care and support (ABCSS) options, shifting progressively over the next three years away from residential and nursing care towards increasing use of supported living and extra care models of care and support (Accommodation Plus), when people cannot live in their current home. This plan will enable us to continue to provide high quality services to local people within our reduced budget.

The MPS is, therefore, written for providers of ABCSS who currently operate locally and for potential providers who we don't currently work with but are considering entering the market in Brent. Our aim is to increase the diversity of service provision locally to meet people's individual needs.

The key messages we communicated to the market through the MPS were:

- Brent is committed to supporting all local residents to stay at home for as long as possible or as close to home for as long as possible with excellent quality, flexible, personalised care and support.
- Brent's overall use of traditional Care home provision is declining in line with meeting people's needs better at home and using new models of care and support in the community. This has involved the development of more flexible models of ABCSS.
- We aim to continue this direction of travel by supporting the continued development of more flexible models of ABCSS locally.
- We want to continue to work collaboratively with the market to develop new solutions to meet the needs of Brent residents and we are actively encouraging providers to approach us with proposals for how together we can do things differently.

When we published the MPS we committed to developing a Market Development Strategy (MDS) which would set out the approach we would be taking to developing the models of accommodation plus we want locally and how we plan to engage with the Market to develop new provision. This MDS therefore sets out how we will deliver on this commitment.

2. Our strategy for developing the Market in Brent (Market facilitation)

Changing the way Adult Social Care delivers

The way in which adult social care departments provide services has changed fundamentally over the last 20 years. The first fundamental change was the move from the Council providing all services to the Council purchasing those services (over 90% of all services in Brent) through the private and independent sectors. Market development is the next fundamental change as the local authority moves:

- from purchasing a relatively small range of services from a small selection of providers to meet the eligible needs of people who receive publicly funded adult social care;
- to a broader role facilitating the delivery of a range of diverse, fit for purpose and affordable services which allow everyone who needs social care (whether they need publicly funded services, or they are purchasing their own care) to have choice and control over the support they receive to improve their well being.

The personalisation agenda set out in Putting People First in 2007 was the start of this process as local authorities sought to commission a broader range of services and support through Direct Payments to meet individual needs. However, this is developed even further in the Care Act 2014. The Care Act 2014 not only makes the best practice of Putting People First law, it creates a focus on the 'well being' of all (rather than the eligible needs of those who need publicly funded care) and consequently aims to create a single social care market for publicly and privately funded services and support. This means the local authority has to move beyond a purchaser / provider model to a market development model for **all** services and support.

Market development is not completely new in Brent. We have a number of examples of where we have worked differently with a wider range of providers to deliver choice, control and improved well being in the past. For example, Meals on Wheels. Previously this service was delivered through a single contract with a single provider, and people had to have that service from that provider. In 2013, we worked with service users, carers and a range of local providers to facilitate the market and deliver a better service in a different way. Now the Council does not have a contract with any organisation to provide meals on wheels, but we have worked with the market to ensure there is a diverse range of providers that people can purchase from directly.

The purpose of the MPS and now the MDS is to set out a much more strategic and 'organised' approach to how we move from commissioning and contracting to facilitating the market.

A strategic approach to market development

The approach to Market Development as set out by the Institute Public Care (IPC) is defined as ‘market facilitation’ and describes this as a relationship between Market Intelligence, Market Intervention and Market Structuring.

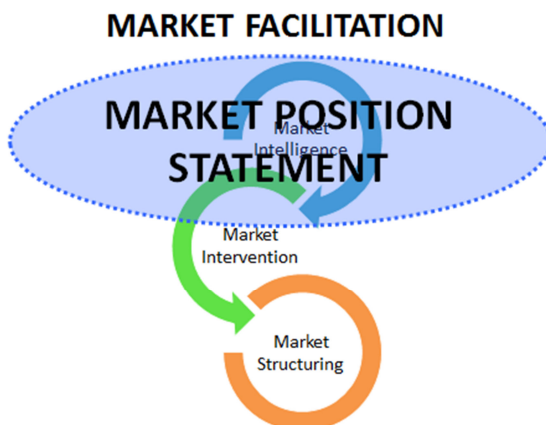
MARKET FACILITATION



Market Intelligence

In this model, market intelligence means a comprehensive understanding of the evidence base for (future) supply and demand locally, and it is the foundation of the Council’s new market facilitation role. We need always to be building and improving market intelligence available to:

- the department (to facilitate the market),
- providers (so that they can developed the services and support people want and need), and
- most importantly to the people of Brent (so they can make choices and take control of the support they receive).



We undertook a specific and a significant exercise to improve our market intelligence as a part of developing the Brent MPS, which was published in January 2014 and is attached at Appendix A.

Market Structuring and Intervention

Building on the MPS and the ongoing market intelligence work, we must now change behaviour, moving away from the core activities of commissioning and contracting to use a broader range of 'intervention' and 'structuring' activities. Essentially, this means we need to work with a broader range of providers in a range of different ways. We will continue to work with residential, nursing, home and day care providers, but also working more closely with a range of other organisations and providers in the private and voluntary sectors, including housing providers to ensure we can improve people's well being



Working with providers to support the delivery of our vision locally can only be achieved through practical structuring and intervention activity.

Market Structuring - The steps commissioners take to structure the required market locally:

- Promotion of the MPS and key market intelligence with providers locally/clear communication of our direction in travel; setting the scene of what models of provision we will commission in the future and what we want
- Proactive engagement with providers to communicate the new model we want locally and to foster co-production
- Provide practical support to the market place to assist them in delivering this new model of working; better communication, dissemination of information and reviewing our internal processes and procedures to facilitate more effective partnership working with the market.

Market intervention – The activities commissioners undertake in conjunction with the marketplace in order to intervene in the market to deliver change that has not already been delivered through structuring :

- Commission and procure the services required to realise our vision of new preferred models of provision locally.

- Decommission services that do not support our vision of our preferred models of provision locally.
- Work directly with individual providers and developers to remodel current provision and to develop new provision locally based on the preferred models.

Since we published the MPS in January 2014, we haven't waited to publish the MDP to start working with the market; we have already started to undertake work to intervene and structure the market locally in Brent. For example, we are working with:

- one housing developer who is currently in the process of developing 40 units of Accommodation Plus capacity, which will include shared facilities for tenants, carers, and visitors including a hairdressers', carer's restroom, an activity room, buggy store, and laundry. This Development is due to complete in 2015.
- another housing developer who is in the process of developing a further 99 units of Accommodation Plus capacity are being developed by a Housing Association in Brent, which is due to complete in 2015.

Together, these two initiatives will enable 139 local older people to be supported to live more independently than they would otherwise be able to within a care home.

We have also undertaken a number of initiatives with providers locally on an individual basis to develop Accommodation Plus models of provision through the remodelling of current provision for supported living, deregistration of regulated services and working with providers to develop new provision. However, our approach to this in the past has been on a more fragmented and opportunistic basis i.e. it has relied on us being approached by providers and developers, sometimes later on in the planning process than is ideal. The publication of our MDS marks a change in the way we will work to intervene and structure the market; a far more strategic, planned approach that will move us forward at greater pace.

We have also been undertaking work already with other sectors of the market place to support this new vision for services locally and to support this new model of provision, as part of the West London Alliance (WLA) we have recently tendered and award a new framework for homecare services that allows for a more flexible approach to providing support for customers living in the community ranging from housing related support to more specialist, intensive support.

New Accommodation for Independent Living project (NAIL)

In addition to the above activity, the most significant example so far of work we have done, and will continue to do, to structure and intervene in the market locally has been through the work we have done as part of Phase one the New Accommodation Independent Living project (NAIL). The NAIL project was established to begin to realise the vision within our MPS and to build on the work we have already done to intervene and structure the marketplace locally. The project was set up as an initial work stream to start to identify potential new sites and opportunities to remodel current sites for Accommodation Plus provision for the further 200 units of Accommodation Plus capacity needed in Brent. As set out in the MPS we envisage this capacity being split across groups as per the table overleaf:

Client Group	Accommodation Plus Capacity Units Needed
Learning Disabilities	62
Older People	93
Mental Health	22
Physical disability	22
Total	200

The target of developing a further 200 additional units of Accommodation Plus capacity, links explicitly also to Outcome D in Brent's new Housing Strategy, to provide an additional 200 extra-care and specialist supported housing units by 2016 to widen housing options and reduce reliance on residential care.

The NAIL project is set out in two phases: Phase one (January to June 2014) was focused on developing market intelligence and starting to structure the market while determining the viability of the concept. Phase two (July 2014 – March 2017), which will focus on completing the market structuring and delivering the discrete interventions to achieve the step change in the accommodation available to people in Brent, while ensuring the care and support services flex to reflect the changes in accommodation.

Phase 1 has now been completed, and delivered the following:

- suitable potential sites have been identified through discussion with a range of potential investors and developers
- opportunities to remodel existing sites or properties to 'accommodation plus' options have also been identified in partnership with local providers and businesses
- a business case for delivering further potential accommodation options has been delivered
- a range of additional potential site opportunities for delivery in the years after 2016/17.

The focus of phase one of the first phase of NAIL project was specifically around the delivery of the accommodation itself. However, it is important to note that there are three clear elements to achieve the successful delivery of this project through Phase 2, which reflect the wider objectives set out in the MPS, and the need for all parts of adult social care to work more closely together as part of market facilitation. We have to:

- deliver the accommodation
- ensure that the accommodation meets the needs of the population we support and that the care and support commissioned to deliver services in the accommodation enhances the focus on independence, choice, control and quality of life
- Identify and appropriately 'match' individuals to the right accommodation option for them at the right time. The accommodation option that which meets their needs and improves their health and well being.

To deliver the 200 units of accommodation in the proposed timescale will require a range of market interventions. Sites will be delivered in at least 3 different ways:

- development and delivery of new sites, which is currently the focus for the delivery of the majority of new units.
- remodelling of residential/nursing homes (working in partnership with existing care home providers)

- remodelling of sheltered housing (working in partnership with local housing associations).

However, as set out in the MPS and as a result of market structuring we also want providers and developers who are keen to work with the council to approach us with their ideas and proposals, who are keen to work in partnership with us to deliver the vision in Brent of more Accommodation Plus provision, it is not a case of the council approaching providers to stipulate they must develop new sites or remodel their current provision.

In the development and delivery of new sites, we need to be flexible working with a range of different delivery mechanisms, which will be dependent on:

- who owns the site
- Who will own and manage the accommodation
- who will be commissioned to deliver the care and support service and whether it will be delivered as part of complete package or be commissioned separately from the accommodation?

In talking to providers, developers and land/site owners, Phase one of NAIL identified a maximum of 287 possible potential new units of Accommodation Plus across the borough that could be delivered across 15 sites within the required timescale. However, a cautious prediction is that these identified new sites are likely to deliver between 50-60% of the 267 identified sites within the required timescale. This is because sites may not come to fruition for a variety of reasons for example; owners may find alternative uses for their site. There are also a number of key decisions that need to be made which could change the number of units on a site. These risks reflect the challenges inherent in this new approach to delivery. Therefore, along side engaging with the market to develop these identified sites, to support delivery of the vision set out in the MPS it is critical that we undertake further work with the market place to:

- continue to identify new sites to meet our target of 200 new units by 2016/17 and beyond
- continue to identify opportunities to remodel existing provision with local providers and business to meet our target of 200 new units by 2016/17 and beyond

Another critical element to delivering the vision of our MPS is to not only engage with the market around the actual accommodation but to fully engage with all types of providers in the local market who we will also need to work with us to deliver this new model, including the full range of care and support providers who deliver services currently as well as new market entrants, community and voluntary sector providers and crucially customers, carers in shaping the models of accommodation, care and support we want to commission locally.

In addition to managing the physical delivery of these units and commissioning the right care and support to facilitate this new model we need to ensure that they are being delivered in line with ASC objectives and policy, we must ensure that the buildings and services connect to the wider network of services and support and the wider community as part of delivering a high quality service. We also need to ensure that the new units are being delivered in the right parts of the borough and align with the strategic commissioning analysis that drives the department's services, for example, that the accommodation and support reflect the equalities issues and do not, by a process of accumulation, lead to a market which does not meet the needs of specific groups. This means having proper planning and engagement to ensure that the new provision is being delivered in the right places, to the right standards, meets people needs fully and is cost effective.

In order to manage this complexity, we will need the engagement and commitment of a number of Brent Council departments alongside the marketplace including:

- Adult Social Care - to work with all the providers and developers to ensure that the provision meets the needs of the people we support and those people can and are fully engaged in the development and design process and identified and matched to the appropriate provision to meet their individual needs fully when it becomes available – and this is done in a planned way
- Housing - to integrate the development of these types of provision within the wider partnerships with housing association and registered providers and to develop Brent Council owned sites
- Planning - to ensure that ASC can more effectively manage the market by getting early sight of proposed developments as well as identifying potential sites for other new developments and;
- Procurement - to ensure that whatever framework we use to commission and deliver to realise the model, we have a robust contractual arrangements in place which mitigates the key risks.

3. Our approach to engagement with the market and what we need to achieve

The importance of mature and constructive partnership working in the social care market to ensure sufficient capacity and diversity of services is critical in ensuring an innovative and flexible approach to delivery demanded in the era of personalisation, and the financial risk-sharing that entails. This is a new approach that supports the need for us to take a more strategic approach to market development, rather than the approach we have historically taken; a more fragmented, 'piecemeal' approach.

It is clear that commissioners and providers alike need to build better arrangements for working together within the care and support market if they are to deliver the new models of provision needed in Brent and to improve quality, increased choice and control for individuals and to deliver a much more responsive and efficient commissioning and delivery model.

However, in improving market relations and to develop the market we need locally in Brent the need is not just for commissioners, providers, customers and carers to 'get along' better. It requires conscious structured activities and well planned engagement.

As commissioner locally we need to develop our market facilitation role, to inform all parts of the market about what is happening and what may be needed in the future. We need to be a real resource for providers and customers (whether discussing local authority funded provision or not), offering information and intelligence about the whole market and what our vision is regarding the models of provision we want in Brent (MPS).

Providers should feel able, albeit in confidence, to discuss their long term business plans and where appropriate and welcomed, discuss whether support to strategic business planning is needed.

There is a need to identify where there are barriers to market entry and work with providers and/or developers on how these might be overcome. There is also a need to ensure that procurement arrangements do not hinder the development of creative solutions.

With this in mind we will be engaging in a way that embodies a new approach of co-production and partnership working that will mean that commissioning decisions we make and arrangements we put in place are:

- Open - decisions are visible and open to fair challenge.
- Inclusive - designed to ensure diversity and choice and facilitate smaller providers to take part in any new forms of contractual relationships.
- Flexible - terms and conditions whether individual, framework or block contracts are not simply given but are open to negotiation with a greater emphasis on co-production and sustainability.

To deliver this new way of working we think it is important that expectations are clear.

Providers can expect the following from us;

- We as commissioners are clear about our long term approach to the market, what outcomes we want to achieve and what customers have told us they want from services
- We review tendering and procurement processes, evaluate their impact on provider communities and explore how improvements can be made that will help drive the market. Providers also need to be clear with local authorities what they consider is wrong with their procurement processes and how they could be improved. It is important not to get stuck with set tendering processes or framework agreements that are the same regardless of the value of the contract. Proportionality is vital if more providers are able to respond.

What we expect from the marketplace and providers:

- Providers develop greater trust in commissioners and are prepared to be more open about their funding and ownership sources and are willing to share service activity, impact and cost information (within the bounds of reasonable confidentiality).

In partnership the council and providers will:

- Facilitate and promote the views of service users, whether commending services, or discussing why services are not being taken up or are not seen as helpful and respond better to user criticism and feedback.
- Good mechanisms are in place for providing information about local provision.

The social care market is entering a period of uncertainty and, in some cases, instability as the impact of the recession, financial austerity and of demographic change begins to have an effect. The more local authorities retreat behind rigid tendering arrangements, formal provider forums or arms length relationships with the sector, the less likely providers are to be responsive to change and innovation on the one hand or doing more for less on the other.

Essentially Brent's approach to market development and engaging with the marketplace is based on trust; with the aim of improving relationships within the social care market. Even within a new care economy, where the significance of the local authority as a purchaser of services is less, the role local government has in influencing the social care economy still remains considerable.

4. Engagement plan - Developing a Brent Market Engagement Network (BMEN)

Setting out how we want to develop the market in Brent and what we need to achieve to realise our vision in the MPS is not enough and we must also be clear about how we plan to engage with the market to do this. We want to do this by developing a well planned, effective and established Marketplace Engagement Network (BMEN).

We plan on developing and implementing a number of different mechanisms to develop an effective BMEN with the market in delivering our MDS including the following mechanisms:

Type of engagement	Provider Events/summits	Regular forums for different provider markets with opportunities to come together	Provider 'Drop-in' sessions/advice surgeries	Direct engagement with providers and developers as part of delivery of phase two of the NAIL project and beyond
Purpose and desired outcome	Large-scale events to engage with the market place on a wide scale to share the councils strategic commissioning intentions and direction of travel and to start high level discussions about new models of provision and to gauge feedback from the marketplace on our plans	Smaller scale meetings to engage with specific sectors within the wider market place on a to discuss the councils strategic commissioning intentions and direction of travel and how they impact on specific sectors of the market around new models of provision	Regular monthly 'drop-in' sessions for providers from all sectors of the marketplace to have an opportunity to meet with commissioners on a more informal basis to discuss ideas and gain clarity on any issues specific to their organisation and to seek advise and support around developing these and to ensure this fits with the councils direction of travel (please note these sessions are not an opportunity to be used as an opportunity to discuss any on-going contractual or operational issues – these will be disused and addressed via the normal processes in place. A number of slots will be made available and will be on a 'first come, first serve' basis	Meetings and working groups with various different developers and providers as and when required to facilitate the development and realisation of new models of accommodation plus models of provision. This level of engagement will be required, not just the accommodation but with other providers with we will be working with to model and deliver the care and support services required in the community to support the accommodating plus model of provision.
Frequency	Adhoc	Bi-monthly	Monthly	As required
Dates already planned	31st July 2014 11 th Sept 2014 Further dates to be determined	TBD	From August 2014 onwards	As required

Through the BMEN we want to:

- Promote a greater understanding of the Health and Social care market locally and identify any gaps in provision.
- Provide the ability to escalate strategic operational issues from providers
- Encourage and value research, development and innovation.
- Support mutual improvements in business efficiency.
- Support the development of high quality provision.
- Help sustain, manage and develop the market.

The BMEN will work in a way that encourages:

- Engagement in discussion in a respectful and constructive manner, debating but accepting different perspectives
- A positive attitude and 'can do' approach to the work of the BMEN
- A solution focussed approach to problem solving and conflict resolution
- Engagement in an open and transparent manner, which highlights any relevant conflicts of interest as they may arise.

In terms of direct engagement we want to develop a clearly defined process for providers and developers to approach the council outlining their proposals for possible new sites and opportunities to remodel existing provision. The process we currently have in place for this is somewhat 'ad-hoc' and relies predominantly on email approaches to individual council officers. This is not entirely effective as these communications may not be directed to the right person/team and therefore may not be acted on as swiftly as required and doesn't allow us, as commissioners to build a comprehensive picture of the scale and types of providers who are approaching us in a proactive way who are keen to work in partnership with us.

As part of testing this approach and making it real, commissioners undertook an initial seminar with a small groups of providers representing various sectors of the market locally in Brent (e.g. Care homes, Homecare, CVS orgs, and housing providers). The purpose of this seminar was to have an initial dialogue in respect of our planned approach to engaging the marketplace. The areas we wished to explore with them in preparation for the wider provider summit were and in the development of this MDS;

- To garner their views with our approach to market development and if they felt this was effective and what local providers want
- Have we got the different levels of engagement right; to consider the different mechanisms we want to put in place to develop a better partnership approach to working together.
- To gain a steer from providers on what would be most beneficial for providers in terms of topics and workshops themes at the summit - being aware that providers get invited to numerous meetings and forums.

The providers at the seminar fully understood our direction of travel as set out in our MPS and why we need to develop the accommodation based care and support market locally. Providers also broadly agreed with our approach to market development.

Although these providers agreed that the proposed methods of engagement where right, there was a clear view that we need to agree with providers more widely, exactly what format these meetings/forums need to take so commissioners and providers alike can get the most out of them.

Providers also gave constructive and helpful feedback around what they saw as some of the barriers to engaging with the council and commissioners, for example, issues with communication and needing to be clear with providers about our pathway into services. This feedback was really helpful and helps us, as commissioners to begin to understand what we need to improve.

5. Moving forward

Alongside the Market Position Statement, this Market Development Strategy marks the commencement, not the conclusion of a process whereby the council is changing its approach to working with the marketplace locally. The methods which we use to facilitate market development and engaging with the market will remain continually under review in terms of effectiveness and this strategy will be refreshed and updated as required.

However, whilst we recognise it is critical to engage with the marketplace in coproduction and developing the new models of provision we want in Brent, we recognise that the customer is central to designing and developing new models of provision. Brent has well developed customer engagement mechanisms in place to consult on what we do and to ensure that our commissioning intentions are in line with what customers need and want locally in terms of provision and the quality standards these services need to meet. We will be undertaking engagement with customers on our plans to develop these new models of provision locally in a range of different ways: from consulting on the development of the strategies we have in place to the design and remodelling of specific service provision. This work is outside of this of the MDS, but will underpin it.

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Equality Analysis Guidance and Form



Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Adult Social Care Service Area: Commissioning and Quality	Person Responsible: Name: Shamym Humdani Title: Project Delivery Officer, PMO Contact No: 020 8937 2330 Signed:
Name of policy: New Accommodation for Independent Living	Date analysis started: 11/04/2014 Completion date 24/04/2014 Review date:
Is the policy: New <input checked="" type="checkbox"/> Old <input type="checkbox"/>	Auditing Details: Name: Sarah Kaiser Title: Head of Equality Date: 30 April 2014 Contact No: 0208 937 4152 Signed: Sarah Kaiser
Signing Off Manager: responsible for review and monitoring Name: Phil Porter Title: Strategic Director, Adults Date xx Contact No: 020 8937 5937 Signed:	Decision Maker: Name individual /group/meeting/ committee: New Accommodation for Independent Living Project Board Date:

2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area?

Please refer to stage 2 of the guidance.

The purpose of the project is to design and develop alternative 'accommodation plus' options, which incorporate:

- 'extra care' living (generally for older clients) and
- 'supported living' for younger people who require Adult Social Services (ASS).

This Project will be delivered in two phases:

- **Phase one** - will determine financial viability, and understand current market intelligence in order to agree the vision and priorities for future accommodation in Brent. It will include assessing/reviewing current client need in Brent and preparing to allocate clients to the new accommodation scheduled.
- **Phase two** - will deliver a rolling programme of accommodation between July 2014 and July 2016

This EIA covers **Phase one** only. The output of Phase one will inform the development and timelines of Phase two.

Phase one of the project aims to deliver efficiencies and improvements in the use of traditional residential and nursing care accommodation in Brent.

The proposed 'accommodation plus' options will support independence and provide choice in how and where clients live. This will involve extensive work with Planning & Development and Providers with the aim of meeting people's needs better at home and using new models of care and support in the community.

A residential client will live in a home with access to on-site personal care such as help with washing, dressing and medication. For those with a particular disability or illness, that requires nursing care on a frequent basis, a nursing home may be more appropriate.

Annual spend on residential and nursing care in Brent is currently £39.2m. The potential costs are even more significant when according to projections, the need for residential or nursing care accommodation may increase by as much as 31% by 2020.

This project presents an opportunity and challenge, from late 2015 onwards, allow innovation in accommodation solutions for Adult Social Services clients, by working with providers or other Local Authorities to:

- Identify new accommodation options (such as current council land, and opportunities in regeneration areas)

- Redevelop current residential and nursing care facilities to further reduce the reliance on existing residential and nursing care.

Two new facilities are currently being developed which will provide 40 units in January 2015 and 100 units in April 2016. To meet the council's short term requirements by 2016, a further 200 units of Accommodation plus capacity is required to be developed. Phase one comprises the delivery plan to develop this model. Phase two will comprise the implementation of the model developed in phase one.

In summary, this project will seek to deliver the following:

- Support individuals to live independently in the most appropriate setting by delivering a wider range of 'accommodation plus' options.
- In May 2013, the ASC DMT considered that, in theory, investing £2.2m per year in development costs, (Phase two) could save £6.2m a year in accommodation costs, generating savings of £4m. Target savings are therefore £500k (20015/16), and £4.1m (2016/17).

The development of accommodation options for clients with a Learning Disability, Physical Disability, or Mental Health needs, and accommodation for older people is in scope of this project.

The implementation of the preferred accommodation model(s) is out of scope and will be managed as part of Phase two of this project.

3. Describe how the policy will impact on all of the protected groups:

Age

We acknowledge that the greatest proportion of service users impacted will be the elderly who form 62 % of the total. This is reflected in the number of accommodation plus units allocated to this category in Phase 2 which is 93 out of 200 units.

Disability

18% of service users have a learning disability and a further 6% impacted are those with a physical disability. Consequently, 22 of the initial 200 units will cater specifically for the disabled, ensuring appropriate adaptations are put into place to create an even better environment which is fully conducive to the needs of the disabled individual in the best way possible. This will result in a positive impact for this category of people.

Race

We recognise that under race, the most impacted category will be 'White - British/ Welsh/ English / Scottish / Northern Irish', who form 28% of this protected group followed by 'Black or Black British – Caribbean' who form 11% of this group. There is a neutral impact on this category of individuals.

Religion or Belief

We do not hold information on the religious background of 50% of the service users, however from the information we have available, the most impacted category will be 'Church of England' who form 10% of the current users. Overall there is a potential adverse impact on this category because depending on the location of their accommodation, they may not be able to access places of worship as easily as they can do currently. We will consult with the Brent Multi-Faith Forum to look at options to address this concern.

Gender

There will be an equal impact on gender, bearing in mind that the gender is unknown for 15% of service users.

Gender Reassignment

At present there is no information and we do not anticipate that there will be any impact.

Sexual Orientation

At present there is no information and we do not anticipate that there will be any impact.

Pregnancy and Maternity

At present there is no information and we do not anticipate that there will be any impact. We will ensure that we gather this information for Phase 2. The approach is focused on continuing to address individual needs appropriately, Whilst there may be a change in the way the service is provided, the level of service will continue to be met and every attempt will be made to ensure all the needs of the protected groups are met.

Even though we are currently aware about which particular groups will be affected by the alternative 'accommodation plus' options, at this stage we do not know the extent to which these individuals will be affected. This is due to the fact that Phase 2 will include the assessment process therefore currently we are unable to assess where the impact will be.

Before commencing Phase 2, we must undertake a consultation, to check whether

there are any further impacts on any of the equality groups that we have not yet identified.

It must be noted that the decision to move a service user from residential care will only be taken where it is appropriate to do so, following a formal assessment process which will form part of Phase 2.

Equalities assessments will be carried out before the implementation of the preferred accommodation model in Phase 2 of the project.

Please give details of the evidence you have used:

National evidence suggests that this approach has the capacity to bring significant improvements to people's quality of life by moving away from a limited selection of traditional accommodation settings to a diverse range of accommodation settings which better support the individual needs as mentioned in section 2 of this Equality analysis..

There is broad recognition that for some people residential/nursing care will continue to offer the best solution, as these individuals will continue to require significant levels of care and support, but that there are people within existing residential care homes that could be better supported in more independent accommodation and who have the potential to achieve greater personal independence.

This will need to be determined on a case by case basis but the consensus amongst the Commissioning Teams and Contract Managers within Adult Social Care is:

- There are older people living in Residential Care who could be supported better in Extra Care;
- There are people with a learning disability living in Residential Care who would be better supported in Supported Living or Extra Care;
- There are people living in Extra Care who would be better supported in Sheltered Housing;
- People living with a mild to moderate dementia can live well in suitably designed and staffed Extra Care;
- People with a physical disability can, in many cases, be better supported in Extra Care or suitably adapted sheltered or general needs housing.
- Extra Care should not be seen as only for older people and that it should also be seen as a viable accommodation option for many younger adults with support needs.

Service User Profile April 2014

Current Client Group as per ASC data	Nursing	Residential	Grand Total
Adults - Learning Disability 18-64 Residential & Nursing Care	8	240	248
Adults - Mental Health Residential & Nursing	3	67	70
Adults – Older People Services Residential & Nursing Care	450	501	951
Adults – Physical Disability 18-64 Residential & Nursing Care	51	32	83
Grand Total	512	840	1352

We envisage this capacity being split across groups as per the table below:

Client Group	Accommodation Plus Capacity Units Needed (needed for Phase two)	Current quota (including self funders)
Learning Disabilities	62	248
Older People	93	951
Mental Health	22	70
Physical disability	22	83
Total	200	1352

In the longer-term it is estimated that at least 600 units in total will be required, and the approach developed through this commission will assist the Council in achieving this longer-term target

The following data includes both residential and nursing care service users

Residential & Nursing Care Gender	Learning Disability 18- 64	Mental Health	Older People Services	Physical Disability 18- 64	Grand Total
Female	97	8	471	24	600
Male	149	58	288	56	551
Unknown	2	4	192	3	201
Grand Total	248	70	951	83	1352

Residential & Nursing Care Age	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
18-29	36	5	0	2	43
30-39	36	3	0	5	44
40-49	62	20	0	13	95
50-59	76	30	3	28	137
60-69	33	9	65	28	135
70 +	3	1	692	4	700
Age Unknown across all 4 categories					198
					Total check
					1352

Residential & Nursing Care Race	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
	2	2	191	3	198
-			13		13
Asian or Asian British - Any Other Asian Background	10	5	35	10	60
Asian or Asian British - British Asian	2	1	7	1	11
Asian or Asian British - Chinese	1		3	1	5
Asian or Asian British - East African Asian	2		3		5
Asian or Asian British - Indian	24	1	59	9	93
Asian or Asian British - Mixed Asian			2		2
Asian or Asian British - Pakistani	8		4		12
Black or Black British - African	14	4	11	4	33
Black or Black British - Any Other Black / African / Caribbean Background	9	21	17	2	49
Black or Black British - Black British	8	2	14	3	27
Black or Black British - Caribbean	31	2	115	4	152
Black or Black British - Mixed Black			1	1	2
Mixed / Multiple - Any Other Mixed /		1			1

Multiple Ethnic Background					
Mixed / Multiple - Black and Asian			1		1
Mixed / Multiple - Black and White			2		2
Mixed / Multiple - White and Black African			1		1
Mixed / Multiple - White and Black Caribbean	1				1
Not Stated / Undeclared - Did not wish to reply			1		1
Not Stated / Undeclared - Form not completed		9	9	1	19
Not Stated / Undeclared - Not Known			6		6
Other Ethnic Groups - Any other group	1	2	9	4	16
White - British/ Welsh/ English / Scottish / Northern Irish	93	10	255	20	378
White - Form not completed			1		1
White - Irish	23	1	93	12	129
White - Mixed white	1		2		3
White - Other white, white unspecified	18	9	96	8	131
Grand Total	248	70	951	83	1352

	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
Residential & Nursing Care Religion					
Anglican			1		1
Baptist	3		9		12
Buddhist			2	1	3
Catholic	20	3	72	8	103
Christian	32	2	63	9	106
Church of England	35	1	105	2	143
Greek Orthodox	2		8		10
Hindu	23	2	48	9	82
Jainist	1		4		5
Jehovah Witness			2	1	3
Jewish	20		50	1	71
Methodist	4		13		17
Muslim	14		15	4	33
No Religion	5	2	17	2	26
Not Known	56	58	465	36	615
Other Religion	1		3	1	5
Pentecostal	2		1		3
Rastafarian		1			1

Roman Catholic	29	1	69	9	108
Seventh-Day Adventists			2		2
Sikh			1		1
Undeclared	1		1		2
Grand Total	248	70	951	83	1352

4. Describe how the policy will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;

Every single service user has an individual needs led assessment which includes social care eligibility and takes into account all the issues around the protected groups. A support plan will be put into place which will meet the needs of people with all the protected characteristics appropriately

The accommodation plus setting will provide service users with the choice of how and where to live, in an environment which is fit for purpose, yet at the same time promoting independence. Appropriate care packages will still be in place, as they are currently, to meet the needs of the individuals

Those required to do so, will still remain in traditional residential settings.

Other considerations include the implications of welfare reform, on the affordability of accommodation options for clients and the impact of any changes in central government policy or direction.

(b) Advance equality of opportunity;

Brent has produced its first Market Position Statement (MPS) which aims to signal our intention to share better, more transparent information with the market; for the benefit of both current and potential providers of Accommodation Based Care and Support Services (ABCSS). It will support better relationships between Commissioners and service providers, acting as a foundation for better engagement and partnership working resulting in a full range of services that fully meet the needs of people as close to home as possible and to promote real choice for local people.

The following four principles guide our thinking around how we develop models of ABCSS going forward:

- **Principle 1:** Wherever possible we meet people's needs at home or as close to home as possible and we will build local capacity in the marketplace to achieve this
- **Principle 2:** We recognise that the needs of individuals may change over time, and we work with individuals receiving care and support to review the services

they receive in line with these changes; which may mean a change in service provision to better meet their needs

- **Principle 3:** We work proactively with the market to ensure that services are always of an excellent quality and value for money is always achieved.
- **Principle 4:** For local people, who genuinely need residential or nursing care, we actively review and monitor the quality of these services, to ensure they are safe, personalised, and deliver excellent quality and good outcomes for individuals.

The Brent Health and Wellbeing Strategy 2012-2015 stipulates that people will need to take on much greater personal responsibility for their own wellbeing, making the right choices when these are open to them. At the same time, recognising those people who are vulnerable or at risk, so that we can focus on keeping people safe, prevention and early help for them.

Finally, if we discover that a particular protected group are excluded – we will target them.

(c) Foster good relations

The accommodation plus options developed will remain constant and supports the fostering of good relations by enabling all relevant clients in the borough to access the services they need.

No changes to the level of the service are proposed, other than opportunities identified during the phase one to improve the both quality of service delivery and the commitment by Brent to support local residents to stay at home for as long as possible or as close to home for as long as possible with excellent quality, personalised care and support.

It must be noted that Adult Social Care play an important role in ensuring that older people; physically disabled and those with learning disabilities access the right support within the community. Also in doing so, Adult Social Care support social inclusion for these groups within the wider community in Brent.

5. What engagement activity did you carry out as part of your assessment?

Please refer to stage 3 of the guidance.

This is a predicative process and consultation has not been undertaken as yet. Phase one is about identifying the accommodation model and financial viability. Phase two will involve a consultation process' when we will engage with service users; their families and carers, their care providers and clinicians where appropriate, to understand their needs and whether there could be any negative impact which we have not yet identified This will form the basis of the decisions about future accommodation plus options.

i. Who did you engage with?

n/a

ii. What methods did you use?

n/a

iii. What did you find out?

n/a

iv. How have you used the information gathered?

n/a

v. How has it affected your policy?

n/a

6. Have you identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.

Please refer to stage 2, 3 & 4 of the guidance.

We anticipate a positive impact in relation to religion or belief as the accommodation plus sites will be more evenly distributed across the borough, increasing the potential to live much closer to a place of worship. To enhance this positive impact, we will consult with the Brent Multi Faith Forum on how best to improve access to places of worship and community support for service users moving into the new accommodation.

The levels and type of service provision will remain as at present. On the contrary, they will have the choice and independence to decide how and where they live.

It is recognised that for older people, relocation may cause emotional distress and orientation issues in their new surroundings. To mitigate this, it will be necessary to offer a 'resettlement package' to ensure that appropriate support and assistance are in place, both during and after the move.

For those with a physical disability, the transition from a residential care setting to a semi independent setting will require practical support to help them settle in their new surroundings.

Please give details of the evidence you have used:

The evidence comprises the operational data, process and financial information provided by officers and other contacts during the preparation of this report, along with the specific feedback from client commissioners in respect of service quality.

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age	x		
Disability			x
Gender re-assignment			x
Marriage and civil partnership			x
Pregnancy and maternity			x
Race			x
Religion or belief	x		
Sex			x
Sexual orientation			x

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only). Please refer to stage 4 of the guidance.

No major change

Your analysis demonstrates that:

- *The policy is lawful*
- *The evidence shows no potential for direct or indirect discrimination*
- *You have taken all appropriate opportunities to advance equality and foster good relations between groups.*

Please document below the reasons for your conclusion and the information that you used to make this decision.

The analysis has not identified any potential direct or indirect discrimination at this stage of the project. We will need to consult with service users to ensure there is no potential discrimination in Phase 2. The levels and type of service provision will remain as at present. The accommodation plus options will provide choice and independence to decide how and where service users may live.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future.
Please refer to stage 7 of the guidance.

During Phase two, implementation of the rolling programme of accommodation, a project board will be in place to monitor project activities and ensure no policy change is considered or undertaken without further consultation, review and appropriate approvals.

10. Action plan and outcomes

At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
We will monitor the allocation of accommodation plus units to ensure that it is proportionate to all the groups who are impacted. We will also undertake consultation with service users.					

Please forward to the Corporate Diversity Team for auditing.

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Market Position Statement 2014

Adult Social Care

'Care and Support Closer to home'

Building a more diverse accommodation based care market in Brent to better meet the needs of local people ensure 'whole person care' and reduce over reliance on residential and nursing care

DRAFT

Introduction - Why a Market Position Statement?

Welcome to Brent's first Market Position Statement (MPS). The purpose of developing this MPS is to signal our intention to share better, more transparent information with the market; for the benefit of both current and potential providers. We believe that we can only provide the full range of services that people want and need by working more closely with the market to develop services to meet our local need.

Government policy sets out a future where private, 3rd sector and voluntary organisations must play a fundamental role in the development and delivery of services to meet local need and where local authorities take more of an enabling and place-shaping role, rather than just that of 'purchaser'. This coupled with the growth in numbers of people using Direct Payments and those that fund their own care, brings with it a need to develop further the commissioner/provider relationship in an already complex system of care and support. This is why it is important to make our vision and commissioning intentions clear and ensure we communicate these to the market as early as possible.

The new Care and Support Bill sets out a new duty for local authorities to promote the diversity, quality and sustainability of local care and support services. This duty includes a requirement to promote the efficient and effective operation of local services, ensure that people wishing to access local services have a variety of high quality services to choose from, and that individuals have sufficient information to make informed decisions about the services available. We need to ensure that we are aware of current and likely future demand for services with a focus on the importance of fostering continuous improvement in the quality of services and the efficiency and effectiveness with which such services are provided and of encouraging innovation in local provision.

This MPS is written for current providers of Accommodation based care and support services (ABCSS) who operate locally and for potential providers considering entering the market in Brent in an attempt to grow diversity in available service provision locally. It will support better relationships between Commissioners and service providers, acting as a foundation for better engagement and partnership working. It encapsulates the 'Brent picture':

- Current and predicted future demands on ABCSS locally.
- A picture of current supply of ABCSS across Brent.
- What our strategic vision is, our commissioning intentions and models of service delivery we want to encourage in the local marketplace.

At the heart of our MPS is the principle that services should be inherently responsive to individuals' needs and preferences. This is what we mean when we talk about 'personalisation'. This requires a shift away from traditional care home service provision towards a model that encourages flexible, personalised care with strong emphasis on individuals' outcomes and greater co-operation between services. We want to reduce dependency, support people to remain in their homes and in their communities for longer and help people to help themselves. To support better choice and control and deliver personalisation means people must be empowered to make choices about their health and social services and these are made clear to them, in all circumstances being equal partners in decisions about their health and social care, supported by a workforce that is competent and can support access to the right support and good advice and information and having access to a range of health and social care services available locally and nationally, to exercise real choice .

The MPS is the first step on a journey to ensure together we develop the right services to fully meet the needs of people as close to home as possible and to promote real choice for local people. Working with the market we will strive for continuous improvement by encouraging innovation and sharing best practice.

It is particularly significant now because our strategic direction has substantial implications for ABCSS providers locally and we want to ensure that the council, our commissioning colleagues in Health and providers are putting time, effort and resources into the same priorities. It should serve as a firm foundation for Commissioners and Providers to develop more of a shared approach to delivering care and support. It is a developing model, demonstrating our commitment to improving this relationship.

Brent Health and Wellbeing Board recently published its Health and Wellbeing Strategy 2012-2015 [\[INSERT LINK HERE\]](#). The Health and Wellbeing Board brings together the main public service organisations that have responsibility for improving the health and wellbeing of people who live in Brent, including representatives from Brent Borough Council.

Principles of the Health and Wellbeing Strategy:

- We will work together to deliver:
- Services and cultures which promote self care and personal responsibility
- A focus on disease prevention and health promotion
- Opportunities for individual and community empowerment
- A single point of contact for services users and a "joined up" approach between services which means every contact counts
- Safe, high quality services which respond to individuals
- An on-going dialogue with our communities, residents and patients

- Achieving more for less and making the very best use of resources

The priorities are:

- Giving every child the best start in life
- Helping vulnerable families
- Empowering communities to take better care of themselves
- Improving mental wellbeing throughout life
- Working together to support the most vulnerable adults in the community

It is therefore crucial that these inform how we develop and work with the market locally to ensure that in building a diverse and quality market, we are supporting our overall vision of achieving improved health and wellbeing for all people in Brent and better care is delivered closer to home, at the right time, in the right place. The Strategy sets how we must move away from a situation where too many of our services are reactive, helping people only when things have gone wrong, often at great expense. Instead, supporting local people to live and work in safe, pleasant and resilient communities, to control their own lives and shape their own wellbeing. This ambition requires radical transformation of services for the public across Brent – not just Adult Social Care.

The strategy is clear that people will need to take on much greater personal responsibility for their own wellbeing, making the right choices when these are open to them. At the same time, recognising those people who are vulnerable or at risk, so that we can focus on keeping people safe, prevention and early help for them. This will only be possible if we can shift resources currently used in intensive reactive services to invest in services that identify needs at the earliest possible stage and stop them getting worse.

We also need to put the need to change in a financial context; in recent years Local Authorities have had to make significant efficiency saving across all services due to steep reductions in funding from central government. In the 2013 Government Spending review it was announced that the Local Government resource budget will be reduced by a further 10% in 2015/16 (£2.1 billion) generating the need for Local authorities to make even more efficiency savings. In addition demographic and policy pressures including more older people, Higher levels of acuity and need, implementing the recommendations of the Dilnot report & changes in eligibility and access to services result in a need to shape service design on a more sustainable model of care and support.

The key messages we want to communicate to ABCSS providers through this MPS are:

- Brent is committed to supporting all local residents to stay at home for as long as possible or as close to home for as long as possible with excellent quality, flexible, personalised care and support.
- Brent's overall use of 'traditional' Care home provision is declining in line with meeting people's needs better at home and using new models of care and support in the community. This has involved the development of more flexible models of ABCSS.
- We aim to continue this direction of travel by supporting the continued development of more flexible models of ABCSS locally.
- We want to continue to work collaboratively with the market to develop new solutions to meet the needs of Brent residents and we are actively encouraging providers to approach us with proposals for how together we can do things differently.

Brent's vision for the future of Accommodation based care and support services

The need to provide better, more flexible services locally to meet rising demand and increasing cost all in the context of significantly diminishing financial resources cannot be achieved in the long term by maintaining the current situation. A new vision for how the needs of local people will be met is required to respond to these challenges. This vision includes plans to continue to reduce the amount of residential and nursing care purchased by Brent, which will be achieved in part by stimulating the expansion of capacity in tenanted models of accommodation based care, including more flexible supported living and extra care provision locally. The following four principles guide our thinking around how we develop models of ABCSS going forward:

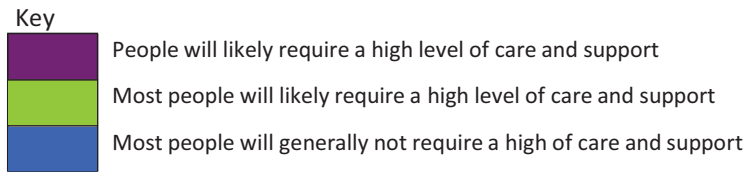
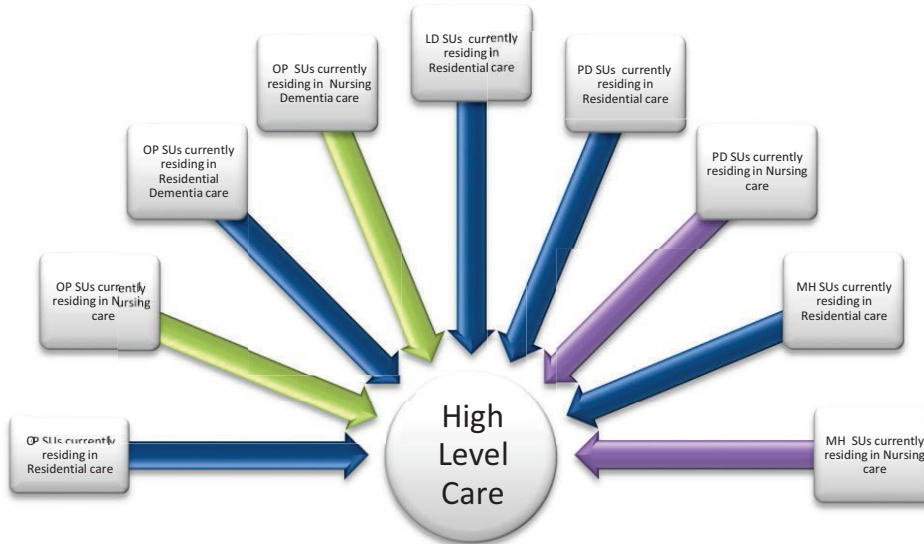
- **Principle 1:** Wherever possible we meet people's needs at home or as close to home as possible and we will build local capacity in the marketplace to achieve this
- **Principle 2:** We recognise that the needs of individuals may change over time, and we work with individuals receiving care and support to review the services they receive in line with these changes; which may mean a change in service provision to better meet their needs
- **Principle 3:** We work proactively with the market to ensure that services are always of an excellent quality and value for money is always achieved.
- **Principle 4:** For local people, who genuinely need residential or nursing care, we actively review and monitor the quality of these services, to ensure they are safe, personalised, and deliver excellent quality and good outcomes for individuals.

Rethinking models of care and support

In Brent, we want to revolutionise the way we talk about ABCSS. The need for personal care, nursing care or 24-hour support or supervision should not necessarily

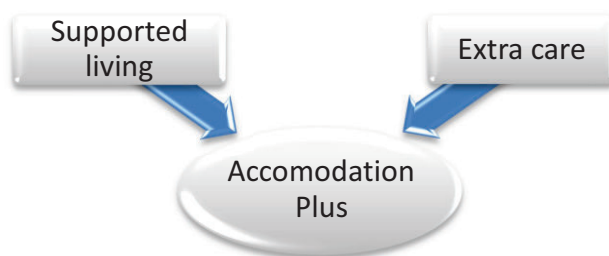
warrant the need for residential or nursing care in every case. Figure 1.0 shows the historically relationship between current types of provision and high level need.

Figure 1.0: The relationship between current residential and nursing care placement types and The Level Care and support required



In Brent, our vision is to increase provision of tenanted models of care and support to improve not only people’s individual outcomes and quality of life but also to achieve better value for money in the commissioning of ABCSS. We also want to start having a different kind of dialogue about tenanted models of care and support as well. The separate categories of ‘supported living’ and ‘extra care’ tend to create confusion, despite there being little difference in practice between what these service delivery models deliver. We want to talk instead about Accommodation Plus models, that is, accommodation plus a level of care and support sufficient to meet people’s individual needs, for people whose needs can no longer be met in their own home.

Figure 2.0: Replacing supported living and extra care placement types



Local demand for Accommodation based care and support services (ABCSS)

In line with national trends for use of adult social care provision, more than two-thirds of people that use local accommodation based care and support services are under the age of 65 are male, and over half of those over 65 are female.

Estimates of the local prevalence of long-term conditions and older people in need of accommodation based care and support paint a familiar picture. As shown below, the demand locally for care and support services is predicted to increase substantially over the next six years (Table 1.0).

Table 1.0 Projected local increases in prevalence of ASC service user groups

Care group prevalence in Brent	Projected increase by 2020	Number of new individuals in each category
Aged 25-64 with a moderate or severe learning disability	8.5%	536
Aged 25-64 with a severe physical disability	4.4%	331
Aged 25-64 with two or more psychiatric disorders	2.2%	252
Aged 65 and over who are living in a care home	30.5%	2061

However, looking at our trends over the last two years, Utilisation of both residential (Figure 4.0) and nursing care (Figure 5.0) has steadily declined across all groups during this period, dropping by 12 per cent and 3 per cent respectively. The exception to this overall trend lies in demand for dementia-specific accommodation based care and support services, which has increased (38 per cent) during the same period.

Figure 4.0 Three-year trend in utilisation of residential care by care group

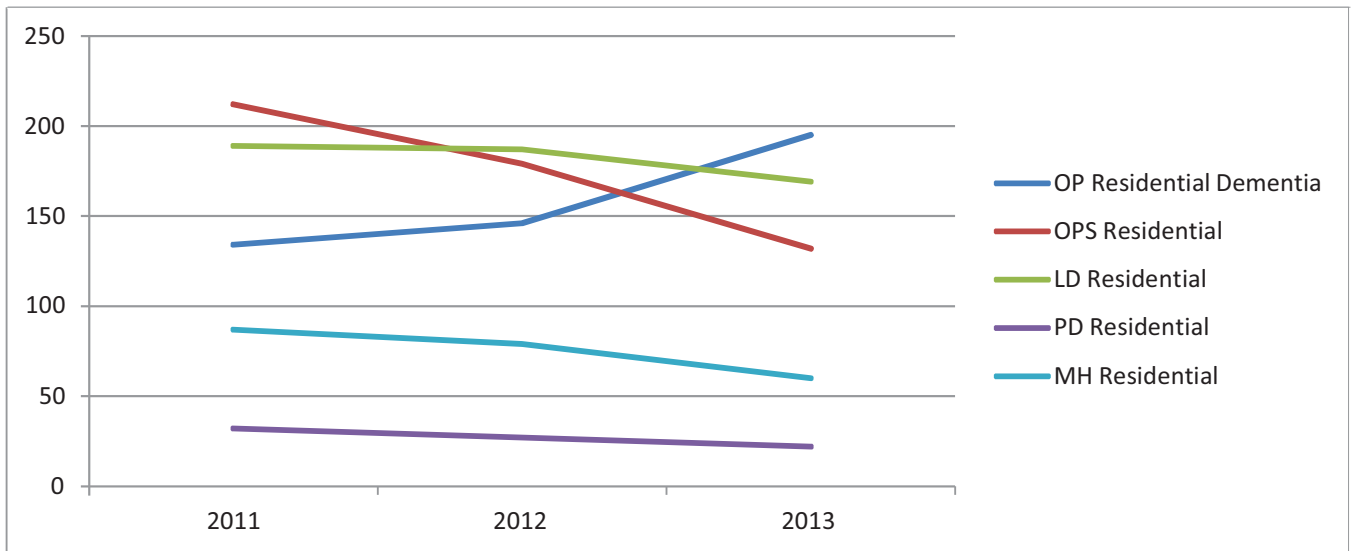
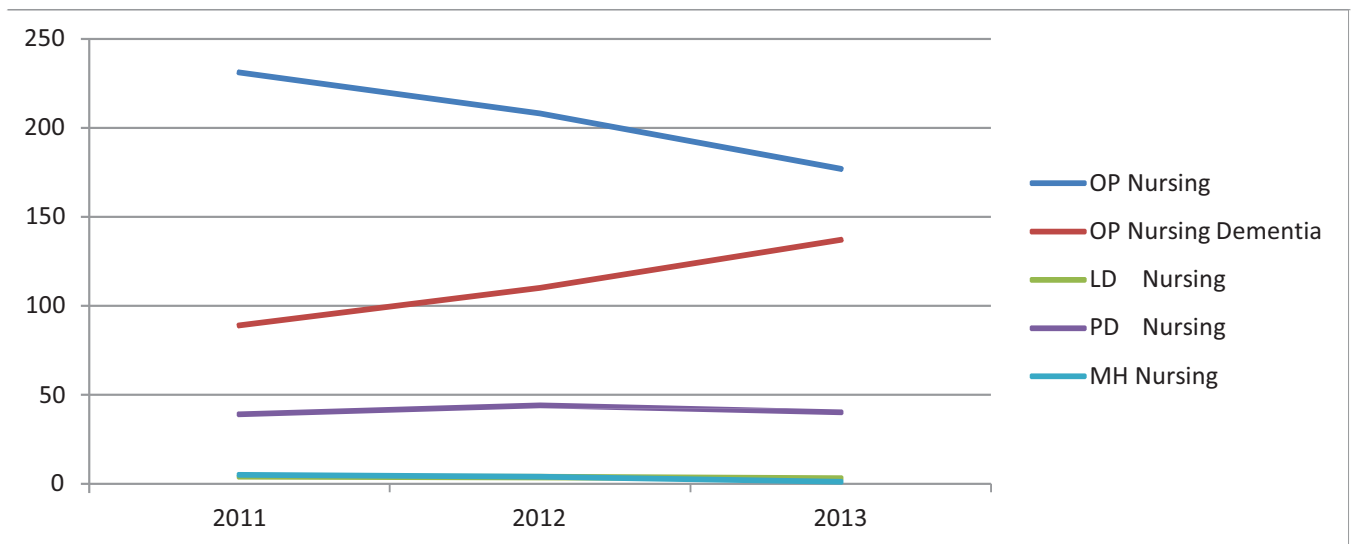


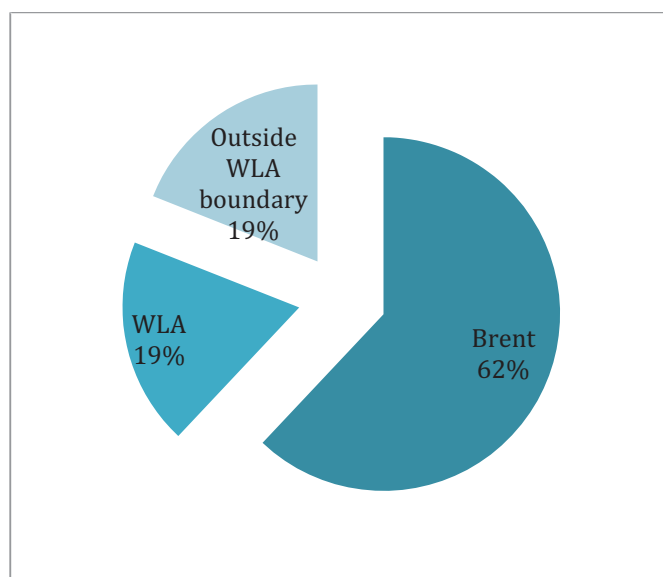
Figure 5.0 Three-year trend in utilisation of nursing care by care group



As shown in Figure 7.0, nearly two-thirds of Care home placements are made within the Brent borough boundary, and a further 19 per cent are made within the west London sub-regional boroughs of which Brent is part (Hillingdon, Harrow, Hounslow, Ealing, and Barnet). This is consistent with our aim to provide care to its residents locally wherever possible. This overall breakdown, however, masks important differences across groups. For example, 26 per cent of people with learning disabilities and 38 per cent of people with mental health conditions are placed

beyond the sub-regional boundary. Whilst there may be good reasons on a case by case basis for such placements to be made, (e.g. being close to family), such placements should be exceptional and efforts to bring local people back to Brent where this is agreed to be in their best interest needs to continue.

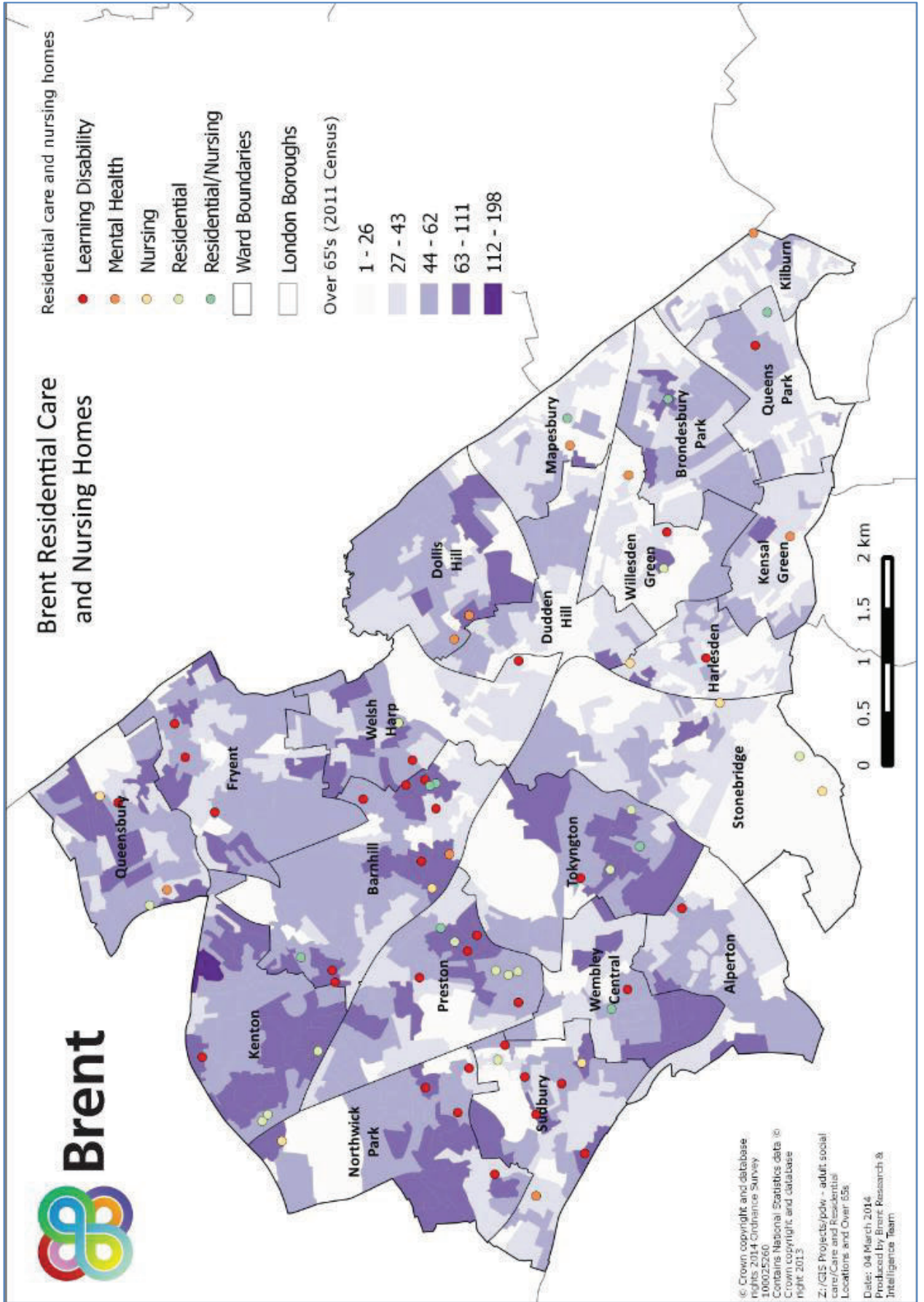
Figure 7.0 Location of residential and nursing care placements 2012-13



There are 1287 residential and nursing care beds within Brent. This capacity is concentrated along the southern borough boundary (72 per cent), with a smaller cluster of units along the northern borough boundary (28 per cent). Significantly, only 40 per cent of these beds were used by the council within the last financial year. Reliable accurate data on local self-funder prevalence is difficult to obtain, but if we apply national estimates produced by the Institute of Public Care¹, around 45 per cent (579 beds) of the remaining capacity is likely used by self-funders¹. This leaves around 15 per cent (193 beds) that is either unused, or used by other authorities.

The local capacity that isn't being used by the council represents an opportunity for the market on two fronts. Firstly, for those adult social care service users who have been assessed as in genuine need of residential or nursing care, we want to increase the degree to which those placements are made locally, and we would welcome a dialogue with local care home providers seeking to increase the proportion of their capacity that is utilised locally. Secondly, we want to actively stimulate the development of additional local 'accommodation plus' capacity (supported living and extra care), and some of the residential and/or nursing care capacity may be suitable for de-registration and conversion into a tenanted care and support service model. Again we would welcome dialogue with local providers interested in remodelling their service offer along these lines.

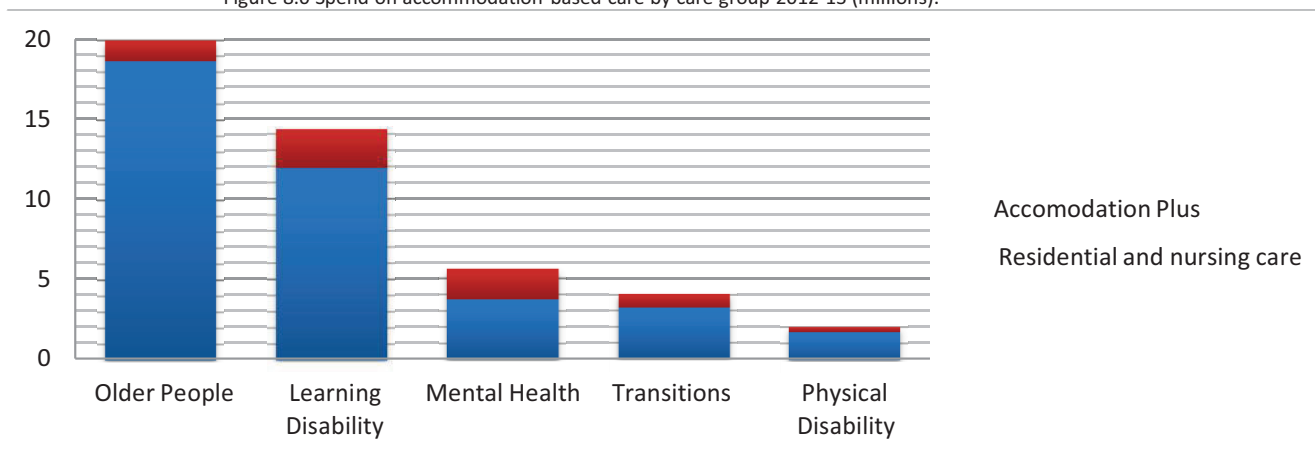
¹ People who pay for care: quantitative and qualitative analysis of self-funders in the social care market, Institute of Public Care (2011).



Investment in accommodation based care

Last year, the council spent £39.2 million on residential and nursing care, and £6.8 million on tenanted models of care. Figure 8.0 shows how this expenditure is split across groups. The graph illustrates the extent to which the provision of ABCSS is dependent on the residential and nursing care service models, and the impact that this reliance has on the cost of care for older people and people with learning disabilities in particular.

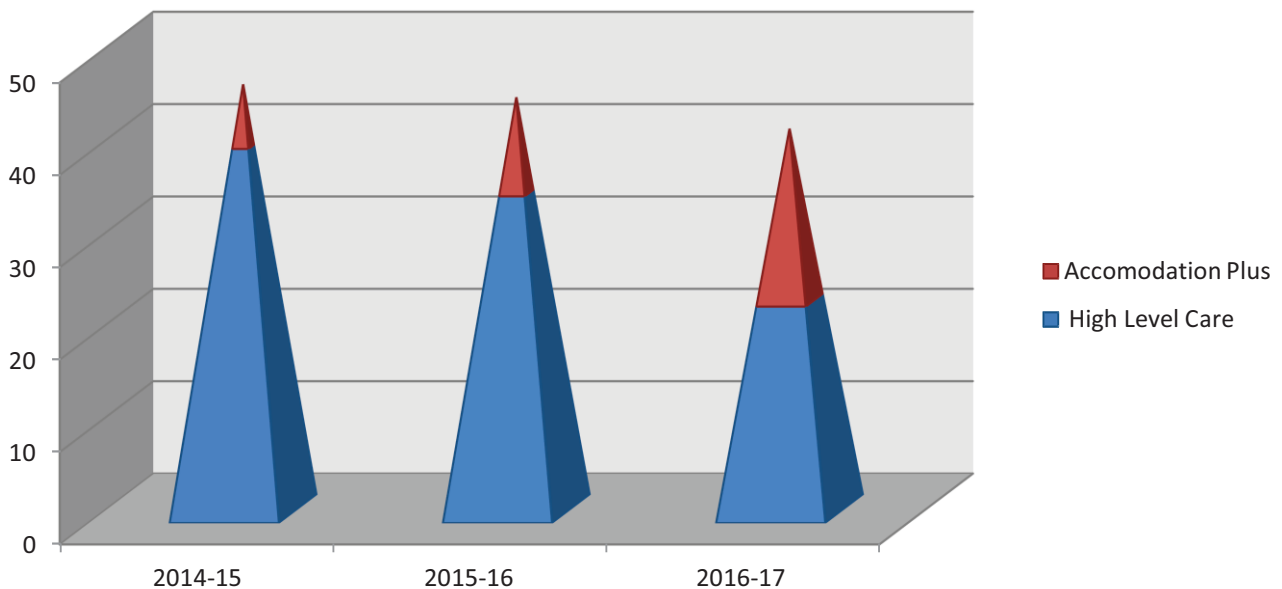
Figure 8.0 Spend on accommodation based care by care group 2012-13 (millions).



Plans for reducing reliance on residential and nursing care

We have ambitious plans in Brent for re-balancing our utilisation of accommodation based care options, shifting progressively over the next three years towards increasing use of tenanted care models; investment in which is projected to rise by more than half in 2015-16, and a further three-quarters by 2016-17. At the same time, traditional pathways into residential and nursing care will be increasingly diverted into Accommodation Plus services. This plan will enable us to continue to provide high quality services to local people within our reduced budget.

Figure 9.0 Re-balancing expenditure across High Level Care and Accommodation Plus over three years (millions)



What have we already done?

We are already well on our way to achieving this vision. One housing developer is currently in the process of developing 40 units of Accommodation Plus capacity, which will include shared facilities for tenants, carers, and visitors including a hairdressers', carer's restroom, an activity room, buggy store, and laundry. This Development is due to complete in January 2015. A further 99 units of Accommodation Plus capacity are being developed by a Housing Association in Brent, which is due to complete in March 2015. Together, these two initiatives will enable 139 local older people to be supported to live more independently than they would otherwise be able to within a care home.

What next?

By March 2016, we need a further 200 units of Accommodation Plus capacity to be developed in Brent. We envisage this capacity being split across groups as per the table below:

Table 3.0 Required Accommodation Plus capacity by group

Client Group	Accommodation Plus Capacity Units Needed
Learning Disabilities	62
Older People	93
Mental Health	22
Physical disability	22
Total	200

For people with learning disabilities, we predict needing a further 4 to 6 Developments for the provision of 10 to 15 tenants. For people with mental health conditions and physical disabilities we predict needing 2 Developments for the provision of 10-12 tenants. For these groups, developments larger than this tend to

raise concerns and issues regarding service quality, whilst Developments smaller than this usually struggle to deliver an efficient operating model for people with complex needs.

For older people, we predict the need for one more large Development for the provision of approximately 90 tenants, or two Developments of approximately 45. The care and support provided within these Developments will need to be able to meet the needs of people with dementia given the increasing diagnosis and prevalence of people with this condition amongst our local population. We will also be working with our commissioning colleagues in the Brent CCG (Clinical Commissioning Group) to develop a model for these services that includes the deployment of district nursing within the community, to increase the degree to which they will be appropriate to support people with a low level of nursing need.

People who use ABCSS regularly tell us about the importance and benefits of shared space within shared living settings to enable them to build and maintain their social networks and reduce the risk of social isolation; essential in supporting people to maintain and improve their quality of life, independence and better outcomes. Therefore all new Developments within the Brent must include provision of an appropriate level of shared space in order to gain the support of the council.

The opportunity

The council cannot achieve this ambition in isolation. We must work in partnership with providers to realise this vision, and we would encourage approaches from any of the following segments of the market:

1. Organisations interested in working with the council to develop and provide new local Accommodation Plus Developments
2. Local providers of residential and/or nursing care interested in de-registration/ conversion to an Accommodation Plus service model
3. Local providers of residential and/or nursing care who want to increase the proportion of beds purchased by the council
4. Local providers of residential and/or nursing care who want to know more about what the plans outlined in this MPS might mean for their organisation

Contact us at commissioning.adults@brent.gov.uk to find out more today.


What next and what can you expect from us?

Whilst we want to encourage approaches from current and prospective providers who are interested in working with us to develop new models of ABCSS. We want to take a planned approach to how we develop and stimulate the marketplace in this area as a result of developing this MPS.

Therefore we will be producing a Market development plan to help us achieve the aspirations we have set on in this MPS; to develop the models of ABCSS and full engage providers in this.

This MPS is the first we have produced and we are committed to developing this model going forward to communicate more clearly to the market place about our commissioning intentions and how we want to engage providers in the marketplace to work with us to better meet the needs of the people of Brent.

Engaging effectively with both the marketplace and people that use services will be crucial in developing the right models locally. Our approach to this will be set out in our Market development plan and will involve specific events to bring people together.

 Brent	<p style="text-align: center;">Cabinet 21 July 2014</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Growth</p>
Wards affected: Brondesbury Park	
Proposed redevelopment of the former respite care centre at 1 Clement Close and adjacent lands, London NW6 7AL	

1.0 Summary

- 1.1 On 15th July 2013 the Executive approved that the former respite care centre at 1 Clement Close, together with adjacent lands, be considered for an 'internal' use such as general needs housing development under the housing revenue account (HRA) or adult social care (ASC) provision. It was agreed that if a transfer between portfolios was deemed necessary to facilitate this, then the district valuer be appointed to ascertain the appropriate transfer price.
- 1.2 This report reviews the options for a use that supports the delivery of the Borough Plan and brings forward proposals for the subject site to be used as adult social care provision for clients with learning disabilities.
- 1.3 This report seeks approval for an exemption to the tendering requirements of Contract Standing Orders and delegation of powers to officers to agree the terms and enter into a development agreement with Brent Housing Partnership (BHP) to develop the subject site.

2.0 Recommendations

The Cabinet:

- 2.1 To agree to use the former respite care centre at 1 Clement Close and adjacent lands, London NW6 7AL (the "Clement Close Site") as adult social care provision for clients with learning disabilities.
- 2.2 To approve an exemption from the procurement requirements of Contract Standing Orders and delegate authority to the Operational Director of Property and Projects in consultation with the Director of Legal and Procurement to

agree the terms and enter into a development agreement with Brent Housing Partnership to develop the Clement Close Site as detailed in the 'development delivery' section in this report.

- 2.3 To approve total scheme development costs within the range of £2,604,147 (10 homes) to £3,334,017 (14 home).
- 2.4 To approve capital funding comprising of grant funding contributions from the Greater London Authority Mayor's Housing Covenant 2015-18 from £430,000 (10 homes) to £620,000 (14 homes), £510k from the Adults Social Care capital budget allocation of £1.8m and unsupported prudential borrowing of £1,664,147 (10 homes) to £2,204,017 (14 homes).

3.0 Detail

- 3.1 The Clement Close site comprises the former Children's Respite Care Centre and adjacent land at Clement Close, Willesden Green, NW6 7JL. Both parts of the Clement Close site are within the freehold ownership of the Council, with the adjacent land forming an under-utilised part of the Clement Close estate managed by BHP, (see Appendix 1 and 2).
- 3.2 On 15th July 2013 the Executive approved that 'provided the site is deemed suitable for affordable housing development by Brent Housing Partnership (under the Housing Revenue Account) or another internal use (such as social care – on a spend to save basis), then subject to further review of the powers under which the land is held, that the District Valuer be appointed to ascertain a transfer value, to the HRA or another portfolio as appropriate.'
- 3.3 In 2013 marketing agents reported a £1.5m value which in June 2014 had increased to £1.8m, the figures quoted are far in excess of the £750,000 reported in Executive report in July 2013 which were based on an estimate by an internal Chartered Surveyor.

Corporate use options

- 3.4 As per the decision made in July 2013, various corporate uses for the Clement Close site have been considered, in line with priorities set out in the Borough and Corporate Plan. The site is considered too small for a school use and so the main focus has been on considering the various residential options.
- 3.5 Two broad options have been explored – utilising the site for general needs housing in line with the agreed (HRA) asset management strategy; and utilising the site for independent living for social care clients in line with the priorities set out in the Adult Social Care Market Position Statement 2014.
- 3.6 The development appraisal considered both general needs and provision for adult social care on an affordable rent basis, including looking at the private rented, development and sale option.

- 3.7 Various development scenarios were financially modelled in an attempt to ascertain the cost of each scheme, the payback period for the capital outlay on each scheme, the revenue savings for the scheme, and the value of the land at the point of handover - the net present value (NPV). NPV is the difference between the present value of the future cash-flows from an investment and the amount of investment. Present value of the expected cash flows is computed by discounting them at the required rate of return.
- 3.8 Seven detailed scenarios were modelled (see Appendix 3) which demonstrated that the most attractive options are those that utilise the site for Independent Living accommodation, in line with the specific priorities in the Adult Social Care Market Position Statement. It is proposed that these homes will be used for adults aged 18 years and over who have learning disabilities that might otherwise be placed in residential or nursing care placements.
- 3.9 The homes will be self-contained with their own front door along with their own kitchen, lounge, bathroom and shower area. In addition there will be some communal facilities within the building, see Appendix 4 for initial designs.

Development delivery

- 3.10 There are a number of constraints to delivery of the site which will need to be worked through, (Appendix 5). Most importantly, there is an existing porta-cabin on the site, which is used by local residents for meetings and gatherings and discussions are underway in respect of relocating this to an alternative location in the close vicinity. Works next to the existing willow tree will need to be carefully considered.
- 3.11 In considering the development of the Clement Close Site, Officers are of the view that this should be led by a developer agent. BHP currently acts as developer agent under a development agreement in relation to HRA development. The Clement Close scheme is not however an HRA development but a general fund scheme and is therefore not covered by the council's existing arrangement.
- 3.12 Officers consider however that BHP has all the relevant skills and expertise necessary to develop the site. Exploratory discussions with BHP have indicated that BHP would charge a fee of 2.5% of scheme costs (this fee has been factored into the financial appraisal). This figure is considered competitive.
- 3.13 In order to bring forward the proposal without delay, rather than carrying out a procurement process for a developer the proposal is to enter into a development agreement with BHP on terms to be agreed by the Operational Director of Property and Projects in consultation with the Director of Legal & Procurement.
- 3.14 Under the development agreement BHP would be responsible for:

- Securing for the Council Greater London Authority Mayor's Housing Covenant 2015-18 grant funding and dealing with associated requirements; and,
- Client the project on behalf of Brent and employing the necessary consultants and contractors to successfully deliver the project in line with the Council's requirements.

3.15 If Cabinet approval is secured, the aim would be to begin detailed design and planning processes in July 2014, leading to a start on site in June 2015 and a completion twelve months later in July 2016.

Exit options

3.16 In a changing care market it would be prudent to ensure that the Council include provision for an exit option and this will need to be factored in as the design further develops. Officers would look to develop the homes in a manner that would allow for easy adaptation to normal general needs rental or for private sale or any other options.

3.17 If this situation came to pass then the Council would be required to pay back any Greater London Authority (GLA) grant contribution to the scheme or recycle it to a future development.

Housing Management

3.18 Housing management services will need to be fully specified and secured. The specification will need to include:

- Rent and service charge collection;
- Dealing with rent arrears;
- Issuing tenancy agreements;
- Void management;
- Emergency repair;
- Regular repair;
- Major repair;
- Health and safety checks;
- Void works.

3.19 Within the capital appraisal the following has been assumed:

- Management costs £650 per unit.
- Void rent loss 5% of the total rental cost for the year.
- Repairs and Maintenance costs £565 per unit per year.

3.20 The rents are currently estimated as £192 per week per home, this is based on 70% of the assessed open market rental values. The likely service charge is £2,000 per annum per home. The service charges will cover items such as

communal cleaning, gardening, etc. These costs are eligible for housing benefit.

Delivery of support services

3.21 The projected care and support costs for learning disabilities range from £550 to £1,600 per week per client in residential care placements, this includes one to one support for mild to moderate learning disabilities requiring from 4 to 8 hours of care per week at a rate of £14 to £16 per hour per person. For this proposal the estimated savings cost can range from £158 to £704 per person per week.

3.22 A typical care and support package for individuals in supported living can include:

- Sleeping in or waking night staff;
- Someone to be at the scheme 24/7;
- One to one support;
- Prompting or supervising with personal care (which could include bathing, washing, cleanliness, etc);
- Supporting individuals to maintain their tenancies;
- Supporting individuals with daily living skills which can include; money management e.g. bill payment, preparing meals, shopping, cooking, keeping their home tidy and clean;
- Supporting individuals with travel training; and
- Support to ensure individuals have access to their community for employment, education, training or social reasons.

3.23 It is anticipated that the value of this care contract will be below £250,000 and will be procured using a mini-competition under the West London Alliance Homecare Framework. Should the care cost be in excess of £250,000 then appropriate approval would be sought from Cabinet.

3.24 If specific aids and adaptations are required to be made to individual units then appropriate disabled facilities grant applications will be made.

4.0 Financial Implications

4.1 The summary option appraisals are available at Appendix 6 of this report.

4.2 The land value associated with the site has been excluded from the appraisal as this is an existing council asset and will not constitute a real cost to the Council.

4.3 The result of the amended appraisal is a positive NPV of £868k with a 13 year payback period (10 home scheme).

4.4 However, the Council's current Capital Disposals programme includes a forecast capital receipt of £750k for this site which is included within forecast

resources to fund the overall Capital Programme. If the site is to be utilised for the provision of Independent Living it will be necessary to replenish the Council's capital funding through additional unsupported borrowing the associated revenue debt charges of which will be met from the overall business case for the scheme.

- 4.5 The result of this amendment to the appraisal is to reduce the positive NPV to £54k with an increased payback period of 30 years (10 home scheme).
- 4.6 Further work has been undertaken to assess the impact of increasing unit provision on the site to 12 and 14 units. This work has indicated that additional provision will result in reduced payback periods and additional revenue savings.
- 4.7 As the proposal is to deliver care provision, this development will sit outside the HRA development programme and will be funded via a combination of contribution from the ASC care capital programme £510k, GLA grant £430k (which would increase depending on the number of homes) and unsupported borrowing to an estimated maximum of £2.6m. Debt costs associated with the additional unsupported borrowing will be met from the derived rental stream.
- 4.8 The Council has via BHP submitted a bid for GLA grant for a programme that comprises 50 identified and 50 unidentified homes, allowing for this site to be brought into the 'unidentified' programme subject to appropriate GLA consents. If the council were to dispose of the site after the development to create general needs rental, private sale or any other options, the GLA grant would have to be repaid or recycled to a future development within the grant criteria.
- 4.9 Marketing agents have estimated that if marketed the sale of the site is likely to provide a capital receipt of £1.8m – subject to checks. The differential between this and the forecast capital receipt of £750k reflects the opportunity to the council to further fund the capital programme, potentially reducing the amount of unsupported borrowing that the council has to undertake and the associated revenue cost of that borrowing. The reduction in the level of debt charge this could generate is estimated at £120k per annum over 10 years.
- 4.10 The Independent Living Accommodation scheme is forecast to achieve £168k revenue savings per annum.
- 4.11 The basic costing assumptions included within the option appraisal are in line with BHP's standard assumptions as a development agent. The detailed costs will be reviewed throughout the scheme development. Any significant variances through the development phase will be monitored and reported back to Cabinet as appropriate.

5.0 Legal Implications

- 5.1 The land is held for education purposes although the Supported Housing scheme will be provided outside the HRA under the General Fund.

- 5.2 As indicated in the 'development delivery' section of this report, it is proposed that the Council enter into a development agreement with BHP. BHP is an arms length management organisation and whilst the council has delegated certain of its management functions to BHP in accordance with s27 of the Housing Act 1985, these delegations do not cover the proposed development agreement in respect of the Clement Close Site scheme.
- 5.3 Contract Standing Orders provide that 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. The Council's Contract Standing Orders require a competitive procurement process to be conducted in relation to the award of contracts including the proposed development agreement.
- 5.4 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 this report.
- 5.5 The EU public procurement regime, set out in UK law in the Public Contracts Regulations 2006, ordinarily requires a competitive procurement procedure to be operated for contracts subject to relevant thresholds. In the case of *Teckal s.r.l v the Commune of Viano C-107/98* the European Court of Justice recognised that if a contract were concluded between a local authority and a person legally distinct from that local authority, then the contract between them would not be a "public contract", under the EU public procurement directive if two tests were satisfied:
1. The local authority exercises over the person concerned a control which is similar to that which it exercises over its own departments (the control test);
 2. In addition, that same person carries out the essential part of its activity with the local authority or authorities (the function test).
- 5.6 It is considered that the both limbs of the above test are met in relation to BHP and therefore it is considered that the award of a development agreement to BHP is consistent with the EU public procurement regime.
- 5.7 BHP will be responsible under the development agreement to secure the proposed external funding from the GLA Grant Fund. The council will however be the grant recipient and subject to GLA compliance conditions and a delivery process and, where applicable, subject to requisite GLA consents. The development agreement will therefore have to provide that the council has full input into the negotiation and securing of GLA funding.
- 5.8 There will be a separate officer report by Brent Housing Partnership to the Brent Housing Partnership Board on the proposal which would be presented for

approval as soon as possible, following and subject to Cabinet approval in July and may require an Urgent Action procedure.

6.0 Diversity Implications

6.1 An Equalities Impact Assessment (“EIA”) was carried out in connection with the July 2014 Cabinet NAIL report. As this EIA is relevant to this report also, it is attached as Appendix 7.

6.2 The following positive impacts have been identified

- People with learning disabilities are able to lead full and independent lives in the community away from institution settings; and
- People will be able to have better access to the community and are likely to take part in social activities that support their overall health and social care needs.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 There are no implications for council staff arising from the proposed award of the development agreement.

7.2 If the needs of the client groups are high to moderate onsite staffing accommodation would need to be considered and the rent and service charges of this unit would need to be included in the customer service charges and evenly charged between the clients.

8.0 Background Papers

1. The Executive report on 11 November 2013 from the Strategic Director of Regeneration and Growth, titled Housing Revenue Account – asset management strategy.
2. The Executive report on 17 February 2014 from the Strategic Director of Adult Social Services titled: adult social care – market position statement 2014 ‘care and support closer to home’.

9.0 Appendix

1. Site photos
2. Site plan
3. Development options
4. Design options
5. Site restraints (portacabin and willow tree)
6. Clement Close Appraisal Summaries (unit numbers)
7. Equality Analysis from the NAIL project Cabinet report.

Contact Officers

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Operational Director Property & Projects

ANDY DONALD
Strategic Director Regeneration & Growth

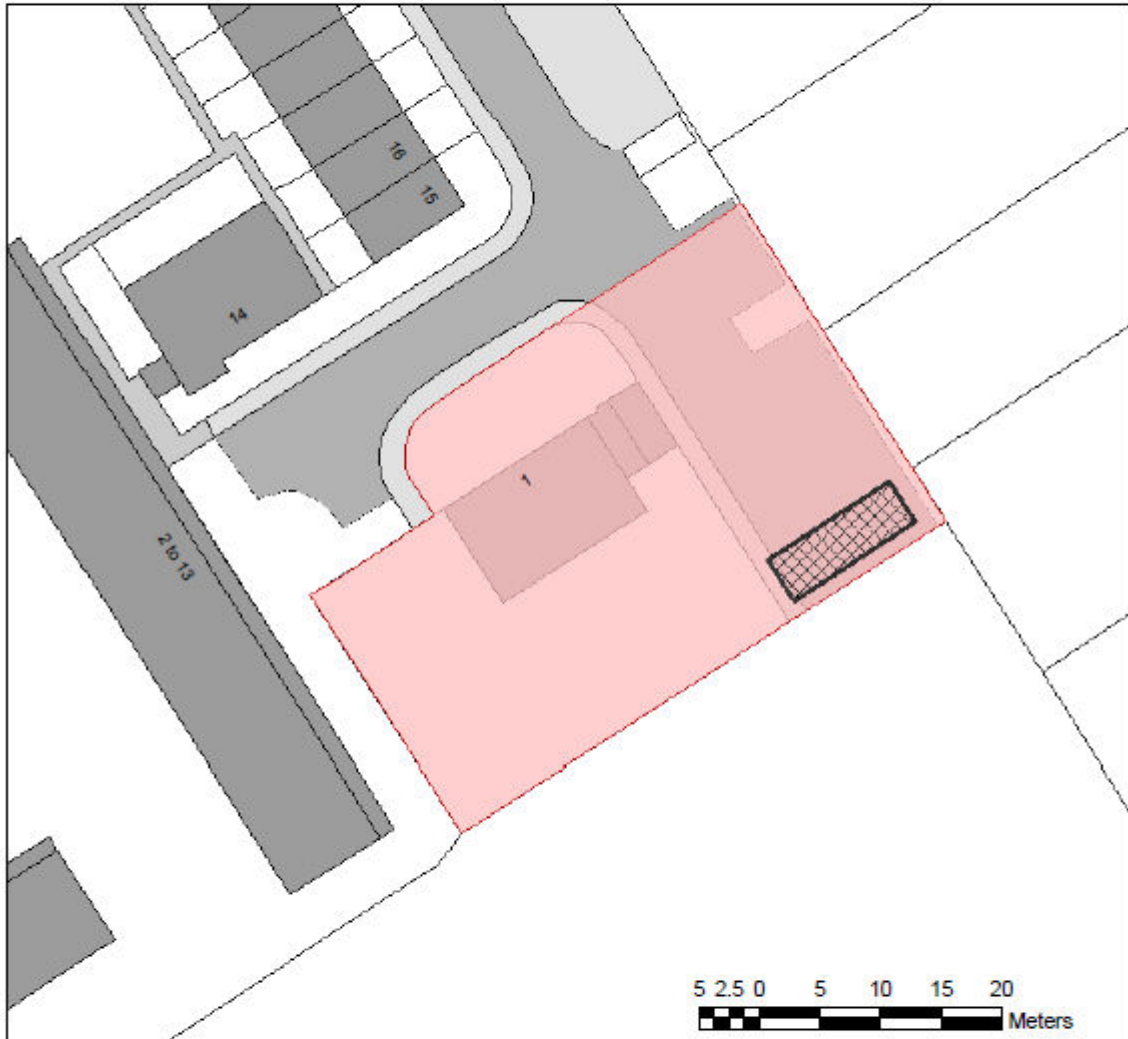
Appendix 1 – Site Photos





Meeting
Date

Version no.
Date

1 Clement Close, London, NW6 7AL



 Site for Disposal  Portacabin



1:500

Plan to stated scale if printed at A4.

NORTH



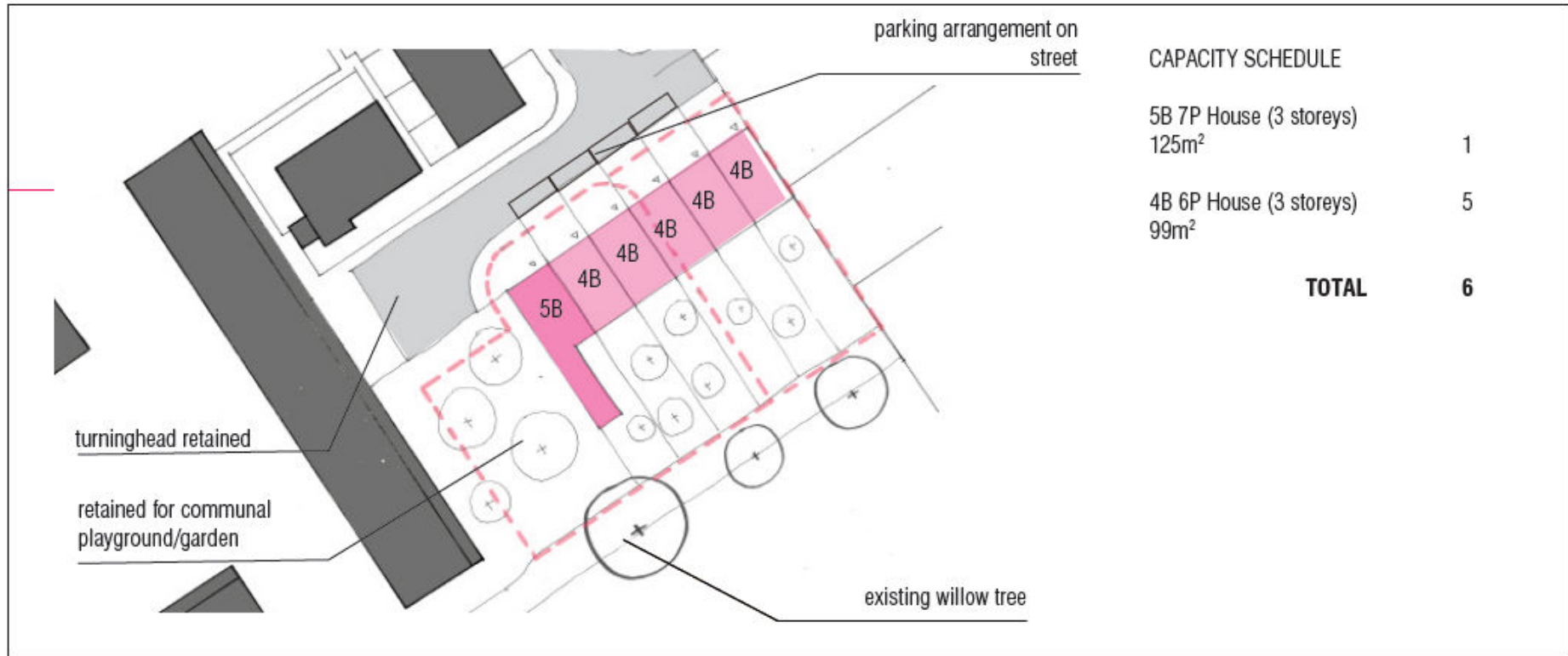
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Appendix 3 – Development Options

	Unit Mix	No of Units	Land Value £	Works Cost £	Fees £	Interest £	Total Costs £	Grant Funding £	Year Loan Repaid	NPV at Handover £	IRR	Market Value £	Profit from sales £	Revenue Saving Per Annum £	Asset Value at Handover £
A)	1 No 5-bed House 5 No 4-bed houses	6	1,000,000	1,261,700	249,625	94,649	2,605,974	366,000	65	-943,900	0.72%	4,250,000			3,884,000
B)	1 No 5-bed House 5 No 4-bed houses	6	1,000,000	1,261,700	249,625	94,649	2,605,974	366,000	26	290,510	5.54%	4,250,000		78,255	3,884,000
C)	10 No 1-bed flats	10	1,000,000	1,515,000	292,899	101,997	2,909,896	480,000	63	-1,035,000	0.70%	3,150,000			2,670,000
D)	10 No 1-bed flats	10	1,000,000	1,515,000	292,899	101,997	2,909,896	480,000	15	1,619,300	9.54%	3,150,000		168,264	2,670,000
E)	5 No 4-bed houses	5	1,000,000	1,518,750	581,564	65,744	3,166,058		1	333,940	n/a	3,500,000	333,942		0
F)	4 No 1-bed Flats 6 No 2-bed flats	10	1,000,000	1,488,000	597,800	65,191	3,150,991		1	399,000	n/a	3,550,000	399,009		0
G)	4 No 1-bed Flats 6 No 2-bed flats	10	1,000,000	1,488,000	526,800	65,339	3,080,139		28	1,996,900	7.50%	3,420,000			3,420,000

Appendix 4 – Design option 1 (family houses)

CAPACITY LAYOUT - OPTION 2 FAMILY HOUSES

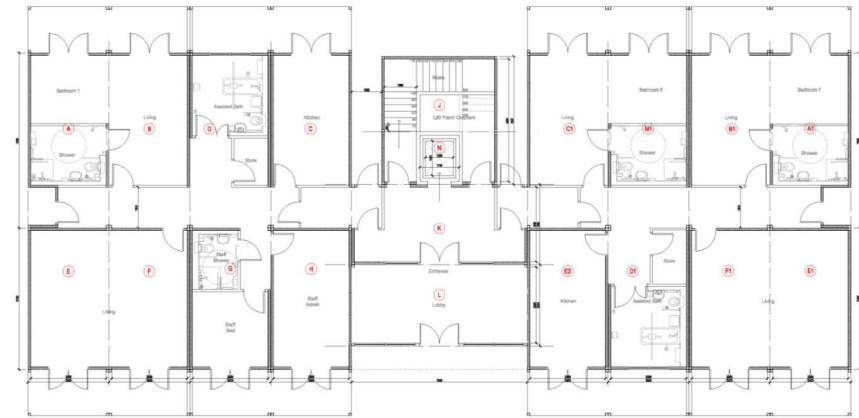


5B 7P House (3 storeys)	125m ²	1
4B 6P House (3 storeys)	99m ²	5
TOTAL		6

Appendix 4 – Design options 2 (assisted living) (The development size & bulk next to the North East fence line needs planners input)



Page 124

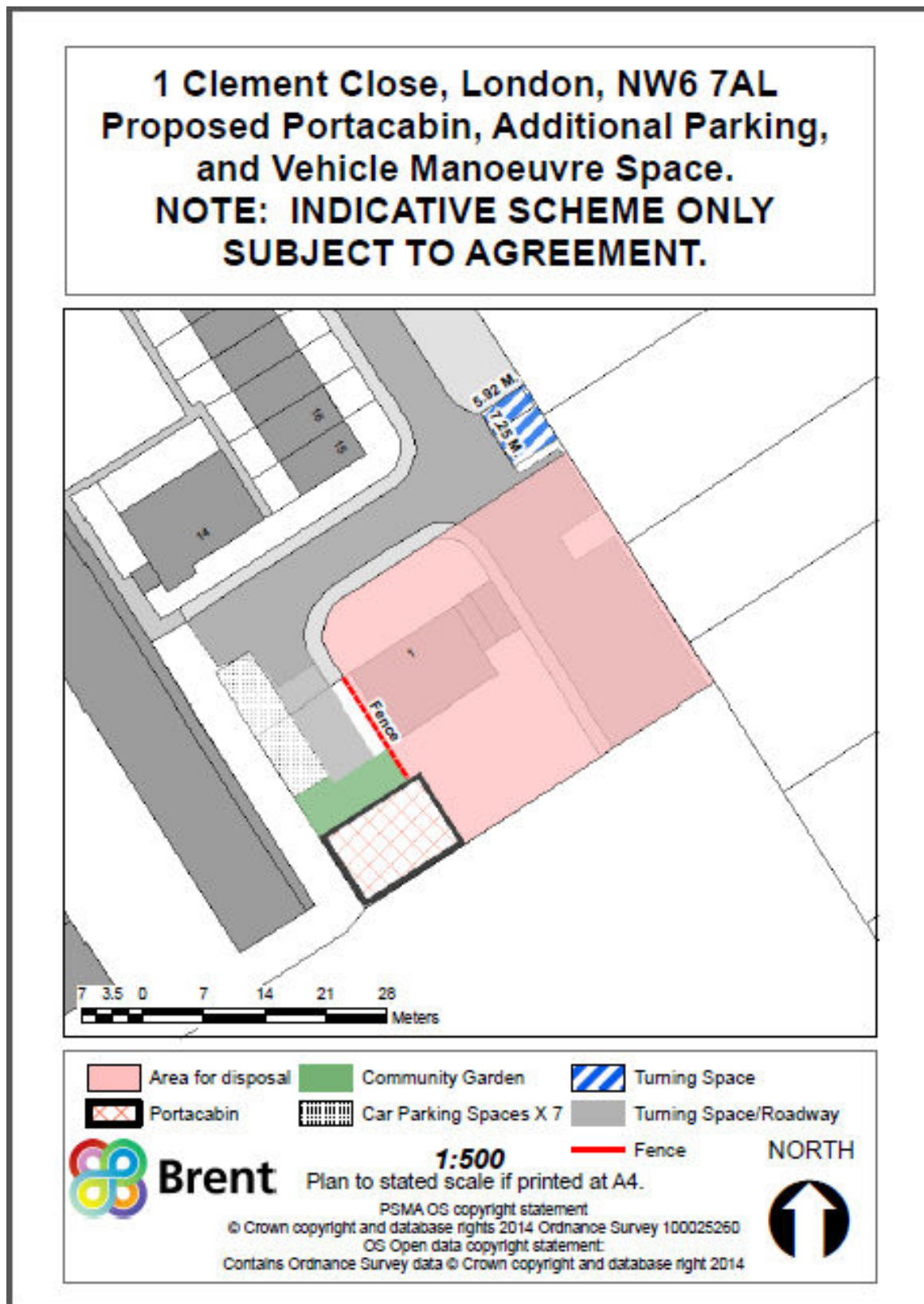


Multi Storey Option-
Ground Floor

Meeting
Date

Version no.
Date

Appendix 5 – Site restraints
 Portacabin



Weeping Willow



Appendix 6 – Clement Close Appraisal Summaries (unit numbers)

	Scheme Type	No of Units	Land Value	Works Cost	Fees	Interest	Total Costs	Grant Funding	LBB Capital Subsidy	Revenue Saving Per Annum	Year Loan Repaid	NPV at Handover	IRR	OMV
10 Unit Option	Adult Social Care Zero Acq £510k Captital subsidy	10	-	1,515,000	264,112	7,859	1,786,971	430,000	510,000	167,000	13	868,207	11.08%	£3,150,000
	Adult Social Care £750 Acq £510k Captital subsidy	10	750,000	1,515,000	282,862	56,285	2,604,147	430,000	510,000	167,000	30	54,023	4.75%	£3,150,000
12 Unit Option	Adult Social Care Zero Acq £510k Captital subsidy	12	-	1,818,000	316,935	17,141	2,152,076	516,000	510,000	201,000	15	932,539	9.93%	£3,780,000
	Adult Social Care £750 Acq £510k Captital subsidy	12	750,000	1,818,000	335,685	65,899	2,969,584	516,000	510,000	201,000	29	118,024	4.96%	£3,780,000
14 Unit Option	Adult Social Care Zero Acq £510k Captital subsidy	14	-	2,121,000	369,757	25,752	2,516,509	602,000	510,000	234,000	16	997,540	9.23%	£4,410,000
	Adult Social Care £750 Acq £510k Captital subsidy	14	750,000	2,121,000	388,507	74,510	3,334,017	602,000	510,000	234,000	28	183,025	5.11%	£4,410,000

Assumptions

Management	£650
Day to Day Maintenance	£565
Service Charge per unit per annum	£2,000
Voids & Bad Debt	5%
Major Works % of works from Yr 11	0.80%
Market Rent Per week	£275
Affordable Rent per week (70% of market)	£192.50
Rent Inflation	3%
Management, Maintenance Cost Inflation	2%
Interest Rate	4.50%
NPV Calculation over 30 Years	4.50%
Works Cost £ per sq meter	£2,000
Fit out Cost Per unit for specialist equipment per unit	£7,500
	13
Construction Period	months

Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Adult Social Care Service Area: Commissioning and Quality	Person Responsible: Name: Shamym Humdani Title: Project Delivery Officer, PMO Contact No: 020 8937 2330 Signed:
Name of policy: New Accommodation for Independent Living	Date analysis started: 11/04/2014 Completion date 24/04/2014 Review date:
Is the policy: New <input checked="" type="checkbox"/> Old <input type="checkbox"/>	Auditing Details: Name: Sarah Kaiser Title: Head of Equality Date: 30 April 2014 Contact No: 0208 937 4152 Signed: Sarah Kaiser
Signing Off Manager: responsible for review and monitoring Name: Phil Porter Title: Strategic Director, Adults Date 24/6/14 Contact No: 020 8937 5937 Signed:	Decision Maker: Name individual /group/meeting/ committee: New Accommodation for Independent Living Project Board Date:

2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area?

Please refer to stage 2 of the guidance.

The purpose of the project is to design and develop alternative 'accommodation plus' options, which incorporate:

- 'extra care' living (generally for older clients) and
- 'supported living' for younger people who require Adult Social Services (ASS).

This Project will be delivered in two phases:

- **Phase one** - will determine financial viability, and understand current market intelligence in order to agree the vision and priorities for future accommodation in Brent. It will include assessing/reviewing current client need in Brent and preparing to allocate clients to the new accommodation scheduled.
- **Phase two** - will deliver a rolling programme of accommodation between July 2014 and July 2016

This EIA covers **Phase one** only. The output of Phase one will inform the development and timelines of Phase two.

Phase one of the project aims to deliver efficiencies and improvements in the use of traditional residential and nursing care accommodation in Brent.

The proposed 'accommodation plus' options will support independence and provide choice in how and where clients live. This will involve extensive work with Planning & Development and Providers with the aim of meeting people's needs better at home and using new models of care and support in the community.

A residential client will live in a home with access to on-site personal care such as help with washing, dressing and medication. For those with a particular disability or illness, that requires nursing care on a frequent basis, a nursing home may be more appropriate.

Annual spend on residential and nursing care in Brent is currently £39.2m. The potential costs are even more significant when according to projections, the need for residential or nursing care accommodation may increase by as much as 31% by 2020.

This project presents an opportunity and challenge, from late 2015 onwards, allow innovation in accommodation solutions for Adult Social Services clients, by working with providers or other Local Authorities to:

- Identify new accommodation options (such as current council land, and opportunities in regeneration areas)
- Redevelop current residential and nursing care facilities to further reduce the reliance on existing residential and nursing care.

Two new facilities are currently being developed which will provide 40 units in January 2015 and 100 units in April 2016. To meet the council's short term requirements by 2016, a further 200 units of Accommodation plus capacity is required to be developed. Phase one comprises the delivery plan to develop this model. Phase two will comprise the implementation of the model developed in phase one.

In summary, this project will seek to deliver the following:

- Support individuals to live independently in the most appropriate setting by delivering a wider range of 'accommodation plus' options.
- In May 2013, the ASC DMT considered that, in theory, investing £2.2m per year in development costs, (Phase two) could save £6.2m a year in accommodation costs, generating savings of £4m. Target savings are therefore £500k (2015/16), and £4.1m (2016/17).

The development of accommodation options for clients with a Learning Disability, Physical Disability, or Mental Health needs, and accommodation for older people is in scope of this project.

The implementation of the preferred accommodation model(s) is out of scope and will be managed as part of Phase two of this project.

3. Describe how the policy will impact on all of the protected groups:

Age

We acknowledge that the greatest proportion of service users impacted will be the elderly who form 62 % of the total. This is reflected in the number of accommodation plus units allocated to this category in Phase 2 which is 93 out of 200 units.

Disability

18% of service users have a learning disability and a further 6% impacted are those with a physical disability. Consequently, 22 of the initial 200 units will cater specifically for the disabled, ensuring appropriate adaptations are put into place to create an even better environment which is fully conducive to the needs of the disabled individual in the best way possible. This will result in a positive impact for this category of people.

Race

We recognise that under race, the most impacted category will be 'White - British/ Welsh/ English / Scottish / Northern Irish', who form 28% of this protected group followed by 'Black or Black British – Caribbean' who form 11% of this group. There is a neutral impact on this category of individuals.

Religion or Belief

We do not hold information on the religious background of 50% of the service users, however from the information we have available, the most impacted category will be 'Church of England' who form 10% of the current users. Overall there is a potential adverse impact on this category because depending on the location of their accommodation, they may not be able to access places of worship as easily as they can do currently. We will consult with the Brent Multi-Faith Forum to look at options to address this concern.

Gender

There will be an equal impact on gender, bearing in mind that the gender is unknown for 15% of service users.

Gender Reassignment

At present there is no information and we do not anticipate that there will be any

impact.

Sexual Orientation

At present there is no information and we do not anticipate that there will be any impact.

Pregnancy and Maternity

At present there is no information and we do not anticipate that there will be any impact. We will ensure that we gather this information for Phase 2. The approach is focused on continuing to address individual needs appropriately, Whilst there may be a change in the way the service is provided, the level of service will continue to be met and every attempt will be made to ensure all the needs of the protected groups are met.

Even though we are currently aware about which particular groups will be affected by the alternative 'accommodation plus' options, at this stage we do not know the extent to which these individuals will be affected. This is due to the fact that Phase 2 will include the assessment process therefore currently we are unable to assess where the impact will be. Before commencing Phase 2, we must undertake a consultation, to check whether there are any further impacts on any of the equality groups that we have not yet identified. It must be noted that the decision to move a service user from residential care will only be taken where it is appropriate to do so, following a formal assessment process which will form part of Phase 2.

Equalities assessments will be carried out before the implementation of the preferred accommodation model in Phase 2 of the project.

Please give details of the evidence you have used:

National evidence suggests that this approach has the capacity to bring significant improvements to people's quality of life by moving away from a limited selection of traditional accommodation settings to a diverse range of accommodation settings which better support the individual needs as mentioned in section 2 of this Equality analysis.

There is broad recognition that for some people residential/nursing care will continue to offer the best solution, as these individuals will continue to require significant levels of care and support, but that there are people within existing residential care homes that could be better supported in more independent accommodation and who have the potential to achieve greater personal independence.

This will need to be determined on a case by case basis but the consensus amongst the Commissioning Teams and Contract Managers within Adult Social Care is:

- There are older people living in Residential Care who could be supported better in Extra Care;
- There are people with a learning disability living in Residential Care who would be better supported in Supported Living or Extra Care;
- There are people living in Extra Care who would be better supported in Sheltered Housing;
- People living with a mild to moderate dementia can live well in suitably designed and staffed Extra Care;
- People with a physical disability can, in many cases, be better supported in Extra Care or suitably adapted sheltered or general needs housing.

- Extra Care should not be seen as only for older people and that it should also be seen as a viable accommodation option for many younger adults with support needs.

Service User Profile April 2014

Current Client Group as per ASC data	Nursing	Residential	Grand Total
Adults - Learning Disability 18-64 Residential & Nursing Care	8	240	248
Adults - Mental Health Residential & Nursing	3	67	70
Adults – Older People Services Residential & Nursing Care	450	501	951
Adults – Physical Disability 18-64 Residential & Nursing Care	51	32	83
Grand Total	512	840	1352

We envisage this capacity being split across groups as per the table below:

Client Group	Accommodation Plus Capacity Units Needed (needed for Phase two)	Current quota (including self funders)
Learning Disabilities	62	248
Older People	93	951
Mental Health	22	70
Physical disability	22	83
Total	200	1352

In the longer-term it is estimated that at least 600 units in total will be required, and the approach developed through this commission will assist the Council in achieving this longer-term target

The following data includes both residential and nursing care service users

Residential & Nursing Care Gender	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
Female	97	8	471	24	600
Male	149	58	288	56	551
Unknown	2	4	192	3	201
Grand Total	248	70	951	83	1352

Residential & Nursing Care Age	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
18-29	36	5	0	2	43

30-39	36	3	0	5	44
40-49	62	20	0	13	95
50-59	76	30	3	28	137
60-69	33	9	65	28	135
70 +	3	1	692	4	700
Age Unknown across all 4 categories					198
				Total check	1352

Residential & Nursing Care Race	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
	2	2	191	3	198
-			13		13
Asian or Asian British - Any Other Asian Background	10	5	35	10	60
Asian or Asian British - British Asian	2	1	7	1	11
Asian or Asian British - Chinese	1		3	1	5
Asian or Asian British - East African Asian	2		3		5
Asian or Asian British - Indian	24	1	59	9	93
Asian or Asian British - Mixed Asian			2		2
Asian or Asian British - Pakistani	8		4		12
Black or Black British - African	14	4	11	4	33
Black or Black British - Any Other Black / African / Caribbean Background	9	21	17	2	49
Black or Black British - Black British	8	2	14	3	27
Black or Black British - Caribbean	31	2	115	4	152
Black or Black British - Mixed Black			1	1	2
Mixed / Multiple - Any Other Mixed / Multiple Ethnic Background		1			1
Mixed / Multiple - Black and Asian			1		1
Mixed / Multiple - Black and White			2		2
Mixed / Multiple - White and Black					1

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African			1		
Mixed / Multiple - White and Black Caribbean	1				1
Not Stated / Undeclared - Did not wish to reply			1		1
Not Stated / Undeclared - Form not completed		9	9	1	19
Not Stated / Undeclared - Not Known			6		6
Other Ethnic Groups - Any other group	1	2	9	4	16
White - British/ Welsh/ English / Scottish / Northern Irish	93	10	255	20	378
White - Form not completed			1		1
White - Irish	23	1	93	12	129
White - Mixed white	1		2		3
White - Other white, white unspecified	18	9	96	8	131
Grand Total	248	70	951	83	1352

Residential & Nursing Care Religion	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
Anglican			1		1
Baptist	3		9		12
Buddhist			2	1	3
Catholic	20	3	72	8	103
Christian	32	2	63	9	106
Church of England	35	1	105	2	143
Greek Orthodox	2		8		10
Hindu	23	2	48	9	82
Jainist	1		4		5
Jehovah Witness			2	1	3
Jewish	20		50	1	71
Methodist	4		13		17
Muslim	14		15	4	33
No Religion	5	2	17	2	26
Not Known	56	58	465	36	615
Other Religion	1		3	1	5
Pentecostal	2		1		3
Rastafarian		1			1
Roman Catholic	29	1	69	9	108

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Seventh-Day Adventists			2		2
Sikh			1		1
Undeclared	1		1		2
Grand Total	248	70	951	83	1352

4. Describe how the policy will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;

Every single service user has an individual needs led assessment which includes social care eligibility and takes into account all the issues around the protected groups. A support plan will be put into place which will meet the needs of people with all the protected characteristics appropriately

The accommodation plus setting will provide service users with the choice of how and where to live, in an environment which is fit for purpose, yet at the same time promoting independence. Appropriate care packages will still be in place, as they are currently, to meet the needs of the individuals

Those required to do so, will still remain in traditional residential settings. Other considerations include the implications of welfare reform, on the affordability of accommodation options for clients and the impact of any changes in central government policy or direction.

(b) Advance equality of opportunity;

Brent has produced its first Market Position Statement (MPS) which aims to signal our intention to share better, more transparent information with the market; for the benefit of both current and potential providers of Accommodation Based Care and Support Services (ABCSS). It will support better relationships between Commissioners and service providers, acting as a foundation for better engagement and partnership working resulting in a full range of services that fully meet the needs of people as close to home as possible and to promote real choice for local people.

The following four principles guide our thinking around how we develop models of ABCSS going forward:

- **Principle 1:** Wherever possible we meet people's needs at home or as close to home as possible and we will build local capacity in the marketplace to achieve this
- **Principle 2:** We recognise that the needs of individuals may change over time, and we work with individuals receiving care and support to review the services they receive in line with these changes; which may mean a change in service provision to better meet their needs
- **Principle 3:** We work proactively with the market to ensure that services are always of an excellent quality and value for money is always achieved.
- **Principle 4:** For local people, who genuinely need residential or nursing care, we actively review and monitor the quality of these services, to ensure they are safe, personalised, and deliver excellent quality and good outcomes for individuals.

The Brent Health and Wellbeing Strategy 2012-2015 stipulates that people will need to take on much greater personal responsibility for their own wellbeing, making the right choices when these are open to them. At the same time, recognising those people who

are vulnerable or at risk, so that we can focus on keeping people safe, prevention and early help for them.

Finally, if we discover that a particular protected group are excluded – we will target them.

(c) Foster good relations

The accommodation plus options developed will remain constant and supports the fostering of good relations by enabling all relevant clients in the borough to access the services they need.

No changes to the level of the service are proposed, other than opportunities identified during the phase one to improve the both quality of service delivery and the commitment by Brent to support local residents to stay at home for as long as possible or as close to home for as long as possible with excellent quality, personalised care and support.

It must be noted that Adult Social Care play an important role in ensuring that older people; physically disabled and those with learning disabilities access the right support within the community. Also in doing so, Adult Social Care support social inclusion for these groups within the wider community in Brent.

5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.

This is a predicative process and consultation has not been undertaken as yet. Phase one is about identifying the accommodation model and financial viability. Phase two will involve a consultation process' when we will engage with service users; their families and carers, their care providers and clinicians where appropriate, to understand their needs and whether there could be any negative impact which we have not yet identified This will form the basis of the decisions about future accommodation plus options.

i. Who did you engage with?

n/a

ii. What methods did you use?

n/a

iii. What did you find out?

n/a

iv. How have you used the information gathered?

n/a

v. How has it affected your policy?

n/a

6. Have you identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals,

to lessen or mitigate against this impact.

Please refer to stage 2, 3 & 4 of the guidance.

We anticipate a positive impact in relation to religion or belief as the accommodation plus sites will be more evenly distributed across the borough, increasing the potential to live much closer to a place of worship. To enhance this positive impact, we will consult with the Brent Multi Faith Forum on how best to improve access to places of worship and community support for service users moving into the new accommodation.

The levels and type of service provision will remain as at present. On the contrary, they will have the choice and independence to decide how and where they live.

It is recognised that for older people, relocation may cause emotional distress and orientation issues in their new surroundings. To mitigate this, it will be necessary to offer a 'resettlement package' to ensure that appropriate support and assistance are in place, both during and after the move.

For those with a physical disability, the transition from a residential care setting to a semi independent setting will require practical support to help them settle in their new surroundings.

Please give details of the evidence you have used:

The evidence comprises the operational data, process and financial information provided by officers and other contacts during the preparation of this report, along with the specific feedback from client commissioners in respect of service quality.

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age	x		
Disability			x
Gender re-assignment			x
Marriage and civil partnership			x
Pregnancy and maternity			x
Race			x
Religion or belief	x		
Sex			x
Sexual orientation			x

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only).

Please refer to stage 4 of the guidance.

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No major change

Your analysis demonstrates that:

- The policy is lawful
- The evidence shows no potential for direct or indirect discrimination
- You have taken all appropriate opportunities to advance equality and foster good relations between groups.

Please document below the reasons for your conclusion and the information that you used to make this decision.

The analysis has not identify potential direct or indirect discrimination at this stage of the project. We will need to consult with service users to ensure there is no potential discrimination in Phase 2 The levels and type of service provision will remain as at present.

The accommodation plus options will provide choice and independence to decide how and where service users may live.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future.

Please refer to stage 7 of the guidance.

During Phase two, implementation of the rolling programme of accommodation, a project board will be in place to monitor project activities and ensure no policy change is considered or undertaken without further consultation, review and appropriate approvals.

10. Action plan and outcomes


At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
We will monitor the allocation of accommodation plus units to ensure that it is proportionate to all the groups who are impacted. We will also undertake consultation with service users.					

Please forward to the Corporate Diversity Team for auditing.

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 Brent	<p style="text-align: center;">Cabinet 21 July 2014</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Growth</p>
<p>Wards affected: Northwick Park</p>	
<p>Proposed redevelopment of 1-5 Peel Road, Wembley, HA9 7ZY.</p>	

Not for Publication – Appendix 3.

1.0 Summary

- 1.1 This paper sets out proposals for the redevelopment of 1-5 Peel Road, Wembley, (Appendix 1 and 2) as independent living accommodation for clients with learning disabilities.
- 1.2 In order to achieve this, the report seeks approval for an exemption to the tendering requirements of Contract Standing Orders and delegation of powers to Officers to agree the terms and enter into a development agreement with Brent Housing Partnership to develop the subject site.

2.0 Recommendations

The Cabinet:

- 2.1 To agree to use 1-5 Peel Road, Wembley, HA9 7ZY (the “Peel Road Site”) as independent living accommodation for clients with learning disabilities.
- 2.2 To approve an exemption from the procurement requirements of Contract Standing Orders and delegate authority to the Operational Director of Property and Projects in consultation with the Director of Legal and Procurement to agree the terms, and enter into a development agreement with Brent Housing Partnership to develop the Peel Road Site as detailed in paragraph 3.13.
- 2.3 To approve total scheme development costs in the range £2,658,158 (10 homes) to £3,373,414 (14 homes).

- 2.4 To approve capital funding comprising of grant funding contributions from the Greater London Authority Mayor's Housing Covenant 2015-18 from £430,000 (10 homes) to £602,000 (14 homes); £510k from the Adults Social Care capital budget allocation of £1.8m and unsupported prudential borrowing of £1,718,158 (10 homes) to £2,261,414 (14 homes).

3.0 Detail

- 3.1 On 15th February 2011 the Executive considered a report from the Director of Housing and Community Care and the Director of Regeneration and Major Projects, titled: "Transfer of freehold of 54 Beechcroft Gardens HA 8EP, 7 Kinch Grove HA9 9TF, 63 Manor Drive HA9 8EB, 1-5 Peel Road HA9 7ZY, legal charge – Albert Road Day Centre, Albert Road, South Kilburn". A decision was made to delegate authority to undertake an auction and complete a sale of Peel Road or alternatively, if more appropriate, to let the building. A base value was stated as in the region of £500,000.
- 3.2 The Peel Road site is located on Peel Road in Wembley, North West London. It lies in a popular residential area between Wembley High Technology College, Vale Farm Sports Centre and East Lane Business Park.
- 3.3 Until 2011/12 the property was used as a residential home by Adult Social Care (ASC). When the building closed, a majority of clients moved to 167 Willesden Lane. The property is approximately 4,893 sq ft (455 sq m) and comprises a two-storey period brick building, with later side and rear brick extensions, as well as a conservatory, landscaped rear garden and off-street parking for five cars to the front. The site is roughly rectangular in shape and approximately 0.26 acres (0.105 hectares) in size.
- 3.4 The Peel Road site falls within class C2 (residential institutions) of the current planning Use Classes Order. This means the premises can be utilised for: residential schools, colleges and training centres, hospitals and convalescent nursing homes, hospice, children homes, seminaries and convents. It is considered the site has potential for redevelopment for a range of uses subject to planning consent.

Marketing

- 3.5 Following the previous Executive decision in 2011, the property was marketed through Colliers International in 2012. A number of bids in excess of the base price were received, however a disposal was not concluded due largely to an issue relating to a restrictive covenant on the title, which was removed in 2013 (see legal section below for more information).
- 3.6 Continuing on the basis of the Executive decision in 2011 to sell, Officers in consultation with our appointed agents Colliers International, considered it appropriate to review the 2012 bids in the context of the current market. It was concluded that as the market had moved on and strengthened, and in order to secure best value it was appropriate to remarket. This remarketing occurred in

late 2013. Further bids were received and a recommended bidder was identified (as detailed in confidential Appendix 3).

- 3.7 Over recent months it has become evident that the Council may have an ongoing requirement for the space in order to support its business priorities. Specifically the existing C2 (residential institutions) Use Class could be advantageous in meeting service transformation priorities within ASC.

Corporate use options

- 3.8 In reviewing the site, a number of alternative uses have been considered:

- Schools use was considered and discounted as the site is too small.
- Affordable Housing, in line with the priorities set out in the Housing Revenue Account (HRA) – Asset Management Strategy, as agreed by Executive on 11th November 2013.
- Homes for independent living, in line with the priorities set out in the Adult Social Care Market Position Statement, agreed by Cabinet in 2014.

- 3.9 Initial option appraisals carried out in regard to proposals for the Clement Close site (report elsewhere on this agenda) indicated that the delivery of Independent Living was most appropriate for sites of this nature and size (see Appendix 4).

- 3.10 The analysis in Appendix 4 looks at various development scenarios, assessing at the point of handover the net present value (NPV). NPV is the difference between the present value of the future cash-flows from an investment and the amount of investment. Present value of the expected cash flows is computed by discounting them at the required rate of return.

- 3.11 Seven detailed scenarios were modelled. These demonstrated that the most attractive option is to utilise the site for Independent Living accommodation. It is proposed that the homes will be used for adults aged 18 years and over with learning disabilities that might otherwise be placed in residential or nursing placements.

- 3.12 The homes will be self-contained with their own front door along with their own kitchen, lounge, bathroom and shower area. In addition there will be some communal facilities within the building.

Development delivery

- 3.13 In considering the development of the Peel Road Site, Officers are of the view that this should be led by a developer agent. Brent Housing Partnership (BHP) currently act as developer agent under a development agreement in relation to HRA development. The Peel Road site scheme is not however an HRA development but a general fund scheme and is therefore not covered by the council's existing arrangement.

- 3.14 Officers consider that BHP has all the relevant skills and expertise necessary to develop the Peel Road Site. Exploratory discussions with BHP have indicated

that BHP would charge a fee of 2.5% of scheme costs (this fee has been factored into the financial appraisal). This figure is considered competitive.

3.15 In order to bring forward proposals without delay, rather than carrying out a procurement process for a developer, the proposal is to enter into a development agreement with BHP on terms to be agreed by the Operational Director of Property and Projects in consultation with the Director of Legal & Procurement.

3.16 Under the development agreement BHP would be responsible for:

- Securing for the Council Greater London Authority Mayor's Housing Covenant 2015-18 grant funding and dealing with associated requirements.
- On behalf of Brent acting as client and employing the necessary consultants and contractors to successfully deliver the project in line with the Council's requirements.

3.17 If Cabinet approval is secured, the aim would be to begin detailed design and planning processes in July 2014, leading to a start on site in June 2015 and a completion twelve months later in July 2016.

Exit options

3.18 In a changing care market it would be prudent to ensure that the Council include provision for an exit option, and this will need to be factored in as the design further develops. Officers would look to develop the homes in a manner that would allow for easy adaptation to normal general needs rental or for private sale or any other options.

3.19 In such circumstances the Council would be required to pay back any Greater London Authority (GLA) grant contribution to the scheme or recycle it to a future development.

Housing Management

3.20 Housing management services will need to be fully specified and secured. The specification will need to include:

- Rent and service charge collection;
- Dealing with rent arrears;
- Issuing tenancy agreements;
- Void management;
- Emergency repair;
- Regular repair;
- Major repair;
- Health and safety checks;
- Void works.

3.21 Within the capital appraisal the following has been assumed:

- Management costs £650 per unit.

- Void rent loss 5% of the total rental cost for the year.
- Repairs and Maintenance costs £565 per unit per year.

3.22 The rents are currently estimated as £192 per week per home, this is based on 70% of the assessed open market rental values. The likely service charge is £2,000 per annum per home. The service charges will cover items such as communal cleaning, gardening, etc. These costs are eligible for housing benefit.

Delivery of support services

3.23 The projected care and support costs for learning disabilities range from £550 to £1,600 per week per client in residential care placements. This includes one to one support for mild to moderate learning disabilities requiring from 4 to 8 hours of care per week at a rate of £14 to £16 per hour per person. For this proposal the estimated savings cost can range from £158 to £704 per person per week.

3.24 A typical care and support package for individuals in supported living can include:

- Sleeping in or waking night staff;
- Someone to be at the scheme 24/7;
- One to one support;
- Prompting or supervising with personal care (which could include bathing, washing, cleanliness, etc.);
- Supporting individuals to maintain their tenancies;
- Supporting individuals with daily living skills which can include; money management e.g. bill payment, preparing meals, shopping, cooking, keeping their home tidy and clean;
- Supporting individuals with travel training; and
- Support to ensure individuals have access to their community for employment, education, training or social reasons.

3.25 It is anticipated that the value of this care contract will be below £250,000 and will be procured using a mini-competition under the West London Alliance Homecare Framework. Should the care cost be in excess of £250,000 then appropriate approval would be sought from Cabinet.

3.26 If specific aids and adaptations are required to be made to individual units then appropriate disabled facilities grant applications will be made.

4.0 Financial Implications

4.1 The land value associated with the site has been excluded from the appraisal as this is an existing council asset and therefore will not constitute a real cost to the Council.

4.2 The result of the amended appraisal is a positive NPV of £868,000 with a 13 year payback period (10 home scheme).

- 4.3 However, the Council's current Capital Disposals programme includes a forecast capital receipt of £800,000 for this site which is included within forecast resources to fund the overall Capital Programme. If the site is to be utilised for the provision of Independent Living it will be necessary to replenish the Council's capital funding through additional unsupported borrowing, the associated revenue debt charges of which will be met from the overall business case for the scheme.
- 4.4 The result of this amendment to the appraisal is to reduce the positive NPV to £200 with an increased payback period of 31 years (10 home scheme).
- 4.5 Further work has been undertaken to assess the impact of increasing unit provision on the site to 12 and 14 units. This work has indicated that additional provision will result in reduced payback periods and additional revenue savings.
- 4.6 The summary option appraisals are available at Appendix 5 of this report.
- 4.7 As the proposal is to deliver care provision, this development will sit outside the HRA development programme and will be funded via a combination of contribution from the ASC care capital programme of £510,000, GLA grant of £430,000 (which would increase depending on the number of homes) and unsupported borrowing to an estimated maximum of £2,600,000. Debt costs associated with the additional unsupported borrowing will be met from the derived rental stream.
- 4.8 If the council were to dispose of the site after the development to create general needs rental, private sale or any other options, the GLA grant would have to be repaid or recycled to a future development within the grant criteria.
- 4.9 The property has been marketed, with bids received. A recommended bidder has been identified, as per the confidential Appendix 3. The differential between this and the forecast capital receipt of £800,000 reflects the opportunity to the council to further fund the capital programme, potentially reducing the amount of unsupported borrowing that the council has to undertake and the associated revenue cost of that borrowing. The reduction in the level of debt charge this could generate is estimated at £40,000 per annum over 10 years.
- 4.10 The Independent Living Accommodation scheme is forecast to achieve £168,000 revenue savings per annum.
- 4.11 The Executive decision in 2011 was to proceed with a sale in the open market. Retaining and developing the asset however would preserve the site's future value.
- 4.12 The basic cost assumptions included within the option appraisal are in line with BHP standard as a development agent. The detailed costs will be reviewed throughout the scheme development. Any significant variances through the development phase will be monitored and reported back to Cabinet as appropriate.

5.0 Legal Implications

- 5.1 As indicated in the 'development delivery' section, it is proposed that the Council enter into a development agreement with BHP. BHP is an arms length management organisation and whilst the council has delegated certain of its management functions to BHP in accordance with s27 of the Housing Act 1985, these delegations do not cover the proposed development agreement in respect of the Peel Road site scheme.
- 5.2 Contract Standing Orders provide that 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. The Council's Contract Standing Orders require a competitive procurement process to be conducted in relation to the award of contracts including the proposed development agreement.
- 5.3 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 the 'development delivery' section of this report.
- 5.4 The EU public procurement regime, set out in UK law in the Public Contracts Regulations 2006, ordinarily requires a competitive procurement procedure to be operated for contracts subject to relevant thresholds. In the case of *Teckal s.r.l v the Commune of Viano C-107/98* the European Court of Justice recognised that if a contract were concluded between a local authority and a person legally distinct from that local authority, then the contract between them would not be a "public contract", under the EU public procurement directive if two tests were satisfied:
1. The local authority exercises over the person concerned a control which is similar to that which it exercises over its own departments (the control test);
 2. In addition, that same person carries out the essential part of its activity with the local authority or authorities (the function test).
- 5.5 It is considered that both limbs of the above test are met in relation to BHP and therefore it is considered that the award of a development agreement to BHP is consistent with the EU public procurement regime.
- 5.6 As indicated in the 'development delivery' section of this report, BHP will be responsible under the development agreement to secure the proposed external funding from the GLA Grant Fund. The council will however be the grant recipient and subject to GLA compliance conditions and a delivery process and, where applicable, subject to requisite GLA consents. The development agreement will therefore have to provide that the council has full input into the negotiation and securing of GLA funding.
- 5.7 As indicated in the report to the Executive of 15th February 2011, as a condition of the transfer of the Peel Road Site from the Brent Teaching Primary Care Trust

to the council in 2011, a charge was placed against the property to ensure that the council used the property for the provision of accommodation and care for persons with learning disabilities or with a mental illness or such other group as is previously approved in writing by NHS Property Services Limited, who are the successors in title to the Brent Teaching Primary Care Trust. Following negotiation with Brent Teaching Primary Care Trust, this charge was removed from the Peel Road Site and placed on an alternative site used for the provision of services to the relevant client group.

- 5.8 There will be a separate officer report by Brent Housing Partnership to the Brent Housing Partnership Board on the proposal which would be presented for approval as soon as possible, following and subject to Cabinet approval in July and may require an Urgent Action procedure.

6.0 Diversity Implications

- 6.1 An Equalities Impact Assessment (“EIA”) was carried out in connection with the July 2014 Cabinet NAIL report. As this EIA is relevant to this report also, it is attached as Appendix 6.

- 6.2 The following positive impacts have been identified:

- People with learning disabilities are able to lead full and independent lives in the community away from institution settings.
- People have better access to the community and are likely to take part in social activities that support their overall health and social care needs.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no implications for council staff arising from the proposed award of the development agreement.
- 7.2 If the needs of the client groups are high to moderate, onsite staffing accommodation would need to be considered. In these circumstances the cost of the rent and service charges for the relevant individual unit would need to be equitably apportioned between the service charges for the remaining units.

8.0 Background Papers

1. The Executive report on 15th February 2011 from the Director of Housing and Community Care and the Director of Regeneration and Major Projects, titled transfer of freehold of 54 Beechcroft Gardens HA 8EP, 7 Kinch Grove HA9 9TF, 63 Manor Drive HA9 8EB, 1-5 Peel Road HA9 7ZY, legal charge – Albert Road Day Centre, Albert Road, South Kilburn.
2. The Executive report on 11th November 2013 from the Strategic Director of Regeneration and Growth, titled Housing Revenue Account – asset management strategy.

3. The Executive report on 17th February 2014 from the Strategic Director of Adult Social Services titled: adult social care – market position statement 2014 ‘care and support closer to home’.

9.0 Appendix

1. Site Photos
2. Site Plan
3. Bids received (CONFIDENTIAL)
4. Clement Close Development Options
5. Peel Road Appraisal Summaries
6. Equality Analysis from the NAIL project Cabinet report.

Contact Officers

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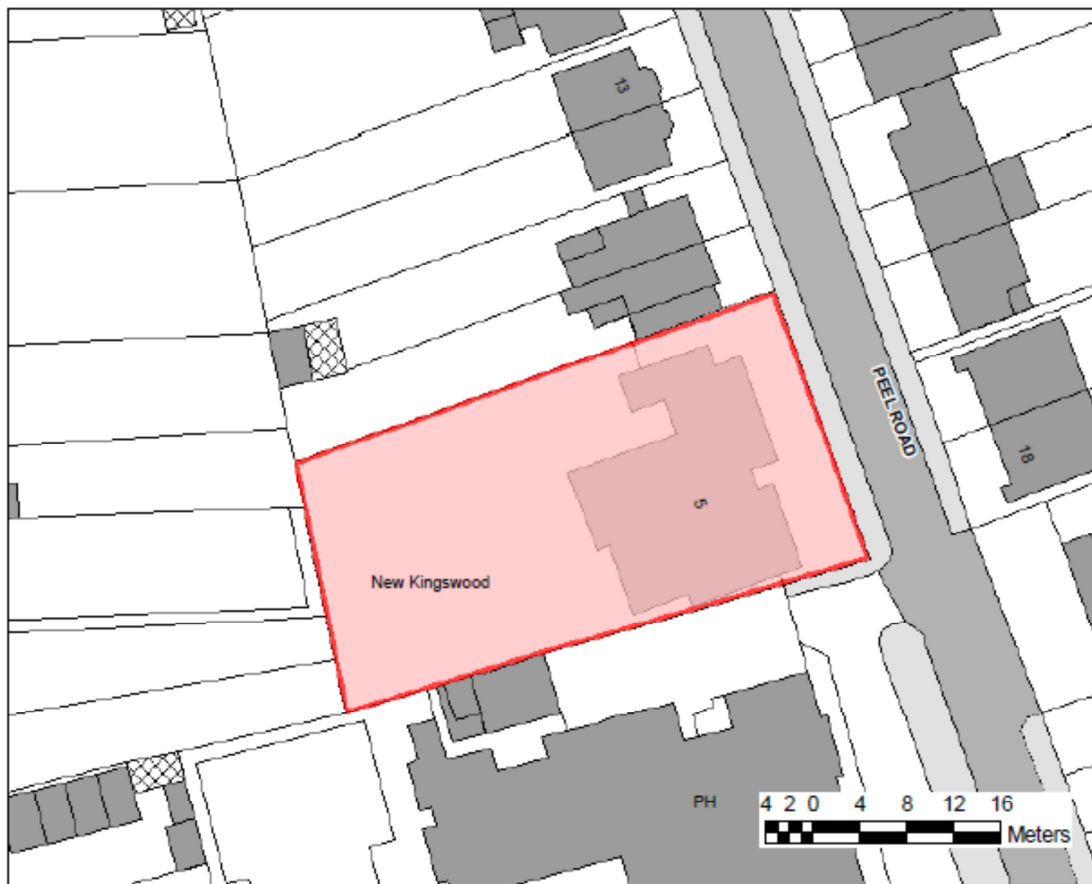
Richard Barrett
Operational Director Property & Projects

ANDY DONALD
Strategic Director Regeneration & Growth

Appendix 1 – Site Photos



Proposed redevelopment of 1-5 Peel Road, Wembley, HA9 7ZY.



Brent

Premises shown edged and shaded red.

1:500

Plan to stated scale if printed at A4.

PSMA OS copyright statement

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OS Open data copyright statement:

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NORTH



Appendix 4 – Clement Close Development Options

	Unit Mix	No of Units	Land Value £	Works Cost £	Fees £	Interest £	Total Costs £	Grant Funding £	Year Loan Repaid	NPV at Handover £	IRR	Market Value £	Profit from sales £	Revenue Saving Per Annum £	Asset Value at Handover £
A)	1 No 5-bed House 5 No 4-bed houses	6	1,000,000	1,261,700	249,625	94,649	2,605,974	366,000	65	-943,900	0.72%	4,250,000			3,884,000
B)	1 No 5-bed House 5 No 4-bed houses	6	1,000,000	1,261,700	249,625	94,649	2,605,974	366,000	26	290,510	5.54%	4,250,000		78,255	3,884,000
C)	10 No 1-bed flats	10	1,000,000	1,515,000	292,899	101,997	2,909,896	480,000	63	-1,035,000	0.70%	3,150,000			2,670,000
D)	10 No 1-bed flats	10	1,000,000	1,515,000	292,899	101,997	2,909,896	480,000	15	1,619,300	9.54%	3,150,000		168,264	2,670,000
E)	5 No 4-bed houses	5	1,000,000	1,518,750	581,564	65,744	3,166,058		1	333,940	n/a	3,500,000	333,942		0
F)	4 No 1-bed Flats 6 No 2-bed flats	10	1,000,000	1,488,000	597,800	65,191	3,150,991		1	399,000	n/a	3,550,000	399,009		0
G)	4 No 1-bed Flats 6 No 2-bed flats	10	1,000,000	1,488,000	526,800	65,339	3,080,139		28	1,996,900	7.50%	3,420,000			3,420,000

Appendix 5 - Peel Road Appraisal Summaries

	Scheme Type	No of Units	Land Value	Works Cost	Fees	Interest	Total Costs	Grant Funding	LBB Capital Subsidy	Revenue Saving Per Annum	Year Loan Repaid	NPV at Handover	IRR	OMV
10 Unit Option	Adult Social Care Zero Acq £510k Capital subsidy	10	-	1,515,000	264,112	7,859	1,786,971	430,000	510,000	167,000	13	868,207	11.08%	£2,600,000
	Adult Social Care £800k Acq £510k Capital subsidy	10	800,000	1,515,000	283,658	59,500	2,658,158	430,000	510,000	167,000	31	209	4.50%	£2,600,000
12 Unit Option	Adult Social Care Zero Acq £510k Capital subsidy	12	-	1,818,000	316,935	17,141	2,152,076	516,000	510,000	201,000	15	932,539	9.93%	£3,120,000
	Adult Social Care £800k Acq £510k Capital subsidy	12	800,000	1,818,000	336,935	61,085	3,016,020	516,000	510,000	201,000	28	173,384	5.18%	£3,120,000
14 Unit Option	Adult Social Care Zero Acq £510k Capital subsidy	14	-	2,121,000	369,757	25,752	2,516,509	602,000	510,000	234,000	16	997,540	9.23%	£3,640,000
	Adult Social Care £800k Acq £510k Capital subsidy	14	800,000	2,121,000	389,757	62,657	3,373,414	602,000	510,000	234,000	25	347,026	5.73%	£4,410,000

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Assumptions

Management	£650
Day to Day Maintenance	£565
Service Charge per unit per annum	£2,000
Voids & Bad Debt	5%
Major Works % of works from Yr 11	0.80%
Market Rent Per week	£275
Affordable Rent per week (70% of market)	£192.50
Rent Inflation	3%
Management, Maintenance Cost Inflation	2%
Interest Rate	4.50%
NPV Calculation over 30 Years	4.50%
Works Cost £ per sq meter	£2,000
Fit out Cost Per unit for specialist equipment per unit	£7,500
Construction Period	13 months

Appendix 6 – Equality Analysis

Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Adult Social Care Service Area: Commissioning and Quality	Person Responsible: Name: Shamym Humdani Title: Project Delivery Officer, PMO Contact No: 020 8937 2330 Signed:
Name of policy: New Accommodation for Independent Living	Date analysis started: 11/04/2014 Completion date 24/04/2014 Review date:
Is the policy: New <input checked="" type="checkbox"/> Old <input type="checkbox"/>	Auditing Details: Name: Sarah Kaiser Title: Head of Equality Date: 30 April 2014 Contact No: 0208 937 4152 Signed: Sarah Kaiser
Signing Off Manager: responsible for review and monitoring Name: Phil Porter Title: Strategic Director, Adults Date xx Contact No: 020 8937 5937 Signed: 24/6/14	Decision Maker: Name individual /group/meeting/ committee: New Accommodation for Independent Living Project Board Date:

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2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area?

Please refer to stage 2 of the guidance.

The purpose of the project is to design and develop alternative 'accommodation plus' options, which incorporate:

- 'extra care' living (generally for older clients) and
- 'supported living' for younger people who require Adult Social Services (ASS).

This Project will be delivered in two phases:

- **Phase one** - will determine financial viability, and understand current market intelligence in order to agree the vision and priorities for future accommodation in Brent. It will include assessing/reviewing current client need in Brent and preparing to allocate clients to the new accommodation scheduled.
- **Phase two** - will deliver a rolling programme of accommodation between July 2014 and July 2016

This EIA covers **Phase one** only. The output of Phase one will inform the development and timelines of Phase two.

Phase one of the project aims to deliver efficiencies and improvements in the use of traditional residential and nursing care accommodation in Brent.

The proposed 'accommodation plus' options will support independence and provide choice in how and where clients live. This will involve extensive work with Planning & Development and Providers with the aim of meeting people's needs better at home and using new models of care and support in the community.

A residential client will live in a home with access to on-site personal care such as help with washing, dressing and medication. For those with a particular disability or illness, that requires nursing care on a frequent basis, a nursing home may be more appropriate.

Annual spend on residential and nursing care in Brent is currently £39.2m. The potential costs are even more significant when according to projections, the need for residential or nursing care accommodation may increase by as much as 31% by 2020.

This project presents an opportunity and challenge, from late 2015 onwards, allow innovation in accommodation solutions for Adult Social Services clients, by working with providers or other Local Authorities to:

- Identify new accommodation options (such as current council land, and opportunities in regeneration areas)
- Redevelop current residential and nursing care facilities to further reduce the reliance on existing residential and nursing care.

Two new facilities are currently being developed which will provide 40 units in January 2015 and 100 units in April 2016. To meet the council's short term requirements by 2016, a further 200 units of Accommodation plus capacity is required to be developed. Phase one comprises the delivery plan to develop this model. Phase two will comprise the implementation of the model developed in phase one.

In summary, this project will seek to deliver the following:

- Support individuals to live independently in the most appropriate setting by delivering a wider range of 'accommodation plus' options.
- In May 2013, the ASC DMT considered that, in theory, investing £2.2m per year in development costs, (Phase two) could save £6.2m a year in accommodation costs, generating savings of £4m. Target savings are therefore £500k (20015/16), and £4.1m (2016/17).

The development of accommodation options for clients with a Learning Disability, Physical Disability, or Mental Health needs, and accommodation for older people is in scope of this project.

The implementation of the preferred accommodation model(s) is out of scope and will be managed as part of Phase two of this project.

3. Describe how the policy will impact on all of the protected groups:

Age

We acknowledge that the greatest proportion of service users impacted will be the elderly who form 62 % of the total. This is reflected in the number of accommodation plus units allocated to this category in Phase 2 which is 93 out of 200 units.

Disability

18% of service users have a learning disability and a further 6% impacted are those with a physical disability. Consequently, 22 of the initial 200 units will cater specifically for the disabled, ensuring appropriate adaptations are put into place to create an even better environment which is fully conducive to the needs of the disabled individual in the best way possible. This will result in a positive impact for this category of people.

Race

We recognise that under race, the most impacted category will be 'White - British/ Welsh/ English / Scottish / Northern Irish', who form 28% of this protected group followed by 'Black or Black British – Caribbean' who form 11% of this group. There is a neutral impact on this category of individuals.

Religion or Belief

We do not hold information on the religious background of 50% of the service users, however from the information we have available, the most impacted category will be 'Church of England' who form 10% of the current users. Overall there is a potential adverse impact on this category because depending on the location of their accommodation, they may not be able to access places of worship as easily as they can do currently. We will consult with the Brent Multi-Faith Forum to look at options to address this concern.

Gender

There will be an equal impact on gender, bearing in mind that the gender is unknown for 15% of service users.

Gender Reassignment

At present there is no information and we do not anticipate that there will be any

impact.

Sexual Orientation

At present there is no information and we do not anticipate that there will be any impact.

Pregnancy and Maternity

At present there is no information and we do not anticipate that there will be any impact. We will ensure that we gather this information for Phase 2. The approach is focused on continuing to address individual needs appropriately. Whilst there may be a change in the way the service is provided, the level of service will continue to be met and every attempt will be made to ensure all the needs of the protected groups are met.

Even though we are currently aware about which particular groups will be affected by the alternative 'accommodation plus' options, at this stage we do not know the extent to which these individuals will be affected. This is due to the fact that Phase 2 will include the assessment process therefore currently we are unable to assess where the impact will be. Before commencing Phase 2, we must undertake a consultation, to check whether there are any further impacts on any of the equality groups that we have not yet identified. It must be noted that the decision to move a service user from residential care will only be taken where it is appropriate to do so, following a formal assessment process which will form part of Phase 2.

Equalities assessments will be carried out before the implementation of the preferred accommodation model in Phase 2 of the project.

Please give details of the evidence you have used:

National evidence suggests that this approach has the capacity to bring significant improvements to people's quality of life by moving away from a limited selection of traditional accommodation settings to a diverse range of accommodation settings which better support the individual needs as mentioned in section 2 of this Equality analysis.

There is broad recognition that for some people residential/nursing care will continue to offer the best solution, as these individuals will continue to require significant levels of care and support, but that there are people within existing residential care homes that could be better supported in more independent accommodation and who have the potential to achieve greater personal independence.

This will need to be determined on a case by case basis but the consensus amongst the Commissioning Teams and Contract Managers within Adult Social Care is:

- There are older people living in Residential Care who could be supported better in Extra Care;
- There are people with a learning disability living in Residential Care who would be better supported in Supported Living or Extra Care;
- There are people living in Extra Care who would be better supported in Sheltered Housing;
- People living with a mild to moderate dementia can live well in suitably designed and staffed Extra Care;
- People with a physical disability can, in many cases, be better supported in Extra Care or suitably adapted sheltered or general needs housing.

- Extra Care should not be seen as only for older people and that it should also be seen as a viable accommodation option for many younger adults with support needs.

Service User Profile April 2014

Current Client Group as per ASC data	Nursing	Residential	Grand Total
Adults - Learning Disability 18-64 Residential & Nursing Care	8	240	248
Adults - Mental Health Residential & Nursing	3	67	70
Adults – Older People Services Residential & Nursing Care	450	501	951
Adults – Physical Disability 18-64 Residential & Nursing Care	51	32	83
Grand Total	512	840	1352

We envisage this capacity being split across groups as per the table below:

Client Group	Accommodation Plus Capacity Units Needed (needed for Phase two)	Current quota (including self funders)
Learning Disabilities	62	248
Older People	93	951
Mental Health	22	70
Physical disability	22	83
Total	200	1352

In the longer-term it is estimated that at least 600 units in total will be required, and the approach developed through this commission will assist the Council in achieving this longer-term target

The following data includes both residential and nursing care service users

Residential & Nursing Care Gender	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
Female	97	8	471	24	600
Male	149	58	288	56	551
Unknown	2	4	192	3	201
Grand Total	248	70	951	83	1352

Residential & Nursing Care Age	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
18-29	36	5	0	2	43

30-39	36	3	0	5	44
40-49	62	20	0	13	95
50-59	76	30	3	28	137
60-69	33	9	65	28	135
70 +	3	1	692	4	700
Age Unknown across all 4 categories					198
				Total check	1352

Residential & Nursing Care Race	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
	2	2	191	3	198
-			13		13
Asian or Asian British - Any Other Asian Background	10	5	35	10	60
Asian or Asian British - British Asian	2	1	7	1	11
Asian or Asian British - Chinese	1		3	1	5
Asian or Asian British - East African Asian	2		3		5
Asian or Asian British - Indian	24	1	59	9	93
Asian or Asian British - Mixed Asian			2		2
Asian or Asian British - Pakistani	8		4		12
Black or Black British - African	14	4	11	4	33
Black or Black British - Any Other Black / African / Caribbean Background	9	21	17	2	49
Black or Black British - Black British	8	2	14	3	27
Black or Black British - Caribbean	31	2	115	4	152
Black or Black British - Mixed Black			1	1	2
Mixed / Multiple - Any Other Mixed / Multiple Ethnic Background		1			1
Mixed / Multiple - Black and Asian			1		1
Mixed / Multiple - Black and White			2		2
Mixed / Multiple - White and Black					1

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African			1		
Mixed / Multiple - White and Black Caribbean	1				1
Not Stated / Undeclared - Did not wish to reply			1		1
Not Stated / Undeclared - Form not completed		9	9	1	19
Not Stated / Undeclared - Not Known			6		6
Other Ethnic Groups - Any other group	1	2	9	4	16
White - British/ Welsh/ English / Scottish / Northern Irish	93	10	255	20	378
White - Form not completed			1		1
White - Irish	23	1	93	12	129
White - Mixed white	1		2		3
White - Other white, white unspecified	18	9	96	8	131
Grand Total	248	70	951	83	1352

Residential & Nursing Care Religion	Learning Disability 18-64	Mental Health	Older People Services	Physical Disability 18-64	Grand Total
Anglican			1		1
Baptist	3		9		12
Buddhist			2	1	3
Catholic	20	3	72	8	103
Christian	32	2	63	9	106
Church of England	35	1	105	2	143
Greek Orthodox	2		8		10
Hindu	23	2	48	9	82
Jainist	1		4		5
Jehovah Witness			2	1	3
Jewish	20		50	1	71
Methodist	4		13		17
Muslim	14		15	4	33
No Religion	5	2	17	2	26
Not Known	56	58	465	36	615
Other Religion	1		3	1	5
Pentecostal	2		1		3
Rastafarian		1			1
Roman Catholic	29	1	69	9	108

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Seventh-Day Adventists			2		2
Sikh			1		1
Undeclared	1		1		2
Grand Total	248	70	951	83	1352

4. Describe how the policy will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;

Every single service user has an individual needs led assessment which includes social care eligibility and takes into account all the issues around the protected groups. A support plan will be put into place which will meet the needs of people with all the protected characteristics appropriately

The accommodation plus setting will provide service users with the choice of how and where to live, in an environment which is fit for purpose, yet at the same time promoting independence. Appropriate care packages will still be in place, as they are currently, to meet the needs of the individuals

Those required to do so, will still remain in traditional residential settings. Other considerations include the implications of welfare reform, on the affordability of accommodation options for clients and the impact of any changes in central government policy or direction.

(b) Advance equality of opportunity;

Brent has produced its first Market Position Statement (MPS) which aims to signal our intention to share better, more transparent information with the market; for the benefit of both current and potential providers of Accommodation Based Care and Support Services (ABCSS). It will support better relationships between Commissioners and service providers, acting as a foundation for better engagement and partnership working resulting in a full range of services that fully meet the needs of people as close to home as possible and to promote real choice for local people.

The following four principles guide our thinking around how we develop models of ABCSS going forward:

- **Principle 1:** Wherever possible we meet people's needs at home or as close to home as possible and we will build local capacity in the marketplace to achieve this
- **Principle 2:** We recognise that the needs of individuals may change over time, and we work with individuals receiving care and support to review the services they receive in line with these changes; which may mean a change in service provision to better meet their needs
- **Principle 3:** We work proactively with the market to ensure that services are always of an excellent quality and value for money is always achieved.
- **Principle 4:** For local people, who genuinely need residential or nursing care, we actively review and monitor the quality of these services, to ensure they are safe, personalised, and deliver excellent quality and good outcomes for individuals.

The Brent Health and Wellbeing Strategy 2012-2015 stipulates that people will need to take on much greater personal responsibility for their own wellbeing, making the right choices when these are open to them. At the same time, recognising those people who

are vulnerable or at risk, so that we can focus on keeping people safe, prevention and early help for them.

Finally, if we discover that a particular protected group are excluded – we will target them.

(c) Foster good relations

The accommodation plus options developed will remain constant and supports the fostering of good relations by enabling all relevant clients in the borough to access the services they need.

No changes to the level of the service are proposed, other than opportunities identified during the phase one to improve the both quality of service delivery and the commitment by Brent to support local residents to stay at home for as long as possible or as close to home for as long as possible with excellent quality, personalised care and support.

It must be noted that Adult Social Care play an important role in ensuring that older people; physically disabled and those with learning disabilities access the right support within the community. Also in doing so, Adult Social Care support social inclusion for these groups within the wider community in Brent.

5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.

This is a predicative process and consultation has not been undertaken as yet. Phase one is about identifying the accommodation model and financial viability. Phase two will involve a consultation process' when we will engage with service users; their families and carers, their care providers and clinicians where appropriate, to understand their needs and whether there could be any negative impact which we have not yet identified This will form the basis of the decisions about future accommodation plus options.

i. Who did you engage with?

n/a

ii. What methods did you use?

n/a

iii. What did you find out?

n/a

iv. How have you used the information gathered?

n/a

v. How has it affected your policy?

n/a

6. Have you identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.

Please refer to stage 2, 3 & 4 of the guidance.

We anticipate a positive impact in relation to religion or belief as the accommodation plus sites will be more evenly distributed across the borough, increasing the potential to live much closer to a place of worship. To enhance this positive impact, we will consult with the Brent Multi Faith Forum on how best to improve access to places of worship and community support for service users moving into the new accommodation.

The levels and type of service provision will remain as at present. On the contrary, they will have the choice and independence to decide how and where they live.

It is recognised that for older people, relocation may cause emotional distress and orientation issues in their new surroundings. To mitigate this, it will be necessary to offer a 'resettlement package' to ensure that appropriate support and assistance are in place, both during and after the move.

For those with a physical disability, the transition from a residential care setting to a semi independent setting will require practical support to help them settle in their new surroundings.

Please give details of the evidence you have used:

The evidence comprises the operational data, process and financial information provided by officers and other contacts during the preparation of this report, along with the specific feedback from client commissioners in respect of service quality.

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age	X		
Disability			X
Gender re-assignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race			X
Religion or belief	X		
Sex			X
Sexual orientation			X

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8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only).
Please refer to stage 4 of the guidance.

No major change

Your analysis demonstrates that:

- The policy is lawful
- The evidence shows no potential for direct or indirect discrimination
- You have taken all appropriate opportunities to advance equality and foster good relations between groups.

Please document below the reasons for your conclusion and the information that you used to make this decision.

The analysis has not identify potential direct or indirect discrimination at this stage of the project. We will need to consult with service users to ensure there is no potential discrimination in Phase 2 The levels and type of service provision will remain as at present.

The accommodation plus options will provide choice and independence to decide how and where service users may live.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future.
Please refer to stage 7 of the guidance.

During Phase two, implementation of the rolling programme of accommodation, a project board will be in place to monitor project activities and ensure no policy change is considered or undertaken without further consultation, review and appropriate approvals.

10. Action plan and outcomes


At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
We will monitor the allocation of accommodation plus units to ensure that it is proportionate to all the groups who are impacted. We will also undertake consultation with service users.					

Please forward to the Corporate Diversity Team for auditing.

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 <p>Brent</p>	<p>Cabinet 21 July 2014</p> <p>Report from the Director of Regeneration and Growth</p>
<p>Wards affected: ALL</p>	
<p>Housing Strategy 2014-19</p>	

1.0 Summary

- 1.1 This report presents the draft Housing Strategy, covering the period 2014-19, for approval.

2.0 Recommendations

- 2.1 That the Cabinet approve the Housing Strategy 2014-19 as appended to this report.
- 2.2 That the Cabinet note that the Evidence Base for the Strategy will be published online simultaneously and that the Action Plan setting out the detail of delivery will be completed following approval of the Strategy.

3.0 Detail

3.1 Context

- 3.1.1 The strategy has been developed against a challenging background, driven in large part by the economy and the government's policy response. As well as the overall financial pressures imposed by austerity, the government has implemented a wide-ranging programme of reform and policy change, which has rendered the approach taken in the council's existing strategy (2009-14), which was approved by the Council's Executive on 16 March 2009, largely obsolete and requires a response that encompasses changed conditions.

- 3.1.2 In the housing market, purchase and rental costs have risen to levels that put home-ownership and private renting beyond the means of many households, including those on middle incomes, while supply of social and affordable housing is limited and access is rationed. The growth of the private rented sector presents challenges around quality and standards of management, while homelessness demand has risen, partly as a result of evictions from the sector, putting further pressure on Brent's existing high temporary accommodation use. New supply will be insufficient in the short term to meet demand from a wide spectrum of household and income types.
- 3.1.3 Welfare reform has increased housing pressures, for example through changes to Housing Benefit and the imposition of the overall benefit cap and the social sector size criteria (the "bedroom tax"), and has driven an increased emphasis on employment and employment support as the main mechanism to mitigate the impact on affected households.
- 3.1.4 The Affordable Rent programme has reduced subsidy for new affordable housing and permitted rents to be charged at up to 80% of market levels and the 2015-18 programme in London introduces new variants on the Affordable Rent product: Capped and Discounted Rents, with rent levels respectively ranging from 50% to 80% of market rates. At the same time, the Localism Act introduced tenure reform with the encouragement of fixed terms in the social sector and permitted local authorities to discharge their homelessness duties through the private rented sector: Brent has already responded to these changes through the Tenancy Strategy and the revised Allocation Scheme and the new approaches are reflected in the strategy.
- 3.1.5 The advent of Housing Revenue Account self-financing has allowed the council and BHP to agree a plan for the management and maintenance of the housing owned by the council that uses borrowing headroom to pursue new opportunities, including borrowing to support new council housing as well as maintenance and improvement of the stock.
- 3.1.6 Although the general employment position in Brent is improving, average income levels rising and the number of residents with higher skills levels increasing, further analysis suggests that not all residents are benefitting from this improved picture. There is a higher level of worklessness and deprivation in some wards and neighbourhoods that has persisted for over twenty years. The number of residents earning less than the London Living Wage is significantly higher than the London average and the number of residents with no recognised qualification has also increased. This points to a growing polarisation within the borough.

3.2 Consultation

- 3.2.1 Formal consultation on the draft strategy ran between August and October 2013 and there has been continuing engagement over the last nine months. The draft document was published on the council's website and responses were invited through a dedicated email address. Presentations were made to

a range of meetings and events, including the Brent Connects Forums, and a consultation seminar was run on 28th October for partners, including Registered Providers, voluntary sector organisations and tenants and residents. Development of the strategy also drew on other consultation exercises, including those undertaken around the Tenancy Strategy, the Allocation Scheme, the Asset Management Strategy for the Council's own housing and proposals for the introduction of licensing in the private rented sector, as well as on feedback from meetings with colleagues and partners in the intervening period.

- 3.2.2 In broad terms, consultation demonstrated strong support for the approach set out in the draft document. There was a general recognition that the changing policy landscape, Brent demographics and prevailing economic conditions have changed the nature of housing need and demand in London as a whole and in Brent in particular.
- 3.2.3 When completed, the strategy must be submitted to the Mayor of London for review to demonstrate that it is in general conformity with the Mayor's strategy. Officers from the GLA were invited to take part in the consultation workshop in October 2013 but were unable to attend. However, full account has been taken of the Mayor's revised strategy in drafting the strategy and it is not anticipated that there will be any issues around conformity. It should also be noted that the process through which GLA officers will undertake a review remains unclear (no responses was received when the current strategy was submitted in 2009). The council is required to have a published homelessness strategy and the housing strategy incorporates this.

3.3 Strategic Direction and Priorities

- 3.3.1 Against the background described, the draft strategy seeks to establish a policy approach that responds to current conditions in a way that maximises opportunities, recognises the changing shape of demand and the London-wide context in which Brent sits and provides solutions across tenures, household and income groups. It is clear that, while a primary aim for housing policy and for social housing in particular is to meet urgent and severe housing need – for the homeless and for the poorest and most vulnerable, for example – there is also a requirement to address the growing demand from those whose housing aspirations are not being met by the market – those on low or middle incomes, newly forming households and those seeking to move between tenures, for example. The findings from the Social Mobility Commission illustrate the changing picture, noting that *“suitable and affordable accommodation is a defining factor in social and economic well-being and people's ability to progress aspects of their life such as education, employment and financial security”*.
- 3.3.2 The strategy therefore adopts an approach that can be broadly characterised by mobility – encouraging mobility between and within tenure types and with a focus on a range of housing that is affordable and accessible to households in a wide range of circumstances addressing the needs in particular of those on low and medium incomes.

- 3.3.3 The council has already begun to align housing and employment services: responsibility for both areas now sits within a single division in the Regeneration and Growth department and the Tenancy Strategy and the Allocation Scheme give additional priority to working households in the grant and renewal of tenancies, while a joint housing, benefits and employment team are focussed on households affected by welfare reform. The intention is that the Housing Strategy will be aligned closely with the emerging Employment, Skills and Enterprise Strategy. A primary aim for both strategies will be to continue to develop an approach that incentivises and supports employment, maximising the ability of housing provision to act as a lever for economic growth, while meeting residents' diverse housing needs.
- 3.3.4 From this broad context, the following priorities and strategic objectives emerge and will be the focus for action by the council and its partners over the next five years.
- 3.3.5 The overriding vision for the strategy is to support:
- A housing market that provides a range of housing options to meet the diverse needs and aspirations of Brent's residents, that enables social and economic mobility and that provides access to decent, affordable accommodation for all
- 3.3.6 Related to this vision, the strategy has five clear strategic priorities, with specific outcomes identified in each area and these are summarised in the following paragraphs.

3.4 Housing Supply

- 3.4.1 Increasing supply across all tenures is fundamental but, as noted above, the resources available and the scale of the challenge mean that the impact of new supply on meeting demand will be limited and long-term. Increasing the number of new homes alone will not suffice: the mix of new housing types and tenures and questions of affordability are just as important.
- 3.4.2 The identified priority is to significantly increase the supply of affordable housing. Within this, target outcomes include providing 5,000 new affordable rented and low-cost home ownership homes including 700 new council homes over the next five years and the supply of 200 new supported housing units by 2016. In addition, the strategy will support provision of 1,000 new private rented homes, of which at least 30% should be affordable to those on lower incomes.
- 3.4.3 This mix of provision will depend upon a range of funding sources is intended to maximise opportunities for new homes across tenures, supporting a mix that matches the changing pattern of need and demand.

3.5 Employment

- 3.5.1 As noted above, the strategy reflects the centrality of employment: in improving life chances, encouraging physical and social mobility, tackling exclusion, improving health and well-being and, most immediately, mitigating the impact of welfare reform.
- 3.5.1 The strategic aim is to increase employment and reduce economic exclusion through an integrated approach to housing and employment provision and support. As a result, outcomes will include raising employment levels among social housing tenants and in priority neighbourhoods significantly, reducing the gap between Brent's most deprived neighbourhoods and the rest of the borough, drawing on the findings of the Social Mobility Commission and the emerging priorities for the Employment, Skills and Enterprise Strategy. Increasing employment levels and increasing opportunities for progression in employment will be crucial in improving access to housing options for Brent residents who currently face severe difficulties with affordability.

3.6 Private Rented Sector

- 3.6.1 The sector has grown in response to demand, presenting both opportunities and challenges. Realistically, the sector will remain the primary source of accommodation for many Brent households for the foreseeable future and the strategy therefore needs to foster and support the market while addressing the negative elements of its expansion and its relative lack of regulation.
- 3.6.2 The strategic priority is to maximise the contribution of the private rented sector to meeting housing need and demand through the provision of decent and well-managed accommodation. Central to this is the introduction of borough-wide licensing of HMOs in early 2015 and the potential introduction, subject to consultation and Cabinet approval, of Selective Licensing in certain wards.
- 3.6.3 The expectation is that licensing, together with use of the council's enforcement powers and increased partnership working with Brent landlords through accreditation schemes and the development of support and incentives for letting, will encourage a more effective and responsive market in which good landlords will operate effectively and profitably. Access to and quality in the sector will be improved through support for new development as noted above and by provision of lettings agency services by Brent Housing Partnership.

3.7 Homelessness and Allocations

- 3.7.1 Rising homelessness is the most acute symptom of London's housing crisis, as well as the most difficult and disruptive experience for affected households and the source of significant costs for the council.

3.7.2 The strategic priority is therefore to significantly reduce levels of homelessness through an increased focus on prevention and by increasing access to private rented properties, both within Brent and as close to the borough as is affordable. The aim is to minimise the use of Bed & Breakfast Accommodation in the short-term. A high proportion of allocations to homeless households will have an immediate impact, and the long-term aim being to substantially reduce temporary accommodation levels and costs.

3.8 Social Housing Improvement

3.8.1 The social housing stock is a vital resource and significant progress has been made in improving quality, in particular through the Decent Homes programme. However, there are areas where further progress can be made, in particular with regard to energy efficiency, and it is also essential that the stock is used in the most effective way.

3.8.2 The strategic priority is to improve the quality of the existing social housing stock and ensure its efficient use. A major 7-year investment programme, set out in the Asset Management Strategy, to all the Council's tenanted and leasehold stock commences this year and will sustain and build on the improvements achieved through Decent Homes. The council has appointed an Energy Efficiency partner and they will develop and lead a programme of retrofit works to both social housing and private sector properties across the borough, maximising applicable ECO and Green Deal funding to improve efficiency, tackle fuel poverty and reduce carbon emissions.

3.8.3 The Tenancy Strategy and Allocation Scheme will ensure that the stock is let and managed effectively, with use of fixed terms and under-occupation incentives, among other initiatives, assisting in increasing mobility within the stock and raising the number of available lettings. A programme of stock re-balancing, together with the development programme noted above, will also ensure that the stock better matches need and demand, for example through increased provision of larger homes.

3.9 Delivery and Monitoring

3.9.1 To ensure achievement of the identified objectives and outcomes a detailed action plan covering an initial period of three years will be drawn up following approval of the strategy. The action plan will be reviewed and monitored regularly so that it is a live document guiding activities and focus. Mirroring the strategy, the action plan depends on Brent Council and its partners from all sectors working closely together to develop and deliver against it.

4.0 Financial Implications

4.1 In general terms the Housing Strategy is supported by a combination of the Council's General Fund, The Housing Revenue Account and the Council's Capital Programme. Elements of Housing provision are also supported from Central Government funds in respect of Housing related benefits and in the form of grants.

4.2 Delivery of the Housing Strategy will need to be undertaken within the limited resources available to the Council. Officers will continue to review and monitor expenditure and income and identify funding opportunities in order to maximise the availability of funds to support the strategy in line with corporate priorities.

5.0 Legal Implications

- 5.1 Under section 41 of the Greater London Authority Act 1999, as amended, (“GLA Act 1999”), it is a general duty of the Mayor of London to prepare and publish a London Housing Strategy. Under section 333D of the GLA Act 1999 (as amended), any local housing strategy prepared by a local housing authority in Greater London must be in general conformity with the Mayor of London’s London Housing Strategy,
- 5.2 Under section 8 of the Housing Act 1985, local housing authorities (including Brent Council) shall consider and review on a periodical basis the housing conditions in their area and the housing needs of the area with respect to the provision of further housing accommodation. Section 3 of the Housing Act 2004 imposes a duty on local housing authorities to keep housing conditions in their area under review.
- 5.3 Under section 87 of the Local Government Act 2003 (as amended), the Secretary of State for Communities and Local Government has the power to require local housing authorities to have a housing strategy and impose requirements with respect to the ends that the strategy is to be designed to achieve, the formulation of policy for the purposes of the strategy or review of the strategy. The Secretary of State also has the power to order local housing authorities to prepare a statement setting out their housing strategy and other material relating to housing. To date, the Secretary of State has not exercised these powers. Section 225 of the Housing Act 2004 states that “housing” (for the purposes of carrying out a review of the housing needs of an area under section 8 of the Housing Act 1985 and for the purposes of preparing a statement setting out a housing strategy and other material relating to housing under section 87 of the Local Government Act 2003) includes the accommodation needs of gypsies and travellers residing in their area.
- 5.4 The Council also has a statutory duty to prepare other housing related strategies, which include a homelessness strategy and a tenancy strategy. The Council is under a duty to have in place a “Homelessness Strategy” under section 3 of the Homelessness Act 2002, which must have regard to the Mayor of London’s London Housing Strategy, the Council’s Allocations Scheme under section 166A of the Housing Act 1996 and the Council’s Tenancy Strategy under section 150 of the Localism Act 2011. In turn, under section 151 of the Localism Act 2011, the preparation or modification of the Council’s Tenancy Strategy must have regard to the Mayor of London’s London Housing Strategy, the Council’s Allocations Scheme and the Council’s Homelessness Strategy. In turn, under section 166A(12) of the Housing Act 1996, the preparation or modification of the Council’s Allocations Scheme

must have regard to the Mayor of London's London Housing Strategy, the Council's Homelessness Strategy and the Council's Tenancy Strategy.

- 5.5 With regard to decisions to introduce additional licensing and selective licensing, sections 57(2) and 81(2) of the Housing Act 2004 respectively state that any exercise of such powers must be exercised in accordance with the Council's overall housing strategy.
- 5.6 The public sector equality duty, as set out in section 149 of the 2010 Act, 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 have a "protected characteristic" and those who do not share that protected characteristic
- 5.7 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.
- 5.8 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.
- 5.9 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 introduction of additional licensing for the area of Brent and the introduction of selective licensing. 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.
- 5.10 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 gathering relevant detail and statistics.
- 5.11 The Equality Impact Assessment is set out in Appendix 1 to this report.

6.0 Diversity Implications

- 6.1 An Equality Impact Assessment has been undertaken and is attached as Appendix 1 to this report.
- 6.2 In summary, the assessment concludes that the impact of the strategy is likely to be generally positive for all protected groups and, in some areas such as tackling overcrowding and improving energy efficiency, activity will be particularly positive for protected groups who are more likely to be affected by housing problems.

7.0 Staffing/Accommodation Implications (if appropriate)

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

Background Papers

Housing Strategy Evidence-base, 2014

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ANDREW DONALD
Strategic Director, Regeneration and Growth

Appendix 1: Equality Analysis

1. Roles and Responsibilities:	
<p>Directorate: Regeneration and Growth</p> <p>Service Area: Housing and Employment</p>	<p>Person Responsible: Name: Tony Hirsch Title: Head of Policy, Housing Contact No: 020 8937 2336 Signed:</p>
<p>Name of policy: Housing Strategy 2014-19</p>	<p>Date analysis started: March 2014</p> <p>Completion date: 30th June 2014</p> <p>Review date: June 2015</p>
<p>Is the policy: New <input checked="" type="checkbox"/> Old <input type="checkbox"/></p>	<p>Auditing Details: Name: Elizabeth Bryan Title: Equality Officer Date June 2014 Contact No: 020 89371190 Signed:</p>
<p>Signing Off Manager: responsible for review and monitoring Name: Jon Lloyd-Owen Title: Operational Director, Housing and Employment</p> <p>Date: 30th June 2014 Contact No: 07867169854 Signed:</p>	<p>Decision Maker: Name individual /group/meeting/ committee: Cabinet</p> <p>Date: July 2014</p>

2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area?

The Housing Strategy sets out the council's high-level objectives for policy and service delivery on all aspects of housing and related matters. It also comprises the council's statutory Homelessness Strategy. The Strategy is also informed by the emerging priorities in the draft Employment, Skills and Enterprise Strategy, recognising the essential links between housing and employment and housing's role as a lever for /economic growth.

The Housing Strategy identifies five priority objectives and associated outcomes that are the subject of this analysis.

1. Housing Supply - To significantly increase the capacity to meet housing needs and support social mobility through the provision of 5,000 Affordable Rent and Low-cost Home Ownership(LCHO) properties by 2019

Outcomes:

- 5,000 Affordable Rent and Low-Cost Ownership homes delivered by 2019
- A minimum of 35% of new Affordable Rent homes to be 3 bed or larger
- Severe overcrowding cut by half by 2019
- 700 affordable council homes delivered by 2019
- 1,000 new private rented homes of which at least 30% are aligned to LHA levels
- Two hundred additional supported housing units provided by 2016

2. Housing and Employment - To increase employment and reduce economic exclusion through an integrated approach to housing and employment provision and support

Outcomes:

- Reduce economic exclusion in priority areas and to halve the average difference between the priority areas and the borough as a whole by 2019
- To increase employment levels among social housing tenants by 20% by 2019
- To increase the proportion of allocations to those in employment by one-fifth
- To pilot frontline integrated housing options and employment advice in 2014-15

3. Private Rented Sector – To maximise the contribution of the private rented sector to meeting housing need and demand through the provision of decent and well-managed accommodation

Outcomes:

- All HMOs licensed under Additional Licensing by 2015 – estimated at up to 15,000
- Lettings Agency operational by March 2015 and a minimum of 400 properties let/managed per annum by 2019
- Minimum of 100 empty properties brought back into use per annum

4. Homelessness - To significantly reduce levels of homelessness and the use of temporary accommodation

Outcomes:

- Homeless acceptances below London average by 2019
- Number in temporary accommodation to the London average by 2019
- Families in B&B for more than six weeks to nil in 2014/15 and thereafter
- Number in B&B below 100 from 2015/16 onwards
- Number of households affected by the benefit cap in temporary accommodation to 200 by 15/16 and to 100 from 16/17

5. Social Housing Improvement - To improve the quality of the existing social housing stock and ensure its efficient use

Outcomes:

- All Council homes improved by 2021 within budget and Decent Homes standard maintained
- Top quartile performance for management quality and efficiency achieved from 2016 onwards
- Improved energy through treating all cavity walls where economically feasible by 2016 and targeted improvements to worst performing 10% of council homes

The document builds on previous strategies and, in many areas, identifies similar objectives and actions. However, it also identifies new directions that are a particular focus for this assessment.

3. Describe how the policy will impact on all of the protected groups:

The strategy is concerned with housing across all tenures and therefore, in principle, could impact on all Brent residents and all protected groups. In broad terms, certain protected groups are disproportionately affected by housing problems; for example, some ethnic groups such as Black Africans are over-represented among homeless applicants, while the Other White group, including large numbers of European migrants, are over-represented among private tenants (see evidence section below). Policies intended to address these problems are therefore likely to impact on these groups in a similarly disproportionate way, although the impacts are expected to be broadly positive. It should be stressed that elements of the strategy have been developed specifically to respond to identified equality issues; for example, objectives concerning larger homes respond to Brent's larger than average family size, which is partly a result of larger families within certain ethnic groups. It should also be noted that the strategy reflects policy decisions that have already been taken in a number of areas and have already been subject to detailed equality analysis. This document therefore does not repeat the exercise in these areas, which are:

- Tenancy Strategy, addressing the Affordable Rent regime, use of fixed-term tenancies and the power to discharge homelessness duties through the private rented sector
- Allocation Scheme, addressing the way in which eligibility and priority for social housing are calculated, eligibility for particular types of property and related issues
- Licensing in the Private Rented Sector, addressing the implementation of Additional and Selective Licensing schemes with effect from 2015 (subject to further consultation and consideration by the Executive in the case of the latter).

The following sections consider each of the protected groups

Age

There are several issues potentially affecting older people. First, the implementation of the social sector size criteria (the bedroom tax) has prompted changes to the council's policy on under occupation, with the offer of more generous compensation for households moving to smaller homes. Although older people are protected from the bedroom tax, they are more likely to be under-occupying and still able to benefit from additional support to move.

Second, the strategy specifically identifies a need for more Extra Care housing, in response to the increasing numbers of older people in the Brent population as indicated in the 2011 Census and, in particular, to enable people to move from unsuitable and expensive residential care. This will also have a positive impact for older people in widening opportunities to move to suitable and affordable housing and, in the case of older people in affordable housing, freeing up homes for re-letting. Although poor energy efficiency and lack of affordable warmth can affect households across all ages and all tenures, older people are particularly vulnerable due to generally low incomes and more at risk from the health impacts of fuel poverty. Programmes to deliver improvements to the stock, including partnership arrangements to deliver the Green Deal and ECO, will benefit older people in particular.

Younger people face particular problems in accessing housing, related to employment and income and to benefit restrictions, in particular the Single Room Rate for Housing Benefit for unemployed single people under 35. This contributes to overcrowding, with young people obliged to remain with the families as well as restricting the available options more generally, with young people often forced to share or occupy single rooms. The strategy sets out objectives around reducing overcrowding which will positively benefit this group

Disability

The strategy has identified a shortage of supported and specialised provision and sets objectives for delivery of more supported housing for broad needs groups including physical and learning disabilities and those with mental health needs. As with older people, one priority in this area is to reduce reliance on residential care and promote independent living.

Health and disability needs are taken into account in assessing priority for housing and there are targets for wheelchair accessible and Lifetime homes within the overall targets for new supply: where possible, all new homes will be built to Lifetime Homes standards and 10% will be wheelchair accessible. A programme of Disabled Facilities Grants provides funding to deliver improvements to homes across tenures to support independent living.

The impact of the policy and service delivery is therefore expected to be positive for this group.

Gender re-assignment

No particular impacts have been identified for this group and there is insufficient data to draw any specific conclusions beyond the general benefits identified for the key objectives that would apply to all groups. Data is now being collected and, as with other protected groups where data is lacking, acquiring improved information is a priority for the action plan.

Marriage and civil partnership

No particular impacts have been identified for this group and there is insufficient data to draw any specific conclusions beyond the general benefits identified for the key objectives that would apply to all groups.

Pregnancy and maternity

No particular impacts have been identified for this group beyond those already addressed in assessment of the Tenancy Strategy and Allocation Scheme, other than the positive impact of a move away from the use of bed and breakfast accommodation, which is unsuitable for households with children. It should be noted that households with children or containing someone who is pregnant fall into the priority need group where they are homeless or at risk of homelessness.

Race

Patterns of inequality linked to race are complex, perhaps even more so in a borough as diverse as Brent. While it is well-established that certain groups tend to be over- or under- represented within certain categories, the issues are not always clear cut. For example, Black Africans are over-represented among homeless applicants and

among households experiencing overcrowding, but within this it is apparent that nationality, culture and faith may be more relevant factors than a broad attribution of ethnic origin (see evidence section below). Analysis indicates that, for example, Somali households are more likely than some other Black Africans to experience overcrowding and this is connected to the tradition of larger families in Somali society. It is also apparent that experience of housing problems is different for newly forming communities than it is for established ones. For example, households of Indian origin are much more likely to be owner-occupiers while less well-established communities, in particular recent migrants from Europe, tend to live in private rented housing. Their concerns and the impact of the objectives in the Strategy are therefore likely to be very different. In this broad context, the objectives and outcomes identified in the strategy may have a greater or lesser importance or impact for different ethnic groups. Significant areas are:

- Housing need and homelessness

Certain groups are over-represented on the Needs Register and among homeless applicants (see evidence section below). The implications of policy for these groups have been considered as part of the Equality Analysis of the Tenancy Strategy and the Allocation Scheme.

The strategy sets targets for reduction in the use of temporary accommodation. This is likely to mean that an increased number of households will need to be placed in more suitable temporary accommodation or in affordable private rented accommodation outside Brent – both elsewhere in London and outside London. The positive benefit will be in the improved quality and settled nature of the accommodation; the dis-benefit for some will be in the more dispersed location of this accommodation. This has a potential impact on all protected groups within the homeless cohort, but households from some ethnic minorities are, as noted above, over-represented.

- Impact of welfare reform

Welfare reform has an impact across all groups but some ethnic minorities are more likely to be affected, especially since the worst impact is felt by larger households. This strategy aims to support the council's overall response to welfare reform and, while negative impacts on particular groups are due to national rather than local policy, seeks to mitigate the impact where possible and this is considered further below.

Religion or belief

No specific impacts have been identified beyond those which may also be linked to race (e.g. prevalence of larger families) that have been addressed above and data is not sufficient to draw any further conclusions.

Sex

Women (almost exclusively single parents) are over-represented in homeless approaches and acceptances and are also more likely to be unemployed. The implications of this have been considered in the assessment of the Tenancy Strategy and the Allocation Scheme and in the assessment of the Employment, Skills and Enterprise Strategy.

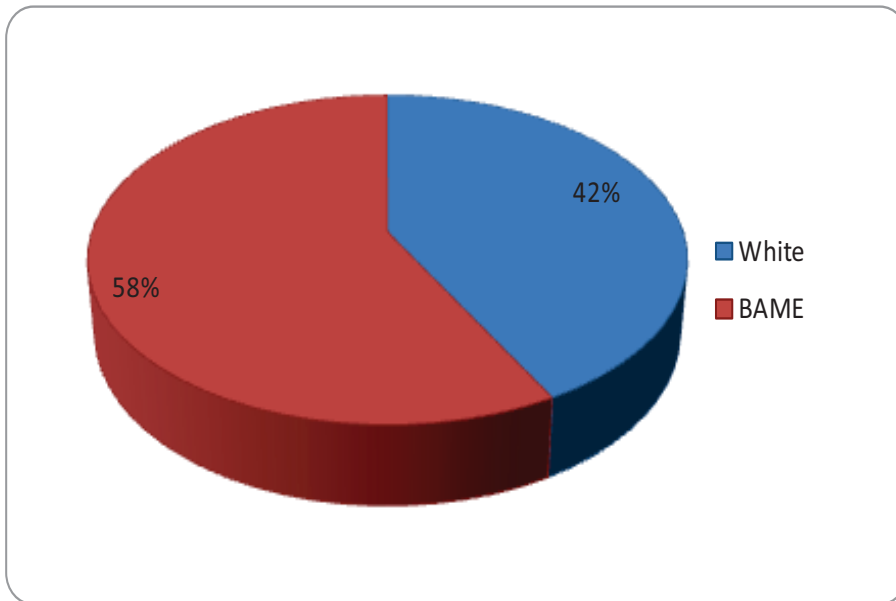
Sexual orientation

No particular impacts have been identified for this group and there is insufficient data to draw any specific conclusions beyond the general benefits identified for the key objectives that would apply to all groups.

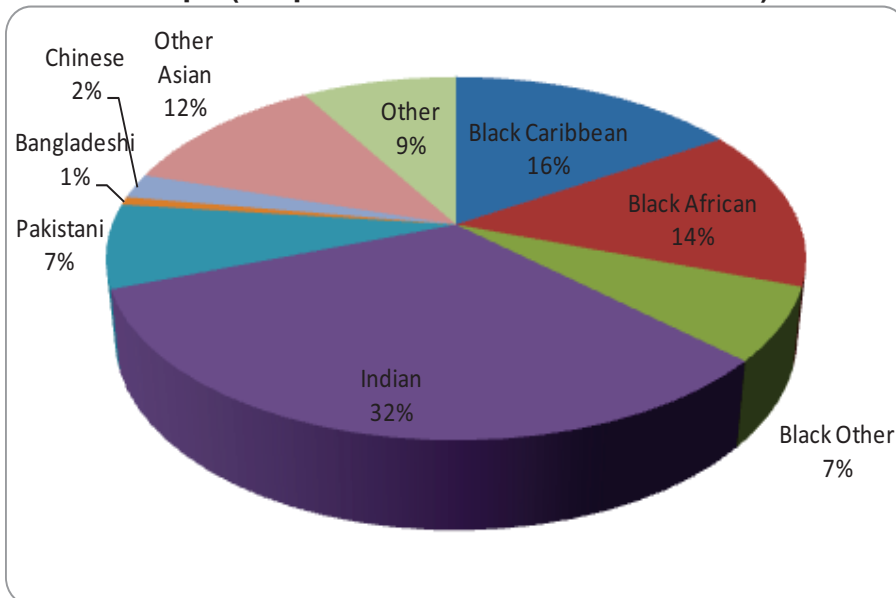
Please give details of the evidence you have used:

The first chart below summarises the overall population split between white British and BAME households, while the second provides a breakdown of the 58% who identified themselves as from a BAME group in the 2011 Census. These figures provide the basis for analysis of any divergence between the general population figures and other data with regard to ethnicity.

Brent: Overall Population (2011 Census)



BAME Groups (Proportion of the overall 58% total)

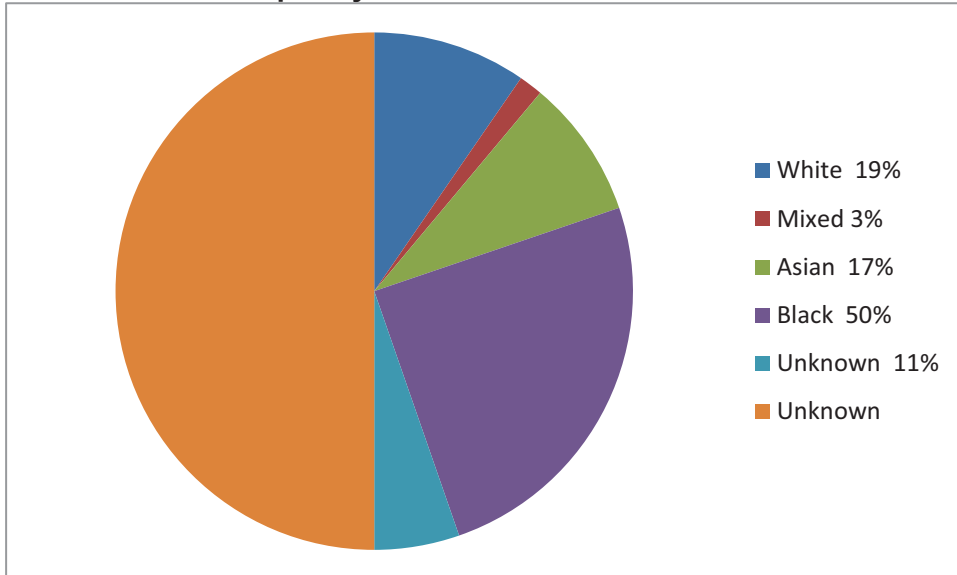


Households from ethnic minority groups are disproportionately likely to become statutorily homeless, reflecting greater exposure to risk factors such as poverty, deprivation and overcrowding. Households with a White head (including both White British and other White ethnic groups) comprised 67% of all households in London in 2011, but just 38% of households accepted as statutorily homeless in 2012/13. Black

or Black British households comprised 13% of all London households in 2011 but 37% of those accepted as homeless in 2012/13.

Brent's ethnic mix is both more diverse than London as a whole and includes a greater proportion of BAME households, but shows a similar pattern in the disproportionate numbers of BAME households experiencing housing problems.

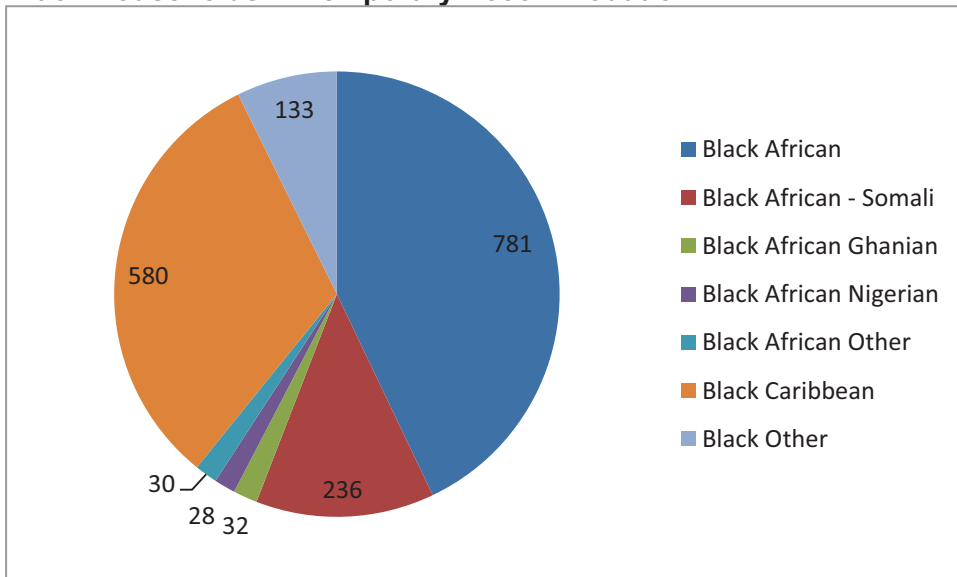
Households in Temporary Accommodation



The chart shows the broad ethnicity of household in temporary accommodation, where the Black group makes up 50% of the total but 37% of the overall population (note that all percentages have been rounded to the nearest whole number here and elsewhere in this section) and BAME groups as a whole make up 81% as opposed to 58% of the total in the general population.

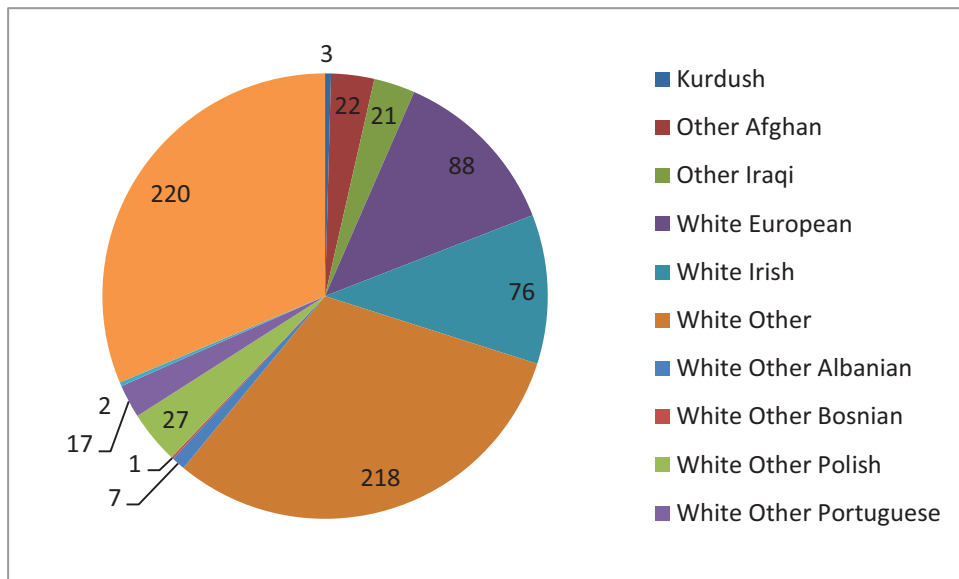
Breaking down the total above indicates that, among the broad Black category, Black African households are over-represented, with a particularly high number of Somali households

Black Households in Temporary Accommodation



It is also worth noting that, among the broad White category, White UK households make up a relatively small proportion of the total compared to the general population.

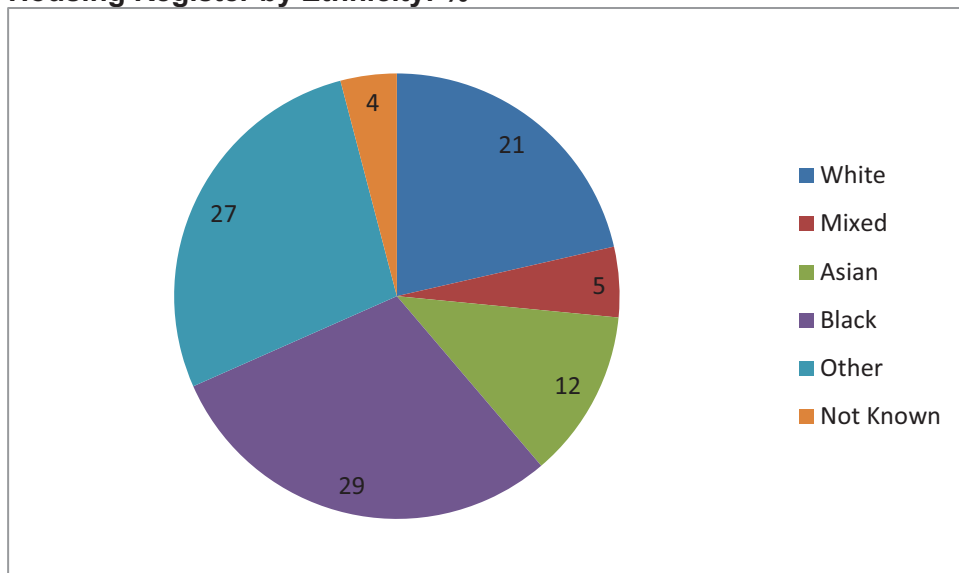
White Households in Temporary Accommodation



Although there has been much publicity concerning the impact of migration from eastern Europe, numbers of households from this group are small compared to their presence in the general population (although it should be noted that it is difficult to obtain accurate figures for the total number of such migrants).

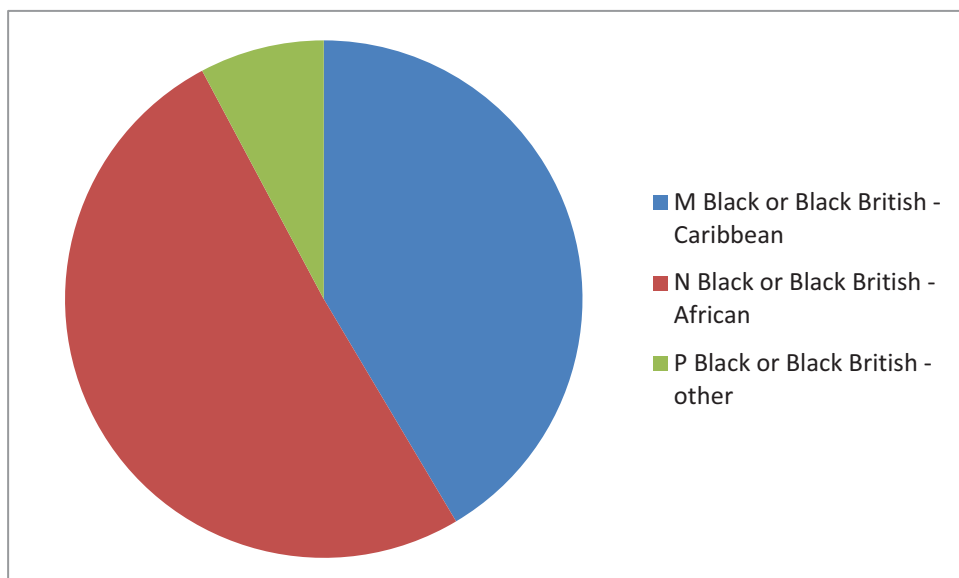
The Housing Needs Register shows a similar pattern, in which BAME groups are over-represented in comparison to the general population.

Housing Register by Ethnicity: %



Similarly, with the broad groupings, further analysis reveals over-and under-representation of certain groups. Within the Black category, the chart below demonstrates the relatively high numbers of Black Africans, who make up over half of the category.

Housing Register: Proportion of Black Ethnic Groups



Black or Black British African households make up around half of the total.

Social housing is allocated through a choice-base lettings system. Applicants are able to bid based on their assessed priority, identified by placement within a band, and on their date of application, meaning that those who have been on the register longest get the highest preference within each band. Allocations therefore reflect priority and, for protected groups, will be proportionate to the numbers of each group within each band.

Welfare Reform

The overall benefit cap has differing impacts for different groups:

- **Age**
 - 37% of the caseload affects 25-44 year olds, of which 74% have been resolved but cases involving under 25's and over 55's are harder to resolve
- **Ethnicity**
 - The Black group makes up under 25% of the HB caseload but almost a third of OBC cases, while OBC cases in the White group are below the overall HB caseload percentage.
 - The Asian group makes up 13% of OBC cases but 17% of those resolved (e.g. though finding employment). The White group makes up 16% of OBC cases, but the percentage resolved is under 10%.
- **Gender**
 - Females make up over half the HB caseload but three quarters of OBC cases in Brent.
 - Proportion of cases resolved for each gender is almost identical.

4. Describe how the policy will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;

The strategy aims to ensure that policy and service delivery are centred on identified need and demand, based on an analysis of local market conditions and demographics, including the specific needs of protected groups.

(b) Advance equality of opportunity;

The Housing Strategy aims to enhance the availability of and access to appropriate housing for all Brent residents and, in particular, for those most likely to struggle to obtain suitable, secure and affordable homes.

(c) Foster good relations

The intention is that the strategy will support a suite of policies and practices that are transparent and fair so that access to housing, particularly to social and affordable housing, is seen to be based on appropriate criteria. Similarly, the Strategy seeks to ensure that housing across all tenures is managed and maintained to high standards.

5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.

i. Who did you engage with?

Extensive consultation was carried out during 2013 on the key themes and challenges and possible responses with:

- Residents in all housing tenures
- Partner organisations including Registered Providers, Health, Police and other emergency services
- Voluntary Sector agencies
- Landlords
- Council departments

ii. What methods did you use?

- Draft published on website inviting responses

- A workshop sessions with partners including Registered Providers and voluntary sector agencies
- 2 Staff briefings/workshops
- 2 Member workshops attended by 15 members

iii. **What did you find out?**

The overall direction set out in the strategy attracted wide support and feedback tended to be focussed on very specific issues and questions of detail or clarification, with limited relevance to the impact on protected groups. The following points summarise relevant comments.

New Supply

- Need to look at how more housing for single, specifically young, people can be incorporated within developments.
- Need to review planning policy on tenure, mix and bed size? Policy must meet local housing needs, as well as viability. Is policy robust enough to ensure sustainable development?

Homelessness

- Pathways from supported housing accommodation, as support needs decrease, need to improve
- Need to engage more effectively with key stakeholders on the reasons for use of out of borough placements
- Move on from support schemes for mental health needs to improve with better partnership with floating support providers and better information for landlords in the PRS about support services
- Create a register of landlords who are willing to accept clients with MH problems

Private Sector

- Can subsidies be given to landlords to improve housing stock in the borough as a condition of licensing?
- Training should be provided to other departments, e.g. social care, so that they are aware of what to look for in terms of condition when visiting.
- London rental standard should be applied not only to landlords acting within the law

Employment

- Need to recognise that employment isn't an answer for many people, e.g. those suffering mental health issues, drug and alcohol use.
- Importance of local and specialised services was stressed, with the example of Ealing's work with Somali families impacted by the benefit cap, where training was provided to help women get childcare qualifications.

- Childcare provision would remove some barriers to employment.
- Need to encourage and assist self employment for people facing particular barriers to full time employment, and provide flexible employment spaces.

Welfare

- Money management is essential to avoid 'revolving door' situations.
- Benefit caps - more emphasis needed on planning for UC - e.g. household financial management

Young People

- Not enough focus on young people, in particular young care leavers.
- Co-housing may be an option for young people
- Is there potential for lodging schemes – young single people living with elderly people with low level support needs.

Older People

- Bespoke smaller accommodation for the elderly in order to free up under-occupied homes.
- More initiatives and help for elderly single people looking to downsize, e.g. purchase by BHP/RP and rehousing to smaller home.

iv. How have you used the information gathered?

Responses to consultation have fed into the development of the strategy at all stages.

v. How has it affected your policy?

A number of suggestions from consultation have been incorporated into the strategy or have influenced amendment and clarification within the document. Examples include:

- Proposals for a short-life scheme aimed at young single people
- Development of more supported and specialised housing
- Consideration of incentives for private sector landlords as part of the licensing proposals
- Improved incentives for under-occupiers

6. Have you identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate this impact.

No potential negative impacts have been identified beyond those already addressed in assessment of related policies referred to above. However, it should be stressed that the impact of welfare reform on local affordability means that some households, including some homeless households moving on from temporary accommodation into private sector lettings, may need to move out of the borough or, in some cases, out of London.

This issue has been considered as part of the earlier impact assessment on the Tenancy Strategy and Allocation Scheme. The intention is to use out of borough accommodation only where it is necessary and where suitable and affordable accommodation can be secured. At the same time, the council will work with private landlords and developers to improve supply and secure housing affordable within LHA limits in Brent wherever possible.

Please give details of the evidence you have used:

See section 3 above

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age	x		
Disability	x		
Gender re-assignment			x
Marriage and civil partnership			x
Pregnancy and maternity	x		
Race	x		
Religion or belief			x
Sex	x		
Sexual orientation			x

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only). Please refer to stage 4 of the guidance.

No major change

Your analysis demonstrates that:

- *The policy is lawful*
- *The evidence shows no potential for direct or indirect discrimination*
- *You have taken all appropriate opportunities to advance equality and foster good relations between groups.*

Please document below the reasons for your conclusion and the information that you used to make this decision.

The evidence outlined above and in the main document and the outcomes from consultation do not indicate any reason to consider the policy unlawful or discriminatory. Rather, the evidence suggests that, beyond some issues referred to above and covered in separate Equality Assessments, the impact of the policy will be positive for protected groups (where there is sufficient data to make a judgement)

Adjust the policy

This may involve making changes to the policy to remove barriers or to better advance equality. It can mean introducing measures to mitigate the potential adverse effect on a particular protected group(s).

Remember that it is lawful under the Equality Act to treat people differently in some circumstances, where there is a need for it. It is both lawful and a requirement of the public sector equality duty to consider if there is a need to treat disabled people differently, including more favourable treatment where necessary.

If you have identified mitigating measures that would remove a negative impact, please detail those measures below.

Please document below the reasons for your conclusion, the information that you used to make this decision and how you plan to adjust the policy.

Continue the policy

This means adopting your proposals, despite any adverse effect or missed opportunities to advance equality, provided you have satisfied yourself that it does not amount to unlawfully discrimination, either direct or indirect discrimination.

In cases where you believe discrimination is not unlawful because it is objectively justified, it is particularly important that you record what the objective justification is for continuing the policy, and how you reached this decision.

Explain the countervailing factors that outweigh any adverse effects on equality as set out above:

Please document below the reasons for your conclusion and the information that you used to make this decision:

Stop and remove the policy

If there are adverse effects that are not justified and cannot be mitigated, and if the policy is not justified by countervailing factors, you should consider stopping the policy altogether. If a policy shows unlawful discrimination it must be removed or changed.

Please document below the reasons for your conclusion and the information that you used to make this decision.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future. Please refer to stage 7 of the guidance.

The evidence base for this Strategy and the Employment, Skills and Enterprise Strategy will be reviewed and updated annually. The Action Plans for both strategies will be monitored quarterly (or annually in the case of some actions and indicators) with a view to assessing progress and impact. This will include regular consideration of any evidence for impact on protected groups.

10. Action plan and outcomes

At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
Monitoring of Housing Register	June 2015	Laurence Coaker	Comprehensive monitoring across all protected groups, including those where current data is inadequate Demonstrate positive impact of policy Identify actions to mitigate any negative impact		
Monitoring of Homeless Applications and Acceptances	June 2015	Laurence Coaker	Comprehensive monitoring across all protected groups, including those where current data is inadequate Demonstrate positive impact of policy Identify actions to mitigate any negative impact		
Monitoring of TA occupancy	June 2015	Laurence Coaker	Comprehensive monitoring across all protected groups,		

			<p>including those where current data is inadequate</p> <p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		
Monitoring of Allocations	June 2015	Laurence Coaker	<p>Comprehensive monitoring across all protected groups, including those where current data is inadequate</p> <p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		
Monitoring of Out-of-Borough Placements	June 2015	Laurence Coaker	<p>Comprehensive monitoring across all protected groups, including those where current data is inadequate</p> <p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		



HOUSING STRATEGY

2014- 19

Contents

To be completed for final draft

1. INTRODUCTION

- 1.1 This strategy sets out the council's objectives for housing over the next five years, in relation to the national and local policy context and building on an evidence base that considers trends in the housing market and related areas, in particular the employment and labour market. An associated Action Plan sets out in detail how these objectives will be achieved, working in close collaboration with partners in the statutory, voluntary and private sectors
- 1.2 The Strategy draws on and supports the Borough Plan, the Regeneration Strategy and other policy documents. It also takes account of the London Housing Strategy, with which this document is obliged to demonstrate general conformity. The council has a statutory responsibility to publish a Homelessness Strategy and this document incorporates that strategy.
- 1.3 In particular, the strategy reflects the close links between employment and housing; employment and earnings are crucial in supporting housing choices and decent and affordable housing plays a major role in supporting individuals to secure employment and progress within it. This document is therefore aligned with the emerging priorities that will shape the 2014-19 Employment, Enterprise and Skills Strategy (the Employment Strategy) that is currently in development. The intention is that the objectives and actions in each will be mutually supportive.
- 1.4 The strategy has been developed in consultation with a range of partners including Registered Providers (RPs), representatives from the voluntary and community sector (VCS), landlords, tenants and residents as well as other council departments. Research and consultation undertaken in connection with other projects have also informed the development of this strategy, in particular the findings of the Social Mobility Commission, consultation on licensing in the private rented sector and earlier consultations on the council's Tenancy Strategy and its approach to allocations and lettings.
- 1.5 The strategy sits within ambitious local growth and regeneration agenda, which it aims to support by maximising opportunities for local people and businesses as a result of regeneration and recognising the changing make-up of demand across all tenures and household types. It also takes account of the local response to the Government's welfare reform agenda, aligning with and supporting wider partnership efforts to minimise adverse impact on residents.

2. CONTEXT

- 2.1 The evidence base supporting this document is published separately, will be updated along with the strategy over its five-year life and will be incorporated with the evidence base for the Employment Strategy in due course. The bulk of the background data is contained in that document, while this chapter highlights elements of the national, regional and local context.
- 2.2 Overall, the economy continues to dominate the policy debate and it is clear that a climate of austerity will continue through the current parliament and beyond, with resources remaining scarce. This strategy recognises the limitations that this imposes and the difficult decisions about services and imaginative approaches to doing and paying for things that will be necessary. Effective partnership working to maximise the impact of available resources is essential, alongside a focus on developing resilience within communities and individual households that will help them find solutions where the council and its partners cannot provide them.

2.3 Demographics and Tenure

- 2.3.1 Brent's population has grown significantly, with a marked increase in average family size and the numbers of children. Demand for homes is rising in consequence, accompanied by rising rents and prices, with demand for larger homes in particular above the London norm.
- 2.3.2 Significant change to the tenure pattern in London is even more pronounced in Brent, where owner occupation has declined while the private rented sector grew from just over 17% of the stock in 2001 to 28.8% by the 2011 Census and around 32% now, making it a larger source of supply than the social sector. The proportion of social housing has remained broadly unchanged and the majority (around 16,000 homes) is owned and managed by RPs, while the council owns just fewer than 9,000 rented and 3,000 leasehold homes, managed by Brent Housing Partnership (BHP).

2.4 Housing Market

- 2.4.1 Purchase prices in Brent have risen steadily. Approaches to lending hardened after the 2008 banking crisis, especially for first time buyers, while shortage of affordable housing and population increase have driven growth and rising costs in the private rented sector and changes to the characteristics of renters. Help to Buy and the Mortgage Guarantee Scheme aim to support new building and improve loan availability, although there are fears that the main outcome will be further price inflation and take-up in London has been limited. Recent evidence shows sharp rises, especially in London, prompting fears of a price bubble not sustainable in the long term but exacerbating

immediate affordability issues. While lender attitudes had relaxed to some extent, recent moves to impose stricter loan conditions and calls from some quarters for intervention to raise interest rates reflect market concerns and purchase remains out of reach for many: the London Housing Strategy states that eighty per cent of new market housing is affordable to only twenty per cent of working households.

- 2.4.2 The private rented sector includes a high-cost, high-quality market for those able to pay and this segment has grown in recent years, especially in the south of the borough with its good transport links to central London and the City. At the other extreme is a sector operating outside the law and regulation, characterised by so-called beds in sheds and unauthorised use of commercial premises. Between these poles is a large and diverse market, owned and managed almost exclusively by small landlords and catering for a range of incomes and household types. Much of the sector functions well but problems of poor management and maintenance persist and have increased as the sector has expanded. A notable feature is the growth of renting, including an increase in HMOs, in the north of the borough, where owner-occupation has historically been the dominant tenure. High demand has driven rents upwards and affordability is a serious problem.
- 2.4.3 Disparity between earnings and housing costs indicates clearly that Brent's housing market is dysfunctional. At the same time, the local economy is not delivering the jobs or salaries that might allow residents to enter the market locally or elsewhere in London. A focus on employment, support for local business, encouragement of inward investment and action to raise incomes in line with the Regeneration Strategy and the emerging Employment Strategy is therefore as important as new housing development in meeting demand.
- 2.4.4 A particular cause for concern is landlord reluctance to let to households claiming Housing Benefit; a 2013 study indicated universal rejection of HB claimants by local accommodation agencies. This may be driven by concern about the impact of welfare reform on ability to pay rent but higher demand from a more affluent renter group is also a probable factor, reflecting the borough's changing demographics. Conversely, there is evidence of a move in the other direction, with a growth in sub-division of larger properties to be let as single rooms, as well as the beds in sheds phenomenon. Whatever the cause of this polarisation, there is strong evidence that unemployed and lower income households are struggling to access the sector while the council experiences problems in procuring homes as temporary or permanent accommodation for homeless households.
- 2.4.5 The most striking change in patterns of need and demand has been the impact on low or middle income households, who might once have met their own needs quite readily but are increasingly unable to afford

private purchase or renting and have no access affordable housing. This has worrying implications for London's economy, as well as for the households concerned. This is paralleled by the emergence of the so-called "generation rent" – people unable to buy even though they may have incomes that could cover a mortgage and unable to access affordable housing because access is restricted by overall shortage and a specific shortage of appropriate mid-range products. These groups fall outside traditional definitions of housing need but are vital to Brent's social and economic mix and the strategy needs to respond to emerging demand.

2.5 Welfare, Employment and Deprivation

- 2.5.1 The welfare reform programme has been wide-ranging, with further changes in train or proposed. Limits have been placed on Housing Benefit through the Local Housing Allowance cap and the social sector size criteria (the so-called bedroom tax). The Overall Benefit Cap has imposed further constraints since August 2013 and phased (albeit delayed) introduction of Universal Credit (UC) will pose further challenges. Although the numbers change over time as claims end or begin, there were 1424 live cases affected by the cap at the end of March 2014. Worst affected are large families in high rent areas, with private rented housing simply unaffordable for most workless households requiring three bedroom or larger homes and even two bedroom homes at manageable rents in very short supply.
- 2.5.2 In broad terms, finding employment is the most direct way for households to mitigate the impact of welfare reform. Where this is not possible, the only realistic alternative may be to secure cheaper accommodation; for the worst affected this may only be practicable outside Brent or outside London, although it should be stressed that the number of households obliged to move out of the capital has been lower than anticipated.
- 2.5.3 The social sector size criteria also mean that affected tenants unable to find employment will need to move to smaller homes or meet the cost from existing household budgets. The council is keen that under-occupiers should move to free up much-needed family housing and offers high priority and incentives to assist but many are reluctant to do so and rent arrears among this group have increased markedly.
- 2.5.4 Implementation of welfare reform in a difficult economic climate in which wages are static or falling in real terms for many workers has increased the risk of rent arrears, evictions and homelessness and could also impact on cash flow for housing providers and affect borrowing capacity. There are indications that some providers are seeking to impose conditions such as requesting deposits or restricting nominations to working households for example, to reduce risk.

- 2.5.5 The council has already responded to the government's approach to employment, which is closely linked to its approach to welfare and centred on the Work Programme, by developing new partnerships and service arrangements and work is now underway on the development of an Employment Strategy as noted above. At this stage, the following key features in Brent have been identified.
- 2.5.6 There are pockets of significant entrenched unemployment and what is particularly stark is the persistence of poverty and worklessness in certain neighbourhoods. The Index of Multiple Deprivation (updated in 2010 but based mainly on 2008 data) highlights concentrations of deprivation in the south of the borough, centred in particular on social housing estates; a picture that has remained largely unchanged for many years. Although there has been great progress in improving the physical quality of homes and neighbourhoods, there has been less impact on unemployment, low incomes, child poverty, educational attainment and health inequality. Mainstream interventions such as the Work Programme have made little or no impact in areas such as Harlesden, Stonebridge and South Kilburn. This level of exclusion from the labour market requires a far more intense, targeted, personalised and community-led intervention to make significant and sustainable changes.
- 2.5.7 The distinction between registered unemployment (claimant count) and worklessness needs to be recognised and understood. Brent's unemployment rate partly reflects those residents who are actively claiming JSA and analysis shows that this is an improving picture. However, attention on this alone masks the more significant challenge of the number of residents who are economically inactive (on inactive benefits): the JSA count in Brent is 9,117 while economic inactivity is 31,600. Particularly significant here are the numbers who are economically inactive due to health reasons (over 23%) and those who are looking after a family or home (33%).
- 2.5.8 Low-paid employment is prevalent in the borough. Although Brent's employment rate may demonstrate a positive picture it masks the number of residents in established Brent communities who are trapped in low-skilled/low paid employment.
- 2.5.9 Brent's economy is a low skilled, low value one. This requires Brent to not only assess its economic development plans but to recognise that it is part of a wider sub-regional and London economy and labour market. Brent residents need to be skilled and equipped to benefit from the higher skilled and higher value jobs in the wider economy.

2.6 Housing Need and Housing Supply

- 2.6.1 In short, demand is growing and supply has failed to keep pace, with access to all sectors increasingly restricted, either by price or by policy.

Growth in private renting has come mainly from shrinkage in the owner occupation market; GLA analysis indicates that 80% of the growth consists of properties that would have gone into owner occupation in the past. There has been a shift in tenure, rather than real growth in supply.

- 2.6.2 There is a related shift in the nature of need and demand, with households who would once have found their own solutions struggling to do so and increasing demand for scarce affordable options. Within any response to demand across all sectors and household types there is a need to support a better market balance, including provision for what might be characterised as mid-market households: in work, unable to buy and struggling to rent. In addition, Brent still has high housing register demand, rising homelessness applications and the highest number of households in temporary accommodation in the country, all primary indicators of acute housing need and high overall demand.
- 2.6.3 The Affordable Rent programme aims to maintain output while reducing subsidy by permitting rents up to 80% of market levels, although average actual rent levels in the current programme are below that maximum, with subsidy skewed towards larger homes. 2014/15 is the last year of the current programme and the 2015-18 version introduces variants on the Affordable Rent product: Capped and Discounted Rents, with rent levels respectively ranging from 50% to 80% of market rates. The London Housing Strategy proposes further changes of approach in London, considered in more detail below.
- 2.6.4 The scale of demand and the limitations on resources are such that the council and its partners will not build enough to meet all housing need. Even if resources were available, there is a limit to capacity; like most London boroughs, the opportunities for large-scale new development in Brent are constrained by land availability and costs. The key question therefore concerns the mix, density and amount of housing that is desirable and sustainable to meet housing need and support employment and the London economy and how far it can be delivered within borough or London boundaries. In this context, and to deliver the mix of housing types and tenures required to respond to demand, there is an increased reliance on the private sector to deliver homes for rent as well as for sale and for RPs to provide market products to cross-subsidise affordable provision
- 2.6.5 Coupled with this is a growing crisis of affordability that is forcing households hoping to buy or rent privately out of the centre and into the suburbs or out of London altogether, driven by high prices and, in some cases, the impact of welfare reform. There is evidence that this is leading to a demographic shift, both in terms of overall population and the household mix, that will not be countered by the levels of new social housing deliverable within current resources.

2.7 Brent's Social Housing

- 2.7.1 The social housing stock has not grown significantly despite investment, mainly due to concurrent loss through Right to Buy and regeneration programmes. The Localism Act introduced tenure reform, flexibilities around allocations and lettings, changes to homelessness duties and planning reforms and Brent's response to these is set out in the Tenancy Strategy and the Allocation Scheme. Further change is proposed by government, including an income limit beyond which social housing tenants may be obliged to pay market rents.
- 2.7.2 The council and BHP have agreed a plan for the management and maintenance of the housing owned by the council in light of the introduction of the self-financing Housing Revenue Account (HRA). Under self-financing, the income from rents and other funds generated through the stock is no longer subject to a national subsidy regime but retained locally, with a set level of borrowing headroom available. This means new opportunities, including borrowing to support new council housing as well as maintenance and improvement of the stock.
- 2.7.3 Other possibilities for direct investment by local authorities are being discussed and the GLA and London Councils are leading a campaign to support options such as removal of the borrowing headroom cap and retention of property taxes by the Mayor for investment in new homes. Through the London Enterprise Partnership, a City Growth Deal bid has been submitted and developments in this area will be kept under review and incorporated in this strategy as details emerge. In the meantime, the council will support efforts to argue for an improved settlement for London and local government in general.

2.8 Social Mobility Commission

- 2.8.1 In the summer of 2013, the council set up a Social Mobility Commission; an independent examination of the ways in which the council can support increased resilience within communities. The final report will be published in summer 2014 but interim findings and recommendations include:
- Suitable and affordable accommodation is a defining factor in social and economic well-being and people's ability to progress aspects of their life such as education, employment and financial security.
 - Price and rent rises have made home ownership a remote prospect, limiting choice and impacting on quality of life and social inclusion.
 - Severe housing need is often the presenting problem for a complex set of circumstances involving employment, health and family issues. The model used by the council to support those affected by the benefit cap was viewed as a positive and successful intervention, meriting further development and expansion.

- Data on clients using council services could be used better to target preventative interventions and respond in a seamless way to reduce longer term dependence.
- There should be much closer integration of housing and employment services.
- Increasing the supply of affordable housing options is fundamental.
- There needs to be debate on the reasonable expectations the council can have of service users. Future relationships will need to both support people when they are in need and equip them with the necessary skills and attitudes to maintain their future independence.

2.8.2 The findings of the Commission chime with the evidence underpinning this strategy, which draws on them and includes some further consideration of ways in which the approach recommended by the Commission can be implemented in housing and related services.

3. SUMMARY - ISSUES AND CHALLENGES

3.1 Vision

3.1.1 The overriding ambition for this strategy is to support:

A housing market that provides a range of housing options to meet the diverse needs and aspirations of Brent's residents, that enables social and economic mobility and that provides access to decent, affordable accommodation for all

3.1.2 Objectives for the Housing and emerging Employment Strategies have been set in the context of some key underlying principles:

- That the strategies are for the borough as a whole, not just the council. Partners will need to work together to achieve the stated ambitions and this will involve, as far as possible, alignment of priorities and better coordination of resources;
- That the role of the voluntary and community sector is crucial in achieving the objectives, recognising the strength, value and unique position of the VCS, particularly in engaging with some of Brent's most excluded communities;
- That, as far as possible and reasonable, Brent Council will adopt a leadership position, taking a strategic rather than delivery role. However, the council's unique position as a provider or enabler of related services, means that better outcomes for residents may be achieved through direct delivery where appropriate;
- That Brent is part of a wider housing and labour market encompassing not just the 'travel to work' area but London as a whole and residents need to be equipped to access opportunities in these wider markets;
- That local residents will be prioritised for housing, employment and related opportunities as a result of regeneration in the borough.

- 3.1.3 Some clear messages emerge from the evidence and context that govern the overriding themes and objectives to realise this vision. In general, the council's approach will be one that supports and encourages mobility: movement within and between tenures appropriate to changing housing requirements and life stage and economic and social mobility through the establishment of policies and service frameworks that enable Brent residents to maximise employment opportunities and improve financial well-being.
- 3.1.4 Problems and solutions in Brent cannot be divorced from the wider London context: the housing and employment markets are not confined to borough or London boundaries and opportunities and risks arise because of this. The strategy therefore takes full account of the London Housing Strategy and the collective policy positions of the GLA and London Councils and recognises that the council's ability to influence a volatile London housing market is limited in many respects. Similarly, the council is reliant on government in many areas, for example the resources available for new supply through the main grant programme and borrowing capacity and for the overall direction of national housing policy. The strategy therefore seeks to identify and make best use of the leverage that the council possesses through its statutory powers and duties, its resources and its ability to influence the approach taken by its partners and by regional and national government.

3.2 Housing Supply

- 3.2.1 There is high demand and shortage of supply across all tenures and, within this, significant problems of affordability. There is a need not only for traditional affordable housing provided by the council and RPs but also for new products that will be accessible to low and middle income households, provided by the market and by social landlords. Alongside this, there is a need to ensure that existing and new supply is matched effectively to demand, for example in the way it is let and managed.
- 3.2.2 Over the long term, this strategy needs to promote delivery of a range of products that respond to the changing shape of demand, offer options to households with a range of needs and a range of incomes that are appropriate to different stages of life and support physical and social mobility.

3.3 Employment

- 3.3.1 Although Brent's unemployment levels are now closer to the London average, they are still high while average incomes are relatively low. Many Brent residents struggle to afford accommodation in the borough

and there are pockets of entrenched deprivation in which low levels of employment are a significant factor. Raising employment levels and incomes is central to building resilience within communities and growing the local economy.

- 3.3.2 This strategy seeks to align the work of the council and partners to ensure that the link between housing and employment is strengthened, both for existing tenants and those seeking housing in the borough

3.4 Private Rented Sector

- 3.4.1 There are opportunities for the sector to play an important role in delivering new supply but there are serious concerns over standards, access and affordability.
- 3.4.2 This strategy needs to work with the sector to deliver supply that meets required standards of management and maintenance and is accessible to people on a range of incomes in a market that is well regulated, supports and enables landlords and offers appropriate protection to tenants.

3.5 Homelessness and Allocations

- 3.5.1 Applications and acceptances have increased and there is a continued reliance on high levels of temporary accommodation.
- 3.5.2 This strategy must address the causes and effects of homelessness, offering appropriate support and solutions to affected households while minimising reliance on temporary accommodation.

3.6 Social Housing Improvement

- 3.6.1 The existing social housing stock is a key resource and constitutes nearly a quarter of housing in Brent. The council is by far the single largest provider of housing but the majority of social and affordable housing is owned and managed by Registered Providers and a shared commitment to raising standards will be central.
- 3.6.2 Increased investment to maintain and improve the quality and performance of the stock is needed as well as increased efficiencies in its use. Measures to support income collection in the context of welfare present a challenge.
- 3.6.3 While the council reached the decent homes standard in the last decade, investment over the last five years has been limited and focused on statutory works. The devolution of control of housing finances provides resources for a major programme of planned maintenance and improvement across the council's stock. The renewal

of BHP's Management Agreement provides the foundation for the delivery of first class housing management services.

3.7 Strategic Objectives

- 3.7.1 The following chapters address these themes, clarifying the challenges, setting the objectives and identifying the outcomes that this strategy seeks to achieve, the actions required and the measures for success. Further detail on delivery is set out in the Action Plan.
- 3.7.2 The broad areas outlined above are not discrete and there are many areas of overlap between them but they have been grouped in this way to provide a structure, within which cross-cutting issues such as welfare reform and health and wellbeing can also be addressed.

4. HOUSING SUPPLY

Objective One: To significantly increase the supply of affordable housing
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- 4.1 This chapter sets out opportunities and identifies priority outcomes to be achieved over the course of this strategy. Affordable housing in this chapter includes all provision offered at below market prices or market rents, while "social housing refers to homes for rent at target or Affordable Rents, including Capped and Discounted rents within the 2015-18 programme. Delivering new supply across all tenures is a central aim for this strategy, in particular provision of a range of housing, including both rented and shared ownership, that is affordable to Brent residents. The Core Strategy projects development of at least 22,000 homes between 2007 and 2026 of which 11,000 (50%) will be affordable housing.
- 4.2 Much of the new development will be in the five Growth Areas identified in the Core Strategy and the Regeneration Strategy (Wembley, Alperton, Burnt Oak/Colindale, Church End and South Kilburn) but the aggregate contribution of smaller-scale developments across the borough will also be significant. Estate-based regeneration schemes in South Kilburn, Barham Park and St Raphaels are also expected to deliver new supply alongside improvement or replacement of existing stock in line with regeneration priorities.

4.3 Outcome A - Affordable Housing Supply

To significantly increase the capacity to meet housing needs and support social mobility through the provision of 5,000 Affordable Rent and Low-cost Home Ownership properties by 2019
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- A.1 This scale of new provision is challenging but deliberately so and is the level required to have a real impact in addressing current and

anticipated future levels of need for affordable housing. Achievement of this objective will require a suite of approaches, the combined efforts of a wide range of partners and innovative approaches by the council.

A.2 Mayor's Housing Covenant

A.2.1 One primary source of new social housing will be the HCA-funded programme, branded in London as the Mayor's Housing Covenant Programme. 2014/15 is the last year of the current programme and is succeeded by the 2015-18 programme, under which grant allocations will be made early in 2014/15. The majority of provision under the GLA's grant funded programme will be by the main Registered Providers active in the borough with the council playing a central role in facilitating development by them.

A.2.2 The GLA's programme provides for a Local Framework Agreement to be agreed between each London council and the GLA reflecting local conditions and priorities. Provisional agreement has been reached consistent with the council's published Tenancy Strategy (2013) designed to ensure that homes are genuinely affordable to those in housing need. This provides for:

- Social housing for rent that is affordable within the Overall Benefit Cap, which will require the provision of larger properties as Capped Rent homes with rent levels up to 50% of market rents and close to target rent levels
- Discounted Rent housing, typically one and two bed properties, affordable to those claiming Housing Benefit, with rents pegged to LHA levels, including as part of mixed market rented developments
- A range of low-cost home ownership products that can be accessed by those on middle incomes

A.2.3 In addition to grant support, funding under this programme will come from cross-subsidy arising from private sale development in mixed-tenure schemes and from selective disposals of high-value affordable housing units in order to release resources for investment.

A.3. Development by the Council

A.3.1 The council will itself provide a minimum of 700 new affordable homes by 2019 (and 1,000 new homes by 2021/2). The council will use available HRA borrowing under the debt cap to support this and seek additional borrowing capacity. Capital receipts arising from Right-to-Buy sales and from disposal of high-value and poorly-performing units, and from selective disposals to rebalance the stock towards larger units will be ring-fenced and re-invested in new homes. Grant funding will be sought where the terms are consistent with the priorities of this strategy. New homes delivered through the HRA will be let on

Affordable Rents, and a proportion of existing homes will be re-let at Affordable Rents to provide cross-subsidy, with the overall approach designed to ensure that rent income can continue to support new building.

A.3.2 In order to achieve the target level of provision it is probable that the council will also need to use its wider General Fund prudential borrowing capacity, provided this is financially self-supporting. Appropriate structures and delivery arrangements will be developed to enable this.

A.3.3 The potential for BHP to bring forward additional development will be explored and external partnership arrangements, to leverage additional funding and development capacity will also be examined and entered into where advantageous.

A.3.4 The council will, through BHP, undertake an initial programme of infill development on existing council estates and consideration will be given to redevelopment of some existing estates to provide more and better quality homes. Development will focus on larger family homes, as these are most acutely undersupplied, as well as provision for people with disabilities.

A.3.5 Corporate land assets will be appraised for affordable and mixed-tenure development by the council alongside consideration of alternative uses such as for education provision and for disposal to generate capital receipts. Acquisition of privately-owned sites will be required to provide additional development capacity for the council and an active site-finding programme will be instituted.

A.4 Regeneration and Development

A.4.1 The majority of new housing over the next five years will come forward in the Growth Areas identified in the council's Regeneration Strategy. The Borough Investment Plan details priorities for housing and expectations for delivery and spatial distribution - that is, what will be built and where. Discussions with the GLA have confirmed that the Mayor expects the BIP to remain the principal document governing delivery and it will be the vehicle for some of the priorities identified above. In 2014-15 an investment plan for each growth area will be developed to direct the council's efforts and approach to advance housing and other development and regeneration activity.

A.4.2 The Mayor's strategy includes a proposal for the creation of 'Housing Zones' based on the Enterprise Zone model and centred on the opportunity areas identified in the London Plan. The council will consider the implications of the prospectus published in June 2014 as part of its priority to bring forward housing development in the growth areas and this document will be updated as appropriate.

A.4.3 In South Kilburn the council is acting as the master-developer for the regeneration of the estate and will shortly be consulting on a revised SPD for the area. A review will also be made of strategic delivery options for remaining phases to advance development and widen the mix of tenures.

4.4 Outcome B - Providing Larger Homes and Reducing Overcrowding

To ensure that at least 35% of new general needs Affordable Rented housing is 3 bedroom or larger, to align with the demand profile

To halve severe overcrowding in the social housing sector by 2019

B.1 In a context in which there is no short-term prospect of building enough to meet all housing need the focus will be on development weighted towards the provision of larger homes, reflecting the significant shortage, the demand arising from Brent's large average family size and the need to mitigate the impact of the overall benefit cap .

B.2 Overcrowding is a significant problem and impacts on health and wellbeing in many ways, for example through the mental health impacts of stress, as well as on children's educational attainment. The London Housing Strategy sets a target to halve severe overcrowding in social housing by 2016. As noted earlier, Brent faces particular demographic challenges with exceptionally high demand for larger family homes and high current levels of overcrowding. In light of these a target date of 2019 has been set to reduce overcrowding by half.

B.3 This will be achieved in part by securing a high proportion of family homes and larger homes in new supply. It will also be supported by:

- The revised Allocations Policy (2013), which gives additional priority for social housing to those who are severely overcrowded
- Enhanced incentives to under-occupiers to move to smaller homes, including assisting those affected by the social sector size criteria
- Examining development of bespoke new-build housing for older under-occupiers to release larger homes and support long-term independence.
- Use of fixed-term tenancies to minimise under-occupation

4.5 Outcome C - Private Renting Supply

The development of 1,000 build-to-rent homes by 2019, of which at least 30% are affordable to those on lower incomes

- C.1 While the planned increase in affordable rented provision will make a significant contribution to more acute housing needs, the private rented sector will need to provide accommodation for a greater number of households.
- C.2 In recent years, both nationally and in London, there has been an increasing emphasis on investment in purpose-built private rented housing. The council will encourage development of well-managed private rented housing designed and built to meet emerging demand, including provision by Registered Providers, where appropriate. This has the potential to meet a wider range of needs – for accessible and decent accommodation that can be afforded – and the expectation is that such developments will include a significant proportion of units aligned with LHA levels in order to assure affordability for those on lower incomes.
- C.3 The council will consider whether it should play a direct role in mixed-rental development. Examination will be undertaken of the scope to introduce such provision in the Growth Areas including at South Kilburn where the council is acting as the master-developer.
- C.4 More widely, the council will support the Mayor's efforts to secure private rented sector investment in London. This will assist in establishing a better mix, raising the overall standard of private sector housing in the borough and improving access and stability in the sector.
- C.5 The council will also support the provision of a range of intermediate housing, including shared-ownership and sub-market renting, to meet increasing demand from middle income households. In particular, the council will consider options for direct engagement that could deliver genuinely affordable sub-market opportunities suitable for facilitating move-on from social rented housing linked to employment.

4.6 Outcome D - Supported Housing Supply

To provide an additional 200 extra-care and specialist supported housing units by 2016 to widen housing options and reduce reliance on residential care

- D.1 There is a particular need to improve the supply of housing with support to widen housing options for vulnerable residents, enable independent living and provide alternatives to residential care. Significant additional Extra-care provision is required to meet the needs of older residents and there is a similar need for other specialist provision, for example cluster developments for people with physical or learning disabilities or mental health issues to support independent living and reduce residential care placements.
- D.2 Alongside this, the council will explore ways in which provision of grants and adaptations can maximise the demonstrable savings to health and other budgets that can be achieved through assisting older, sick or disabled people to remain in their homes.
- D.3 Initially, in addition to new schemes already underway, a further two hundred units will be provided for these groups by 2016. These will be delivered through a combination of approaches including direct provision, through registered provider and voluntary sector partners and by the private sector. Further provision will be planned and delivered over the remainder of the life of the strategy.

4.7 Objective One Outcomes – Target Summary

- 4.7.1 To significantly increase the supply of affordable housing:

Priority Outcomes
5,000 Affordable Rent and Low-Cost Ownership homes delivered by 2019
A minimum of 35% of new Affordable Rent homes to be 3 bed or larger
Severe overcrowding cut by half by 2019
700 affordable council homes delivered by 2019
1,000 new private rented homes of which at least 30% are aligned to LHA levels
Two hundred additional supported housing units provided by 2016

5. HOUSING AND EMPLOYMENT

Objective Two – To increase employment and reduce economic exclusion through an integrated approach to housing and employment provision and support

- 5.1 Work to promote employment, tackle poverty and increase incomes is a central feature of the Regeneration Strategy. Housing is an essential support to the local economy through provision that meets the most acute needs but also supports the local and London workforce. In the context of high house-prices and rents and welfare reform employment is, for many households, a pre-requisite to obtaining accommodation in Brent. Equally, decent and secure accommodation is critical in assisting residents to secure, sustain and progress within employment.
- 5.2 While employment levels have improved generally in the borough over the last decade, levels of worklessness among tenants of social housing are disproportionately high and mapping the Index of Deprivation shows a correlation between deprivation and concentrations of social housing.
- 5.3 The council has implemented a new employment offer, to be supported by the development of the Employment Strategy, which will complement this strategy alongside the Tenancy Strategy and the Allocation Scheme, which also seek to support employment.
- 5.4 Brent is among the boroughs most affected by welfare reform and the overall benefit cap in particular. The best solution for affected households is to find employment and the council is working closely with DWP, JCP, Work Programme providers and others to ensure that all options to support Brent residents are pursued. Initial work on the Employment Strategy has identified the need to reduce polarisation in the borough by reducing economic and social exclusion in the borough's worst performing neighbourhoods, and addressing the strong correlation between housing tenure and need and employment status.
- 5.5 To address these priorities, the Employment Strategy will propose:
- A place-based approach, focusing on workless residents and communities in neighbourhoods that continue to experience above borough average levels of unemployment and economic inactivity;
 - A preventative model, working with young people from these communities and places to support them to make informed life choices in order to break the cycle of poverty;
 - A strong partnership approach, bringing key partners in the VCS, housing, employment and skills and other sectors together to work with affected individuals and communities.
 - Integrated housing and employment support to those affected by welfare reform including the overall benefit cap
- 5.6 This approach is consistent with the findings and recommendations of the Social Mobility Commission. The Commission emphasised the link between housing and employment and, in particular, highlighted the desirability of building an approach to service delivery based on partnership rather than entitlement, a model pursued successfully in the voluntary sector. This assumes that, where someone receives a

service, there should be some reciprocation in the sense that the service user will undertake to do something as well; in this context, a commitment to employment or employment support aligned with access to housing.

5.7 Outcome E – Economic Deprivation

To reduce economic and social polarisation by achieving significant convergence between priority neighbourhoods and the borough as a whole by 2019

- E.1 Levels of worklessness among social housing tenants and in neighbourhoods where social housing is concentrated are markedly above the average for the borough. In addition, many of those in employment are on low wages. The priority neighbourhoods identified for particular attention within the emerging Employment Strategy are Stonebridge, Harlesden, South Kilburn, St Raphael's, Chalkhill and Church End, all of which, with the exception of Harlesden, have particularly high levels of social housing
- E.2 It is proposed that a partnership approach should be taken in each neighbourhood, tailored to the needs and context of each area. Partners will include BHP and Registered Providers with significant local ownership and management operations, local voluntary and community organisations as well as council housing and employment services and other council and statutory services.
- E.3 The council will examine opportunities to diversify tenure in areas where social housing stock is currently concentrated so that these do not continue to be neighbourhoods of entrenched worklessness. This is already underway in South Kilburn through the redevelopment of the estate and the provision of private housing. Housing development in other priority areas will take account of the need to promote an improved mix and balance of tenure and incomes in these areas.

5.8 Outcome F - Tenancy Strategy and Allocations

To foster and support social mobility by providing enhanced access to affordable housing for those in employment and training

- F.1 The council's Allocations Policy (2013) provides some additional priority to those in employment. The Tenancy Strategy, also published in 2013, includes a commitment to carry out a review after one year, which is now underway, and a number of factors suggest a need to consider, in particular, the links between the council's approach to tenure and allocations and its approach to employment, including the development of the Employment Strategy with its focus on tackling

entrenched pockets of deprivation and the London Housing Strategy, which highlights the needs of working households.

- F.2 Further consideration may be given to granting additional priority to working households and options could include:
- Additional priority for households in temporary accommodation who move into work or training.
 - Alterations to the banding system within the Locata scheme to create additional or sub-bands focussed on households in employment or undertaking employment support.
 - A quota of employment-related allocations to be made outside the scope of the Allocation Scheme
- F.3 Within the above, the intention would be to focus on those most removed from the job market and most likely to be adversely affected by welfare reform and to promote employment as a route to speed up the waiting process. Any change to the current approach would be subject to Cabinet approval and may require formal consultation.
- F.4 Through regeneration schemes, for example in South Kilburn, the opportunity arises to make use of homes scheduled for demolition as short-life housing. The council intends to develop a scheme to use these properties, many of which are one bedroom or bedsits, to target assistance at young people in employment or training, particularly those living with family in overcrowded conditions. The aim would be to provide support for these young people to train and secure employment and gain independence.
- F.5 As noted earlier, there is a need to increase supply of intermediate and mid-market housing generally. More specifically, such provision is essential if households are to have realistic opportunities to move on from social rented homes subject to fixed-term tenancies where their circumstances allow it. Given Brent's low average incomes, it is likely that current intermediate products may still be unaffordable to this group and the council will therefore explore options to support delivery of affordable sub-market products that could facilitate mobility.

5.9 **Outcome G – Integrated Housing and Employment Support**

To integrate housing advice and management services with employment guidance and support
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- G.1 It is essential that housing provision is coupled with effective employment guidance and support, both for applicants and existing tenants. The council has already brought housing and employment services together in the same division and will further integrate these services at an operational level to ensure that employment advice and support is delivered alongside housing options provision. This is

already a central feature of the council's and partners' work with those affected by the benefit cap and will be extended to those seeking housing advice, applying to the housing register and those who are homeless or threatened with homelessness.

- G.2 There will also be a particular emphasis on assisting households on fixed term tenancies to move on to other options, such as shared ownership or other market and sub-market products, to free up rented accommodation. The council offers fixed-terms as the default option through the Allocation Scheme. One purpose in doing this is to encourage mobility and best use of the housing stock and the council will work with tenants on fixed-terms to provide the advice and support necessary to enable them to move on into other tenures – for example, low-cost home ownership – on expiry of the tenancy term, in line with the provisions of the Tenancy Strategy. Advice and support would also be made available to any other tenants who express a wish to move on from social rented housing, although there is no expectation that existing tenants with Secure Tenancies should move.
- G.3 In this context, BHP and other Registered Providers of social housing have an important role to play in supporting their tenants through initiatives to promote employment, training and financial inclusion and partners are involved in a range of relevant programmes.
- G.4 The widespread adoption of fixed-term tenancies could provide a mechanism to incentivise employment for new affordable housing tenants. The council will explore with other providers arrangements for how the grant and renewal of such tenancies could be used to incentivise training and employment.
- G.5 The council will ensure that training and employment activity by providers is coordinated and consistent, with a deliberate focus on priority areas, and ensure that partners maximise the opportunities to use their considerable procurement power to promote local employment and local business, including the employment and training opportunities arising from BHP's new long-term asset management contract arrangements.
- G.6 The council will also work with partners to develop strategies for financial inclusion to ensure that Brent residents have access to and understanding of appropriate financial services and products and to support engagement with Universal Credit.
- G.7 Research has established clear links between employment and improved mental health and programmes to support employment and training are intended to have an impact in this area. The council will seek to establish mechanisms through which improvements in health can be measured and monitored.

5.10 Objective Two Outcomes – Target Summary

Priority Outcomes

Reduce economic exclusion in priority areas and to halve the average difference between the priority areas and the borough as a whole by 2019

To increase employment levels among social housing tenants by 20% by 2019

To increase the proportion of allocations to those in employment by one-fifth

To pilot frontline integrated housing options and employment advice in 2014-15

6. PRIVATE RENTED SECTOR IMPROVEMENT

Objective Three – To maximise the contribution of the private rented sector to meeting housing need and demand through the provision of decent and well-managed accommodation

- 6.1 The private rented sector is a valuable resource but its growth is also a symptom of excessive demand fuelled by restricted access to home ownership and the lack of affordable alternatives. The sector is becoming increasingly unaffordable and Housing Benefit policy is exacerbating this. The sector is dominated by small landlords, most with limited ability to invest, while access for most households is through private letting agents. Some proposals for greater regulation of agents have emerged, including the London Rental Standard, but the council is not convinced that they promise widespread improvement. The government is also consulting on options for better regulation of the sector, including an obligation for agents to enter into a redress scheme. This strategy aims to identify how best to use the tools available to influence the quality of management and maintenance, affordability, security and accessibility in the sector.
- 6.2 The council's Housing Need and Stock Condition Survey is out of date and, although Brent participated in the West London Strategic Housing Market Assessment (SHMA), this was published in 2010 and based largely on data from 2008/09, leaving some doubt about its relevance and lack of local focus. In a rapidly shifting environment, there is limited value in a study that only provides a snapshot of a particular time and may date quickly. The council will therefore explore options for a study that will provide a clear picture of the market, housing need, housing demand and housing conditions and which will enable regular and cost-effective updating to provide continuing intelligence on the changing housing market in Brent, including the effect of this strategy.

While this study will look at areas beyond the private market, developing a better understanding of market conditions is essential.

6.2 Outcome H – Standards

For all private rented properties in the borough to achieve minimum standards of management and condition by 2019

H.1 Voluntary Accreditation

H.1.1 The council supports the London Landlord Accreditation Scheme. The Mayor's Housing Covenant (December 2012) sets out policies and approaches around investment, accreditation and standards and he has recently published his London Rental Standard. The council welcomes, with some reservations, the Covenant and will draw on it in developing its own approach.

H.1.2 At the same time, the council is keen to work in partnership with private landlords, building on the work it has already done in this area through mechanisms such as the Landlord Forum. The council will support the use of voluntary accreditation schemes for both landlords and agents and encourage the dissemination of best practice across the sector.

H.2 Regulation

H.2.1 Although the majority of the sector is well-managed, there is a significant proportion of poor quality and badly managed properties and there is evidence that this is a growing problem as the sector expands. This includes concerns about the association between high levels of private renting, in particular in Houses in Multiple Occupation (HMOs), and the incidence of anti-social behaviour in the borough and in some neighbourhoods in particular. There is concern that Housing Benefit restrictions are forcing some households into the poorest quality housing, exacerbating other inequalities, for example around health, and leading to increased overcrowding among other problems. Lack of long-term security can deter tenants from reporting disrepair or poor management, as can lack of awareness of rights and responsibilities among both tenants and landlords. Action to raise awareness and enforce standards will be important in raising quality.

H.2.2 In order to raise standards, exclude rogue landlords and enhance the reputation of the sector the council intends to extend the existing programme of mandatory licensing of HMOs. An Additional Licensing Scheme will be introduced from January 2015 that will require all properties let as HMOs to be licensed. A Selective Licensing Scheme will also, subject to consultation and Cabinet approval, be introduced from that date in particular wards where there is evidence that the scale and management of the private rented sector is linked to problems of

anti-social behaviour. In these wards all privately let accommodation will be licensed.

- H.2.3 The schemes will incorporate a range of incentives to landlords, including discounts for early applications and support to access Green Deal and ECO funding to improve properties (see 8.9 below).

H.3 Enforcement

- H.3.1 The council will review its use of enforcement and grant making powers and the outcomes will be incorporated into this strategy when work is complete.

- H.3.2 Poor conditions, such as damp and disrepair, contribute to health problems such as respiratory conditions and falls. Actions to tackle this will depend largely on the use of enforcement powers, grants and, in the longer term, encouraging investment by existing and new landlords in the private sector that will alleviate risks under the Housing Health and Safety Rating System. Enforcement will operate in tandem with the conditions imposed under licensing.

H.4 Energy Efficiency and Fuel Poverty

- H.4.1 The implementation of the Green Deal and the Energy Company Obligation provide new opportunities to improve conditions and tackle fuel poverty in the sector. Details of the partnership arrangements for delivery of Green Deal and ECO are set out at 8.9 below and this work will also cover the private rented and owner-occupied sectors.

6.3 Outcome I - Access

To establish a lettings agency and other arrangements to increase access to meet housing need

- 6.3.1 The sector is an essential resource for the council in addressing housing need. The council has worked with private sector landlords for many years to secure temporary accommodation for homeless households and, increasingly, is working with landlords to secure permanent solutions (see also chapter 7).
- 6.3.2 The private sector is also an important source of housing for people moving on from short-term or supported housing. In all these areas, HB restrictions have made landlords wary of accepting households who may struggle to afford rents. The council will work closely with landlords and agents to understand what is needed to improve access

I.1 Lettings Agency

- I.1.1 BHP will establish a Lettings Agency in 2014/15. It is envisaged that it will provide lettings and managing agent services to landlords and

tenants. It will operate on a commercial footing but provide an exemplar of high standards within the market.

- I.1.2 The scale of operations will depend on market conditions and competition but it is intended that the agency will establish an extensive portfolio of landlords and properties. A central objective will be to provide increased access for the council to private rented properties for those approaching as homeless or in need of housing assistance.

I.2 Empty Homes and Acquisition

- I.2.1 The council has a well-established Empty Homes Programme and will build on this. This will include where appropriate supporting the conversion of existing non-residential buildings to provide accommodation.
- I.2.2 In addition the council will explore the feasibility of gaining access to a portfolio of private rented properties through direct acquisition or by arrangements with a private rented investor.

6.4 Objective Three Outcomes – Target Summary

PRIORITY OUTCOMES
All HMOs licensed under Additional Licensing by 2015 – estimated at up to 15,000
Complete consultation on Selective Licensing and, if appropriate, prepare proposals by autumn 2014
Lettings Agency operational by March 2015 and a minimum of 400 properties let/managed per annum by 2019
Minimum of 100 empty properties brought back into use per annum

7. HOMELESSNESS & ALLOCATIONS

Objective Four: To significantly reduce levels of homelessness and the use of temporary accommodation

- 7.1 Homeless applications and acceptances have been increasing and this trend is expected to continue, at least in the short term, owing to the impact of the overall Benefit Cap and other factors noted earlier.
- 7.2 As a result of past high levels of homelessness and the limited supply of social housing Brent has more households in temporary accommodation than any other authority, totalling some 3,300 at April 2014, including some 300 households in Bed & Breakfast accommodation. Over 400 households in temporary accommodation are affected by the overall

benefit cap and are being supported with discretionary housing payments and this position is not sustainable.

- 7.3 Limitations to Housing Benefit, and rising rents, have restricted access to temporary accommodation within Brent with increased reliance in recent years on properties and placement elsewhere in London and further afield.
- 7.4 Since November 2012 the council has been able to discharge its duties by securing private rented housing for homeless households. This reform means that the housing waiting list, rather than homelessness, is seen as the primary route into affordable housing and in this context the council has already taken the decision to use the power to discharge homelessness duties through the private sector.
- 7.5 Given the affordability issues already discussed, this may result in a higher number out-of-borough discharges of duty, particularly for larger households. The council will continue to have regard to regulations on the suitability of accommodation and intends to minimise such placements, using them only where other options are not available or where the household chooses to move out of the borough.
- 7.6 In 2013 the council revised its Housing Register rules to provide for a concentration on those in the greatest housing need and with a realistic prospect of being rehoused. The number of households registered and eligible to bid for social housing has consequently fallen from some 21,000 to 5,000, but it should be noted that this excludes a large number of households with lesser but still significant unmet housing needs.

7.7 Outcome J - Prevention

To reduce the number of homeless acceptances to below the London average by 2019
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- J.1 Brent has had significant past success in preventing homelessness and this will be central to the approach for the future. The primary cause of homelessness in Brent is eviction from private rented housing. It is possible that this is a short-term phenomenon as landlords move out of renting to HB claimants in the wake of welfare reform.
- J.2 The council will continue to work with landlords individually and collectively to sustain tenancies. The council will extend its engagement with landlords and in the short-term will use discretionary housing payments where appropriate to secure the accommodation of those affected by the overall benefit cap.
- J.3 Where this is not possible and households are threatened with homelessness the council will provide advice and assistance to enable them to secure a private let. This will require increased access to these properties, through the proposed Lettings Agency and through the

breadth of engagement with landlords afforded by the introduction of the licensing schemes and by active procurement.

7.8 Outcome K – Temporary Accommodation

- (a) To minimise the use of Bed & Breakfast accommodation and eliminate the use of non self-contained B&B for more than six weeks
- (b) To reduce the number of households in temporary accommodation to the London average by 2019

- K.1 A fundamental review of temporary accommodation is underway, with the intention to greatly reduce reliance on it over the lifetime of this strategy. In the near term, the council is committed to greatly reducing the use of B&B accommodation, with its use to be confined to providing genuine emergency accommodation for a short-period while homelessness duties are assessed.
- K.2 The council has recently opened a temporary accommodation facility at Knowles House which will be available for up to four years. A permanent hostel to provide emergency and short-term accommodation will be established.
- K.3 In order to meet the six-week statutory limit for accommodating families in non-self-contained B&B the council will make arrangements for recourse to self-contained annexes as near to Brent as can be achieved.
- K.4 Increased access to private rented properties is required as the alternative to temporary accommodation. In addition to the Lettings Agency, the council will pursue a range of approaches to enhance procurement and access to properties in and near to Brent.
- K.5 It will also be central to convert existing temporary accommodation properties to private rented accommodation available for let at LHA-compatible rents to support private sector discharge.
- K.6 The acquisition, either directly or through an investor partner, of a portfolio of private rented properties will also be examined.
- K.7 In 2013 the council instituted changes to the balance of priorities within its Allocation Scheme to provide that a higher proportion of lettings are targeted for homeless households. This is a short-term measure with the clear intent to provide that in the longer-term the Housing Register is the primary route into permanent social housing. There is an immediate need to address the rehousing needs of a large number of existing homeless households in temporary accommodation, including those affected by welfare reform. It is proposed to use a combination of direct offers and supported bidding for these groups.
- K.8 A significant number of those on the housing register are existing social housing tenants needing to transfer to alternative properties. These

moves in turn free up existing units and the scope to maximise transfers and increase the overall capacity to meet housing need will be explored. A revised incentive policy was approved in April 2013 to mitigate the impact of the social sector size criteria and encourage down-size moves and this will continue.

7.9 Objective Four Outcomes – Target Summary

Priority Outcomes
Homeless acceptances below London average by 2019
Number in temporary accommodation to the London average by 2019
Families in B&B for more than six weeks to nil in 2014/15 and thereafter
Number in B&B below 100 from 2015/16 onwards
Number of households affected by the benefit cap in temporary accommodation to 200 by 15/16 and to 100 from 16/17

8. SOCIAL HOUSING IMPROVEMENT

Objective 5: To improve the quality of the existing social housing stock and ensure its efficient use

- 8.1 The social housing stock in Brent is a key resource. Over the last decade estate regeneration has renewed a significant proportion of the stock with the South Kilburn estate a continuing priority. The Decent Homes standard has been achieved and maintaining it is a priority but a wider range of improvements is needed, in particular in relation to fire safety, energy efficiency and, on some estates, environmental improvement.
- 8.2 For its own stock the council has adopted an Asset Management Strategy which provides for a high level of investment over the next seven years.
- 8.3 Brent has the 3rd highest level of fuel poverty in London, with between 13% and 18% of households considered fuel poor depending on the income measure used. This is partly a result of low average incomes but is also due to the high percentage of hard to treat homes (c 45%)
- 8.4 The size-mix of social housing is poorly aligned with the profile of housing need with an acute under-supply of larger homes. Programmes to achieve a better balance of units are required, in addition to new provision weighted to larger units.

- 8.5 Social housing tenants and leaseholders have no individual and limited collective choice over who manages their homes. In this context the council and other providers need to make resident involvement and customer insight and choice central to their operations. In 2013 the council entered into a new management agreement with BHP for the management of its stock with the requirement that service quality and efficiency reach the highest standards.
- 8.6 The introduction in 2013 of the social sector size criteria has affected over 1,600 tenants in Brent, with rising arrears resulting for many. The introduction of Universal Credit and direct payments is likely to put increased pressure on households and housing provider finances.

8.7 Outcome L - Council Housing Investment

To maintain the Decent Homes standard and complete a programme of maintenance and improvement across the council's housing stock by 2021.

- L.1 The council's HRA Asset Management Strategy provides for the largest investment in the council's stock in a decade. Over the next seven years a comprehensive £160m programme of maintenance and improvement works will be carried out across the council's 13,000 tenanted and leasehold properties.
- L.2 BHP have procured a long-term Asset Management contractor, Wates, who will be responsible for both planned maintenance and responsive repairs over an initial period of five years, with the option to extend for a further five. This strategic approach will enable an integrated approach to the programming and delivery of works. The contract provides for significant economies of scale and efficiencies that will release resources for other purposes, including further new-build development.

8.8 Outcome M - Maximising Use of Social Rented Homes

To maximise the efficient use of the social housing stock, achieving top quartile performance

- M.1 The council's Tenancy Strategy is in place to support best use through provision of fixed term tenancies and other means. The council and other providers will continue to prioritise action to tackle empty homes in the public as well as the private sector, action to tackle tenancy fraud, action to tackle overcrowding and under-occupation and initiatives to find temporary uses for stock that would otherwise be left empty due to regeneration programmes.

- M.2 An additional factor has been introduced by the social sector size criteria and as part of its response to this the council has revised its under-occupation incentive scheme for all affected social housing tenants to encourage take-up.
- M.3 The council and BHP will set demanding targets to achieve top quartile performance, and seek commitment from other providers to these.
- M.4 In order to better align social housing provision and housing need the council will implement a programme of stock reform which will see selective disposal of some smaller units and of poorly-performing units to release resources for investment in larger homes.

8.9 Outcome N - Energy Efficiency and Fuel Poverty

To improve the energy efficiency of the social housing stock through a programme of retrofit works by 2019

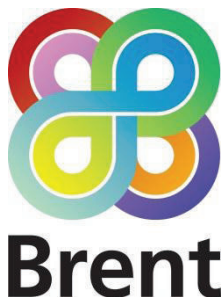
- N.1 The council has recently appointed an Energy Efficiency partner. They will develop and lead a programme of retrofit works to both social housing and private sector properties across the borough, maximising applicable ECO and Green Deal funding.
- N.2 In the council’s own stock the partner will directly take forward energy efficiency works where this is most efficient but these will be integrated with wider asset management works where appropriate.
- N.3 The council will actively promote engagement with the programme by Registered Providers as well as maximum penetration and take-up in the private sector by landlords and private owners.

8.10 Objective Five Outcomes – Target Summary

Priority Outcomes
All council homes improved by 2021 within budget and Decent Homes standard maintained
Top quartile performance for management quality and efficiency achieved from 2016 onwards
Improved energy through treating all cavity walls where economically feasible by 2016 and targeted improvements to worst performing 10% of council homes

9. IMPLEMENTING THE STRATEGY

- 9.1 Brent Council is committed to facilitating community-driven approaches, where barriers are identified and solutions developed and delivered by community partners and, most crucially, our residents. The Employment Strategy emphasises support for partners so that delivery of employment and skills related provision can be by those who best know workless communities and can offer the most appropriate support, in particular through the role of the voluntary sector. This strategy aims to take a similar approach, while recognising that the issues and the mechanisms through which solutions will be delivered differ.
- 9.2 Given the close correlation between worklessness and social housing, the council will work with Registered Providers, who own and maintain the majority of social housing in the borough, to ensure employment, skills and enterprise efforts are coordinated and linked effectively to approaches to delivering new supply and the letting and management of affordable housing.
- 9.3 As noted earlier in this document, effective partnership working across all sectors will be essential to ensure that the impact of reduced resources is mitigated. The council will take a leadership role, working with partners to guide, steer and set the direction of travel for the borough. The council will coordinate activities to avoid duplication and achieve synergies, support the capacity building of VCS partners, as appropriate, take a strategic overview and lead by example.
- 9.4 To ensure the achievement of the identified objectives and outcomes a detailed action plan covering an initial period of 3 years has been drawn up. The action plan will be reviewed and monitored regularly so that it is a live document guiding activities and focus. Mirroring the strategy, the action plan is a borough plan and responsibility for delivery falls across departments and relies on a range of partnerships. Brent Council and its partners from all sectors will need to work closely together to develop and deliver against this action plan. This will particularly include those from the VCS, housing sector and established deliverers of nationally commissioned services.



Cabinet
21 July 2014

**Report from the Strategic Director of
Regeneration and Growth**

Wards Affected:
[ALL]

**Brent REFIT Programme - installation of Energy Conservations
Measures (ECMs) at 15 Brent Council sites.**

NOT FOR PUBLICATION

Appendices 1-4 are not for publication as they relate to the following category of exempt information as specified in the Local Government Act 1972:

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

1.0 Summary

- 1.1 Brent REFIT is a programme designed to deliver energy savings for existing corporate buildings and schools using the GLA REFIT Framework Agreement. This is an "Invest to Save" scheme with guaranteed returns over the agreed payback period.
- 1.2 This programme aims to contribute to reducing energy consumption and its associated costs in addition to mitigating CO₂ emissions with the installation of Energy Conservation Measures (ECMs) in Brent Council buildings and schools.
- 1.3 An investment of £941,980 will deliver guaranteed energy savings of 2,158MWh worth £110,376 per annum at current prices giving a simple payback of 8.5 years equating to 25.3% energy savings against baseline (CO₂ reduction against baseline equal to 26.1%).

2.0 Recommendations

- 2.1 Approval to award an Energy Performance Contract (EPC) under the Framework Agreement provided by the GLA RE:FIT programme to install energy conservation measures (ECMs) in selected Brent Corporate Public buildings and a number of Brent schools within the Schools Expansion

Programme for the contract value of £941,980 to Imtech Technical Services Ltd (Imtech).

- 2.2 Approval to fund the proposed Brent REFIT schemes from a combination of unsupported borrowing, corporate reserves and individual school balances to the value of £674,230 and from Salix Funding for the amount of £267,750.
- 2.3 Approval to appoint the Building Research Establishment (BRE) to provide continued support and technical expertise through to completion of Call-Off Contract Phase 2 REFIT Programme (ECM Installation) at a cost of £35,152 (excl. VAT & expenses) from existing Property & Projects budgets.

3.0 Detail

- 3.1 In July 2013, Brent Council issued an Invitation to Tender (ITT) under the GLA REFIT Framework Agreement to procure an Energy Performance Contract with energy savings backed by a performance guarantee over the duration of an agreed payback period.
- 3.2 In November 2013 Imtech UK Technical Services Ltd (Imtech) was awarded the GLA Framework Agreement Phase 1 - Call-Off Contract to produce an Investment Grade Proposal (IGP) for selected corporate buildings and schools.
- 3.3 The IGP by Imtech issued as Appendix 1 to this report identifies a number of ECMs to be implemented across the 15 sites. The ECMs will use a design and build contract approach, bespoke for each site. Once installed the ECMs will provide energy savings which will be guaranteed against an agreed energy consumption baseline.
- 3.4 Energy performance against an agreed baseline is the fundamental purpose of the contract and this is reflected in the terms and conditions of the GLA Framework Agreement.
- 3.5 Approval to proceed to the next stage, Phase 2 – Call-Off Contract, will allow the project to proceed to installation of the ECMs at each site. A fast track programme is planned requiring coordination with the school expansion programme and Brent FM to ensure minimal disruption during occupancy hours.
- 3.6 Imtech will install 16 types of ECMs (53 no. in total across 15 sites) to provide 2,158 MWh of energy savings worth £110,376 per annum at current prices giving a simple payback of 8.5 years for the whole programme.
- 3.7 The Brent REFIT Programme will contribute to meeting the Council's Carbon Reduction Targets (CO₂) at Local, Regional, National and EU levels:
 - Brent (Local) Target: Revised to 15% by 2018 against 2009 baseline, subject to CMB/CMT/Member approval (*ref: Carbon Management Programme Report, Feb 2014*).
 - London (Regional) Target: 60% by 2025 against 1990 baseline (Policy 5.1, The London Plan).

- EU and National (UK) Target: 80% by 2050 against 1990 baseline.

3.8 The cost of the Investment Grade Proposal (IGP) and all contractor management fees is included in the total investment cost of £941,980 (excl. VAT)

3.9 Full details are provided in the supporting documents: see Background Papers (a) to (e).

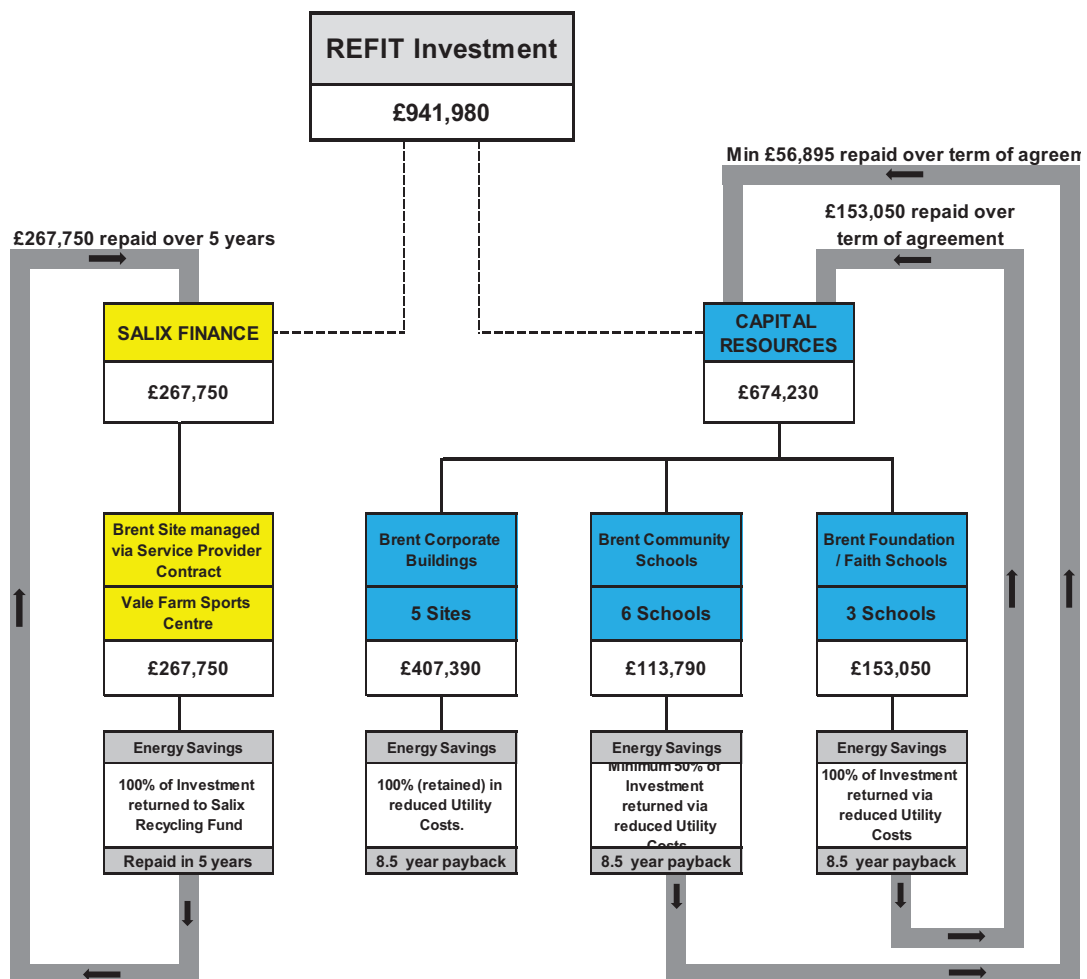
4.0 Financial Implications

4.1 The energy performance contract (EPC) requires investment from the Council totalling £941,980 (excl VAT).

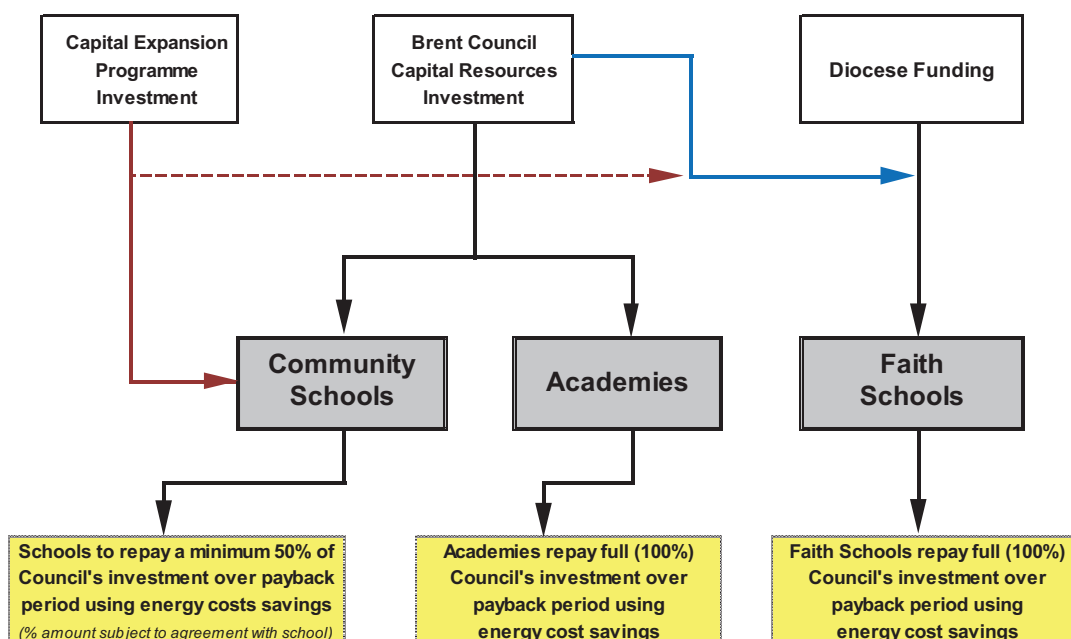
Funding for the RE:FIT Programme will come from two funding streams:

- Unsupported Borrowing (on an Invest to Save basis) £674,230.
- Salix Finance £267,750.

Please see diagram below.



- 4.2 Financial return on the investment in the Corporate Public Buildings will be recovered through savings in energy consumption achieved by the ECM and the associated cost savings.
- 4.3 Financial return on the investment in the schools will be recovered by an agreement between each school and the Council to repay a set percentage of the investment to a minimum of 50% depending on type of school, i.e. Community or Foundation/Faith over the payback period (8.5 years) through the energy savings achieved and subsequent reduced utility costs in each school.
- 4.4 An agreement will be drawn up and executed with each school to repay the determined capital investment in ECMs over the payback period with deferred first payment by one year to allow energy savings to accrue with terms and conditions similar to that of the Salix Loan Agreement.
- 4.5 If school status changes during the repayment period to Academy there is risk that the responsibility to meet debt repayments could be negated. The agreements drawn up with the schools will seek to mitigate this risk.
- 4.6 The schools included in the programme are of three types: Community Schools (6 no.) Voluntary Aided (VA) Faith schools (2 no.) and Foundation schools (1 no). The community schools will be required to repay a minimum of 50% of the investment over the duration of the payback period whereas the VA faith schools and foundation schools will be required to repay the full cost 100% over the duration of the payback period. This arrangement reflects the relationship between the schools and the Council and the nature of the asset ownership.
- 4.7 Diagram showing relationship between schools and Brent Council:



- 4.8 The funding of the capital investment in the corporate public buildings and schools is proposed to be via unsupported borrowing the associated debt charges for which will be met from the subsequent energy savings arising. Of

the total annual savings arising, £76,572 relates to these schemes. On this basis the required borrowing undertaken will be repaid in 10 years.

- 4.9 Alternatively there could be an opportunity to fund the non Salix element of the scheme, amounting to £674,230, by way of utilising Corporate reserves and individual school balances. That would have the beneficial effect of avoiding borrowing costs and immediately freeing up the savings for use both Corporately and by the individual schools. The Director of Finance is currently reviewing this opportunity to determine its viability.
- 4.10 The annual savings arising from the RE:FIT programme are guaranteed by the service provider for a period of 8.5 years although the benefit of the savings should extend beyond this per the life expectancy of the installed energy conservation measures. The risk on the repayment period from 8.5 years to 10 years on the borrowing undertaken will fall to the Council although this is felt to be minimal.
- 4.11 Where agreement with the Community Schools is for a repayment of less than 100% of the scheme costs there will be a virement from the School's Asset Management Plan capital budget to meet the gap in funding.
- 4.12 Vale Farm Sports Centre is a special case as it is currently receiving investment from the new service provider, Everyone Active. However, a demarcation of investment on the site has been agreed and the RE:FIT programme will be funded by a Salix Finance loan. It is intended to add a management fee to this loan to cover the full cost of the REFIT ECMs for an earlier payback (within 5 years), thus meeting all Salix and REFIT requirements including REFIT project management and Measurement & Verification costs. Repayments on the Salix Loan will be made by Everyone Active via energy savings achieved on site.
- 4.13 The contractor will guarantee the energy savings provided that the Council follows the maintenance regime outlined by the contractor in the operation and maintenance manuals. There is an expectation that there will be direct reductions in maintenance costs arising from the new technologies installed but these cannot be quantified at this time. Maintenance costs will be met from existing revenue budgets. The council will be reliant upon the schools and Vale Farm service provider to comply with the maintenance regime and this reflects a risk to the council in maintaining the contractor's guarantee to repay borrowing costs. The Corporate Property team will seek to instigate a monitoring process for the laid down maintenance regime to mitigate this risk.

5.0 Legal Implications

- 5.1 The Council has a range of legal obligations aimed at mitigating the impacts of climate change, including participation in the CRC Energy Efficiency Scheme (formerly known as the Carbon Reduction Commitment), introduced pursuant to the Climate Change Act 2008 (as amended).
- 5.2 The GLA have managed a compliant OJEU procurement process, providing a framework of Energy Service Companies (ESCOs) with pre-agreed contracts and defined deliverables. Public bodies, such as the council are able to utilise the GLA's RE:FIT commercial model to appoint an ESCO following competitive tender from the established RE:FIT Framework Agreement.
- 5.3 Officers obtained Chief Officer approval to undertake a mini competition process under the GLA's RE:FIT Framework Agreement to appoint a contractor for Phase 1 to scope the energy savings programme in accordance with Contract Standing Orders. The proposed award of the Phase 2 call off contract is deemed a High Value Contract under the council's Contract Standing Orders, therefore requiring Member approval to appoint.

6.0 Diversity Implications

- 6.1 Imtech pledge to meet requirements of the Public Services (Social Value) Act 2012:

“Social value” is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract.

They have made the following pledge:

- Provide declared apprenticeships
- Provide declared opportunities for NEETS (Not in Education, Employment or Training)
- School engagement, career day
- Embed the payment of the 'Living Wage' within supply chain
- Ensure organisations can supply to Imtech for this opportunity
- Ensure waste plans are produced and implemented

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 The installation of ECMs at all sites will aim to cause minimum disruption to occupants and staff while works proceed. For schools in particular, works will be carried out during school holidays wherever possible and any works which occur when expansion works are proceeding will be coordinated with all involved parties for effective and safe working on site for all staff involved.
- 7.2 A dedicated Imtech Operations Manager will be Imtech's point of contact at all times during this phase.

- 7.3 It is intended that BRE will assist the Council to ensure that Brent REFIT is delivered in accordance with the agreed IGP to meet the contractual targets. BRE (formerly the Building Research Establishment) located in Watford, Hertfordshire is a 'not for profit' organisation owned by the BRE Trust - a research and education charity for the public benefit, registered with the Charity Commission. All companies owned by BRE Trust contribute their profits to supporting the Trust's mission "to champion excellence and innovation in the built environment". BRE has a track record of providing impartial advice, consultancy and training in the area of energy use in the built environment to local government, central government and their agencies for over twenty years. BRE will provide specialist support and expertise to the Council in the form of a dedicated Project Manager for the duration of the installation period (estimated at 8 months).
- 7.4 The Council's Energy Manager, will be the point of contact on behalf of Brent Council with regard to liaising with all stakeholders and staff involved.

Appendices

Appendix 1 - The GLA RE:FIT Programme, Portfolio Investment Grade Proposal (IGP) for London Borough of Brent.

Appendix 2 – Project Indicative Programme (Subject to confirmation of installation start date).

Appendix 3 – Suppliers Information.

Appendix 4 – Framework Agreement for the Provision of Services between the GLA and Imtech Technical Services Ltd


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ANDREW DONALD
Strategic Director of Regeneration and Growth

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 Brent	<p style="text-align: center;">Cabinet 21 July 2014</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Growth</p>
Wards Affected: All	
Authority to Invite Tenders for Procurement and Management of Temporary Accommodation Contract for Housing Association Leasing Scheme	

1.0 Summary

- 1.1 This report seeks authority pursuant to the Council's Contract Standing Orders 88 and 89 to invite tenders for a contract for the Procurement and Management of Temporary Accommodation in support of the Council's Housing Association Leasing Scheme (HALS). This procurement exercise is designed to provide a sufficient supply of accommodation within London and predominantly within Brent. The proposed contract is anticipated to commence from 1 February 2015 for a period of three (3) years, with an option to extend for up to a further two (2) years.

2.0 Recommendations

- 2.1 Cabinet to approve the pre-tender considerations and the criteria to be used to evaluate tenders for the HALS Procurement and Management of Temporary Accommodation as set out in paragraph 3.2 of this report.
- 2.2 Cabinet to give approval to invite expressions of interest, agree shortlists, invite tenders for HALS Procurement and Management of temporary Accommodation and evaluate them in accordance with the evaluation criteria referred to in section 2.1 above.

3.0 Detail

3.1 Procurement and Management of Temporary Accommodation

- 3.1.1 The Council has a statutory duty to provide suitable temporary accommodation to homeless persons who are eligible and have a priority need for accommodation

under part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002 and the Localism Act 2011). The Housing Association Leasing Scheme (HALS) is used to provide temporary accommodation for homeless families. At the end of March 2014 there were 1,790 HALS units in use. The current contract for the procurement and management of temporary accommodation for homeless households has been in operation since February 2009 with two housing association providers. This contract ends in February 2015.

- 3.1.2 Under the existing and proposed contract the selected contractors source suitable properties and enter into head leases with the property owners, generally for a 3 year term. The Council is provided with nomination rights in order that the Council can nominate tenants to properties made available by the contractor. The tenants enter into an assured shorthold tenancy with the contractor and pay rent (generally via Housing Benefit paid to homeless families).
- 3.1.3 The contractor provides management and maintenance services which are covered by the rent. The Council pays a weekly nomination fee to the relevant contractor for each property. There are minimum property standards and furniture standards specified by the Council, and the contractor has to provide a high-quality housing management service. The scope of services will include a full property management service to include property acquisition, viewings and lettings processes, tenancy management, property inspections, administering decants, void periods and property handbacks and performance management. Performance is monitored through performance indicators and regular monitoring meetings.
- 3.1.4 It should be noted that the name of the scheme reflects that provision has typically been by housing associations but this procurement is open to any suitably qualified bidder. The existing contract was awarded to two Housing Associations; Genesis Housing Association and London Strategic Housing. The nomination fees paid by the council are £12.00 per week.
- 3.1.5 The fee for the service to be procured will be determined by this competitive tender. Each contractor will be paid a set management fee as tendered plus the applicable local housing allowance (LHA). The LHA is based on location and size of the property. The contract will make provision for the adjustment of the fee to take account of the effects of changes to legislation and benefit rates and arrangements to ensure that value for money and the required supply are maintained.
- 3.1.6 The ITT will be evaluated upon 70% quality and 30% price. It is proposed that the contract will be awarded to 3-5 organisations depending on the quality and number of proposals received. The evaluation has been weighted heavily towards quality, because of the fundamental importance of the selected contractors being able to deliver the supply of units required at scale; from past experience, for comparable arrangements, contractors that have priced over-competitively with insufficient track record and capacity have found it difficult to supply accommodation at the quantities required.

3.1.7 The service specification and the contract terms and conditions are being reviewed and revised. The tender pack will comprise:

- service specification
- property and furniture specification
- contract terms and conditions
- contract award criteria
- complaints procedure
- nominations procedure
- monitoring requirements
- background information on the London Borough of Brent
- method statements

3.2 Pre Tender Considerations

3.2.1 In accordance with Contract Standing Orders 88 and 89, pre tender considerations have been set out below:

Ref	Requirement	Response
(i)	The nature of the service	The provision of a full property management service for temporary accommodation let to homeless families nominated by the Council covering property acquisition, managing viewings and lettings processes, tenancy management, property inspections, administering decants, void periods and property handbacks
(ii)	Estimated value	To be determined through the procurement. Estimated to be in the range of £2.5-£7m based on the management of up to 1,500 units per year for the initial 3 year term
(iii)	The contract term	3 years, with the possibility of two 1-year extensions to be granted, subject to review of performance (up to a total maximum contract term of 5 years)
(iv)	The tender procedure to be adopted	Formal tender by way of Restricted procedure (two- stage process) in accordance with the Public Contract Regulations 2006 and the Council's Contract Standing Order 95 . Being a Part A service and likely to be of interest to the wider market the service will be advertised through the Official Journal of the European Union (OJEU) and on the Councils web site.

(v)	The procurement timetable – the dates shown are target dates	<p>Executive decision - July 2014 Adverts placed & PQQ issued - 1st August 2014 PQQ returned - 31st August 2014 PQQ evaluation - w/c 1st September 2014 Shortlist - 31st September 2014 Invite tenders - 1st October 2014 Tender return - 6th November 2014 Tender evaluation - 6th – 31st November 2014 Report recommending contract - December 2014 award circulated internally for comment Executive approval - December 2014 Standstill period - 10 days Contract award January 2015 Contract start 1st February 2015</p>
(vi)	The evaluation criteria and process	<p>Evaluation Criteria & Process</p> <p>The tenders received will be evaluated on quality and price.</p> <p>Price will be evaluated on the basis of the weekly nomination fee.</p> <p>Quality will be evaluated against the following criteria:</p> <ul style="list-style-type: none"> • A demonstrated ability to provide a full property management service covering property acquisition, managing viewings and lettings processes, tenancy management, property inspections, administering decants, void periods and property handbacks. Demonstration of value for money in the delivery of high quality services • A demonstrated ability to identify and respond to changing priorities with due regard to the diversity and varying needs of the community • A demonstrated commitment to the operation of a quality assurance policy in all aspects of service delivery • A demonstrated ability to collect, maintain, analyse and provide statistical and other information • A demonstrated ability to deal with tenancy and management issues taking into consideration our Equality & Diversity Policy • A demonstrated ability to manage a large portfolio

		<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the Pre Qualification Questionnaire and thereby meeting the Council's minimum requirements in relation to financial standing requirements, technical capacity, technical expertise and compliance with statutory requirements such as health and safety. Candidates who meet the Council's minimum requirements will be shortlisted and invited to tender, which will subsequently be evaluated in accordance with the criteria above..</p> <p>The HALS contract will be concluded on the basis of the most economically advantageous offer, with the tenders received to be evaluated against the evaluation criteria.</p> <p>Financial and legal considerations on tenders returned are to be given by the Housing Finance Team and representatives from the Council's Legal and Financial services respectively. Where required, these representatives will participate in the evaluation panel.</p>
(vii)	Any business risks associated with entering the contract	The scheme is funded from the General Fund. The housing leasing costs are recovered through housing benefit. No specific business risks are considered to be associated with entering into the proposed contract. Financial Services have been consulted concerning this contract.
	The Council's Best Value duties.	The advertising of the contract on the OJEU will attract competition from the wider market. Contract monitoring and management will ensure the Council's Best Value obligations are met.
(ix)	Any staffing implications, including TUPE and pensions	None
(x)	The relevant financial, legal and other considerations	See paragraphs 4.0 and 5.0 below

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1 million shall be referred to the Executive for approval to invite expressions of interest, agree shortlists and invite tenders.

- 4.2 The contract for the procurement and management of temporary accommodation will be let for a period of three years, with a possible extension of up to two years at one year intervals. However, the cost of the contract will depend on the length of time for which the council has nomination rights to the properties. The estimated value of the contract for units procured over the three years between 2-5 and £7m depending on the tendered fee and based on an average of 1,500 properties for the duration of three year contract.
- 4.3 The cost of this contract will be funded from the General Fund through existing budgets. If the tenders received are above the current budgetary provision, a further report will be submitted to Members seeking authority to proceed.

5.0 Legal Implications

- 5.1 Under the Public Contract Regulations 2006 (“the Regulations”), the procurement and management of temporary accommodation for a Housing Association Leasing Scheme is deemed a Part A service to which the Regulations apply in its entirety. The estimated value of the procurement and management of temporary accommodation for a Housing Association Leasing Scheme over the proposed three year life of the contract is £7m and as such is deemed a High Value Contract under the Council’s Contract Standing Orders; therefore in accordance with the Regulations in addition to Contract Standing Orders and Financial Regulations, a competitive EU tendering process as set out in the body of this report must be undertaken.
- 5.2 In accordance with Contract Standing Orders 88 and 89 approval of the Executive is required to consider the pre-tender considerations, invite expressions of interest, agree shortlists and invite tenders as set out in paragraph 3.2.1 of this report.
- 5.3 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.
- 5.4 The requirement to provide accommodation to persons in housing need arises under Part VII of the Housing Act 1996 (as amended by The Homelessness Act 2002 and the Localism Act 2011). The Council is bound by statute to provide temporary accommodation to applicants who are assessed as homeless under the Housing Act 1996.
- 5.5 Homeless legislation places duties, powers and obligations on housing authorities towards people who are homeless or at risk of homelessness. Under the legislation certain categories of households, such as families with children and households that include someone who is vulnerable, have a priority need for accommodation. If a local housing authority has reason to believe that an applicant may be homeless, eligible for assistance, and have a priority need, the authority has an immediate duty, pursuant to s188 Housing Act 1996, to ensure that emergency accommodation is available for his/her occupation pending a decision as to the duty (if any) owed to him/her.
- 5.6 Everyone accepted by housing authorities as eligible, unintentionally homeless and in priority need must be provided with suitable accommodation pursuant to s193 Housing Act 1996, until the duty comes to an end if one of the events set out in

s193(5) – (7)F occurs, usually by obtaining a settled housing solution either in the public or private housing sector.

5.7 The properties will be offered either as emergency accommodation [council's interim duty under section 188 of Housing Act 1996] or as temporary accommodation [under the main housing duty, under section 193 of Housing Act 1996].

5.8 Section 206 of the Housing Act 1996 provides that where a housing authority discharges its functions to secure that accommodation is available for an applicant the accommodation must be suitable. Suitability must be considered in relation to the applicant and to all members of his/her household who normally reside with him/her, or who might reasonably be expected to reside with him/her. The Homelessness Code of Guidance for Local Authorities, the Homelessness (Suitability of Accommodation) (England) Order 2012, and the Supplementary Guidance on homelessness changes, on which the local policy (Temporary Accommodation Placement Policy) is based, advises that housing authorities should aim to secure accommodation within their own district wherever possible. Key factors to consider include:

- The distance of the accommodation from the district of the authority
- The significance of any disruption which would be caused by the location of the accommodation to the employment, caring responsibilities or education of the applicant or members of his household
- Proximity and accessibility to schools, public transport, primary care services, local services and amenities in the area in which the accommodation is located
 - - Space and arrangement
 - - Health and safety considerations
 - - Affordability
 - - Location.
- Availability of alternative suitable accommodation in the local authority area.
- Size and location of alternative equivalent accommodation available outside of the borough and the availability of support networks in the area.

5.9 There is the right of Review of the suitability of accommodation offered under section 193 of the Housing Act 1996 and an applicant may increasingly exercise this right to assert their need to remain in the borough. If the decision to place out of borough is upheld on Review pursuant to s202 Housing Act 1996, then applicants can challenge the decision through the courts, on a point of administrative law, which may be costly to defend. Previous case law has, however, supported housing authorities' decisions to accommodate out of borough when there is no other alternative available.

6.0 EIA - see Appendix 1

6.1 There is a negative impact in relation to disability, as there is a shortage of adequate adapted housing. However this is partially mitigated by the procedures in place, which identifies suitable alternatives by taking into consideration the DMOs recommendation e.g. if the DMO has made a recommendation for a ground floor or single level access accommodation but where none is available, accommodation with downstairs facilities are sought to meet the applicant's housing need.

Adapted HALS units offered to the Council are always allocated to households with disabled applicants who require the same. Additionally, in the past, where there has been an urgent demand for an adapted unit, we have offered higher rent levels to ensure we can secure the property for applicants with a disability.

The negative impact on disabled applicants is further mitigated through the use of other TA schemes where we have commissioned a number of adapted properties which are always prioritised for households with a disability.

These various measures are adopted to ensure we are able to meet the housing needs of disabled applicants.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None

8.0 Background Information

8.1 None

Any person wishing to inspect the above papers should contact:

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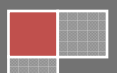
**Appendix 1 – Equalities Impact Assessment
Brent Council Equality Analysis Form**

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team



Equality Analysis



used to procure and manage temporary accommodation which is used to accommodate homeless families. At the end of February 2014 there were 1774 HALS units in use. The main beneficiaries of this function are homeless households who have approached the Council and are eligible for suitable accommodation. This scheme only caters for families including those who are fleeing domestic violence, harassment or a hate crime; those who need to move because of an urgent medical or welfare need including situations where there are safeguarding implications; those with a disabled member in their household. The families are from various ethnic backgrounds and includes those who may not have English as their first language as well as those who do.

The existing contract was awarded to two Housing Associations - Genesis Housing Association (GHA) and London Strategic Housing (LSH) after a competitive tender on the 1st February 2010 for a period of three years, with an option to extend for up to a further two years. All properties procured under this scheme are within the geographical boundaries of Brent. This contract will expire on 1st February 2015.

The Council contracts with the Housing Associations to source suitable housing for homeless families. The Housing Associations source suitable properties and enter into head leases with the property owners, generally for a 3 year term. The Council is provided with nomination rights in order that the Council can nominate tenants to properties made available by the Housing Associations. The tenants enter into an assured short hold tenancy with the Housing Associations and pay rent (generally via Housing Benefit paid to homeless families). The Housing Associations provide management and maintenance services which are covered by the rent. The Council pays a weekly nomination fee to the relevant Housing Association for each property. There are minimum property standards and furniture standards specified by the Council, and the Housing Associations have to provide a high-quality housing management service. Performance is monitored through performance indicators and regular monitoring meetings.

The principal aim of the HAL scheme is to:

- Continue to meet the housing need for eligible, homeless persons with a priority need for whom the Council has a statutory duty to provide suitable TA under part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002).
- Meet housing need through provision of appropriate affordable housing
- Make best use of leased accommodation to meet housing need
- To specify the affordability thresholds to be complied with by Contractors when setting rents
- Encourage Housing providers to pay full regard to the affordability of TA
- Promote a consistent approach to the letting and management of TA in the borough
- The intention of the HAL scheme is to meet the gap between the need for housing and the supply of affordable temporary accommodation.

3. Describe how the policy will impact on all of the protected groups:

A key aim of the HAL scheme is to ensure that services meet the housing needs of service users irrespective of their age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Council's TA Placement Policy (attached) details how applicants will be prioritized for housing in Brent. This includes temporary accommodation placements for households accepted as homeless under S193 of the Housing Act 1996 (these are households where we have accepted a duty to assist). The policy outlined here will aim to ensure that housing need is met in a fair, consistent and non discriminatory manner.

Age

Households will not be discriminated against because of their age. Analysis indicates that there will be a positive impact on clients aged between 31-45 as they currently make up 45% of households in TA. This is the most significant group of people who are positively impacted in relation to families with children.

Disability

The provision of accommodation is based on client need. Where adapted or single level accommodation is required, Providers are informed to procure suitable accommodation. Due to the shortage of adapted properties, preference is given to households who require properties that have been adapted or developed for people with a disability. Figures from Genesis Housing Association indicate that in the last 3 years, 3 households were accommodated in adapted properties. Applicants who have an illness or disability are required to complete a medical form and include as much detail as possible to enable an accurate assessment. Medical priority is awarded following an assessment and recommendation from the Council's District Medical Officer (DMO). The DMOs recommendations are always taken into consideration before an offer of TA is made to the applicant. If the DMO has made a recommendation for a specific type of property e.g. ground floor or single level access accommodation but where none is available, accommodation with downstairs facilities are sought to meet the applicant housing need. This flexible approach is adopted largely due to the difficulties in procuring adapted properties to meet the needs of disabled applicants. Part of the tender evaluation will assess how Housing Associations ensure disabled clients are able to access service provision effectively. In the past, they have conducted customer surveys to identify language and accessibility needs of all tenants to establish communication needs. When clients are nominated to TA, the Housing Association is also given detailed information on the family with regards to any disabilities to ensure they have made suitable arrangements e.g. providing the welcome pack in braille for those who are visually impaired and to ensure the accommodation provided is suitable for the household's needs.

Clients with learning disabilities, mental health issues, sensory or physical impairment are also able to access floating support either through a self referral or through a referral from the Council or the Housing Association. All referrals are submitted to the START plus team and over the last 3 years, figures from START plus indicate that 432 referrals have been made by Housing Needs Service and 20 referrals have been made directly by the Housing Associations thus ensuring a sensitive and responsive service is provided to the client in

regard to their housing need.

Support is also provided by Families Floating Support Service who provide support to families with housing related needs. The types of support offered are :

1. helping families to access appropriate welfare benefits
2. helping people into education, training and employment
3. support with finding debt-cancelling agencies where applicable
4. support with finding appropriate agencies for physical and mental health needs
5. helping families to keep tenancies and prevent repeated homelessness
6. helping families reintegrate into the community
7. supporting people experiencing domestic violence
8. supporting families with social/cultural issues

They are also able to arrange interpreters where necessary and help clients liaise with various service e.g. mental health services, hospitals, GP, social services and schools to name a few.

Gender Reassignment

Unfortunately there is insufficient data on this protected characteristic due to a lack of responses by clients. Households will not be discriminated against this characteristic.

Pregnancy and Maternity

There will be a positive impact on households with children or pregnant mothers. Analysis indicates that 80% of households in TA are families with children. Pregnancy is also classified as a priority need when determining if a household is eligible for assistance under the Housing Act 96.

Race

A sensitive and flexible approach to meeting clients' housing clients is taken to ensure adequate and suitable provision is made. The majority of households who access TA are from BAME households (specifically the Black African community). Over the last 3 years, 49% of households in TA are from the Black community (African, Caribbean, Somalian, Other), 19% are from the White community (Irish, UK, Other) and 16% are from the Asian community (Indian, Pakistani, Chinese, Other).

Religion

Unfortunately there is insufficient data on this protected characteristic due to a lack of responses by clients.

Sex

The provision of accommodation through the HAL scheme will have a positive impact on both men and women alike, although it should be noted that over the last 3 years, 46% of clients in TA were made by lone households headed by women in contrast to 3% of lone households headed by men. 30% of cases consisted of couples with dependent children.

This information was not available for 21% of cases.

Sexual Orientation

Unfortunately there is insufficient data on this protected characteristic due to a lack of responses by clients.

Please give details of the evidence you have used:

The above information was obtained from a Housing Needs TA report which contained live cases accommodated in TA for the period January 2011 – January 2014. Whilst the analysis is as accurate as possible, it should be noted that some sections of the raw data did not contain any information hence could not be included in the analysis.

- **4. Describe how the policy will impact on the Council's duty to have due regard to the need to:**
- **Eliminate discrimination (including indirect discrimination), harassment and victimisation;**
- The council will allocate TA in line with Brent's TA Placement Policy which will ensure that everyone's housing need is met in a fair, consistent and non discriminatory manner.
- The specification of the HALS contract will ensure that properties procured by Contractors will meet rigorous standards, including adhering to the "minimum property standard" as defined in the HALS specification. This specifies the standards each property must meet before they can be accepted for the HALS scheme. The Contractor should ensure (amongst other things) that all safety certificates are valid for the property, that the property has buildings insurance that the property adheres to current fire regulations.
- The specification also includes Brent's commitment to Equality and Diversity in Procurement and states clearly the commitment we expect from Provider to promote equality and diversity, taking into account the needs of the people protected under the Equality Act 2010 in respect of the Protected Characteristics.
- Advice and assistance will be provided by Brent Council in the event of any queries or complaints with regards to Provider conduct.
- Once clients are accepted under the Housing Act 96, they are allocated a TA Support Officer (TASO). The TASO acts as the client's caseworker and assists with undertaking reviews on the suitability of the TA offer (should the client feel the accommodation is not suitable, the TASO would investigate the merits of the suitability review), fear of violence investigations and works with accommodation providers and other agencies to resolve complaints and tenancy support issues including claims of harassment or discrimination.

- As part of the tender process, we will also be asking Bidders to demonstrate how effectively they deal with tenancy and housing management issues e.g. dealing with complaints of anti social behaviour (including discrimination, victimisation and harassment) and actions taken to resolve the situation or to mitigate the impact on the client. Providers are also contractually required to have a complaints procedure to prevent unlawful discrimination and to promote equal opportunities for everyone; Bidders also need to ensure that all staff should be CRB checked.
- As part of their tender response, each provider is asked to submit a welcome pack. This outlines all the information a tenant will require not only about their new home, local area and amenities but also information about the Provider. It should include their equal opportunities policy and how to make a complaint if a tenant feels they have been treated unfairly. Bidders will be required to provide this in a range of formats to meet the individual's communication needs.
- There will be a requirement for Bidders to demonstrate their commitment to our Equality and Diversity Policy by ensuring that their services are accessible to all users and take into account service user's individual needs. This includes using sign language or translation services, using large print or Braille, ensuring they have hearing loops for hearing impaired customers and ensuring their offices are accessible to wheelchair users. This will be monitored as part of the monthly performance indicators.
- Bidders will also be required to ensure that there are appropriate systems in place to ensure that the communication needs of service users are reflected on systems which may relate to maintenance so that contractors are made aware.
- During the tender process the Housing Associations will be evaluated on both procurement and tenancy management issues. This includes how their company policies and procedures deal with complaints of harassment and nuisance (this includes sexual, racial and transphobic harassment, domestic violence, anti-social behaviour and homophobia). The number of harassment complaints is also one of the performance indicators upon which their performance is regularly monitored. All complaints of harassment would be dealt with by the Provider in the first instance in line with their company's complaints procedure. If the client is not satisfied with the outcome, they are then able to contact their caseworker at Brent Council. Providers are also contractually required to have a complaints procedure to prevent unlawful discrimination and to promote equal opportunities for everyone.
- Regular performance monitoring allows the Council to ensure there is a consistent approach to complaints and that the housing need is being provided with a caring and responsive approach with regards to complaints of harassment.

(a) Advance equality of opportunity;

- Clients with learning disabilities, mental health issues, sensory or physical impairment are also able to access floating support either through a self referral or through a referral from the Council or the Housing Association.
- Support is also provided by Families Floating Support Service who provide support to families with housing related needs. They are able to arrange interpreters where necessary and help clients liaise with various services e.g. mental health services, hospitals, GP, social services and schools. They work closely with other agencies such as Look Ahead who deal with people with physical or learning difficulties, Sanctuary who deal with elderly applicants, and Thames Reach who provide floating support for applicants with mental health issues. Whilst this list is not exhaustive, access to these services ensure a sensitive and responsive approach is taken with regard to meeting their to housing needs and ensure equal access.
- Regular performance monitoring will enable the Council to ensure there is a consistent approach to complaints and that the housing need is being provided with a caring and responsive approach with regards to complaints of harassment, discrimination or victimisation.
- Ensuring better monitoring of families who are housed through this scheme by reviewing processes to ensure that protected characteristics are captured by all staff via the current monitoring mechanisms currently in place.

(b) Foster good relations

N/A

5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.

i) Who did you engage with?

Due to the nature of the tender (retendering as opposed to a new contract), a consultation was not carried out.

ii) What methods did you use?

iii) What did you find out

iv) How have you used the information gathered?

v) How has it affected your policy?

6. Have you have identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain

what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.

There a negative impact in relation to disability, as there is a shortage of adequate adapted housing. However this is partially mitigated by the procedures in place, which identifies suitable alternatives by taking into consideration the DMOs recommendation e.g. if the DMO has made a recommendation for a ground floor or single level access accommodation but where none is available, accommodation with downstairs facilities are sought to meet the applicant's housing need.

Adapted HALS units offered to the Council are always allocated to households with disabled applicants who require the same. Additionally, in the past, where there has been an urgent demand for an adapted unit, we have offered higher rent levels to ensure we can secure the property for applicants with a disability.

The negative impact on disabled applicants is further mitigated through the use of other TA schemes where we have commissioned a number of adapted properties which are always prioritised for households with a disability.

These various measures are adopted to ensure we are able to meet the housing needs of disabled applicants.

Please give details of the evidence you have used:

The statistic supplied by the Genesis Housing Association which indicates the low number of adapted properties procured in the last 3 years.

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age	x		
Disability		x	
Gender re-assignment			X
Marriage and civil partnership			X
Pregnancy and maternity	x		
Race			X
Religion or belief			X
Sex			X
Sexual orientation			X

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only). Please refer to stage 4 of the guidance.

No major change

- The terms will ensure clients placed by the Council receive the best possible service in accordance with their individual needs and requirements and there is a clear understanding of the relationship between the Council and the provider.

- The tender process will also include method statements which allow the panel to assess how well the Provider is able to meet our clients' needs. Bidders are required to demonstrate their experience by providing examples of how they will deal with tenancy and housing management issues. The panel will also be assessing Providers to ensure their staff are CRB checked.

- The council will allocate TA in line with Brent's TA Placement Policy which will ensure that everyone's housing need is met in a fair, consistent and non discriminatory manner.

- The specification of the HALS contract will ensure that properties procured by Contractors will meet rigorous standards, including adhering to the "minimum property standard" as defined in the HALS specification. This specifies the standards each property must meet before they can be accepted for the HALS scheme. The Contractor should ensure (amongst other things) that all safety certificates are valid for the property, that the property has buildings insurance that the property adheres to current fire regulations.

- The specification also includes Brent's commitment to Equality and Diversity in Procurement and states clearly the commitment we expect from Provider to promote equality and diversity, taking into account the needs of the people protected under the Equality Act 2010 in respect of the Protected Characteristics.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future.
Please refer to stage 7 of the guidance.

There will be on-going performance monitoring via quarterly contract meetings held with the Providers and by reviewing their KPIs which are submitted on a monthly basis. The number of complaints would also be used as a monitoring mechanism to ensure customers have been treated fairly and have not experienced discrimination on the basis of ethnic origin, age, gender, faith, sexuality and disability.

Brent Council is committed to the principle of equal opportunities in the delivery of all of its services. Brent Council will seek to ensure that the HALS scheme is applied in a manner that is fair to all sections of the community regardless of nationality, ethnic origin, marital status, age, gender or disability.

Brent Council and its partners will be responsive, accessible and sensitive to the needs of all applicants. They will not tolerate prejudice and discrimination and will actively promote equality.

Applicants will be invited to indicate if they wish to make use of the Council's translation and interpretation services, and if they require other special services as a result of visual impairment, hearing difficulties or other disability.

Confidential interview facilities are provided at all Customer Service Centres and the Brent Civic centre, all of which are wheelchair accessible. Home visits will be carried out as required, especially where the applicant has a disability or mobility problems.

All applicants for housing or re-housing will be asked to provide details of ethnic origin, age, gender, faith, sexuality and disability. This will not, however, be a requirement for acceptance of assistance. Diversity records will be kept and monitored on a regular and systematic basis to ensure properties are being offered and allocated fairly.

Regular performance monitoring will ensure that the scheme does not operate in a manner that disadvantages or discriminates against any particular group.


10. Action plan and outcomes

At Brent, we want to make sure that our equality monitoring and analysis results in positive outcomes for our colleagues and customers.

Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome

Please forward to the Corporate Diversity Team for auditing.

 <p>Brent</p>	<p>Cabinet 21 July 2014</p> <p>Report from the Strategic Director of Regeneration and Growth</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p>Authority to award contract for bio-fuel supplies for Brent Civic Centre CCHP plant</p>	

1.0 Summary

- 1.1 This report requests authority to award contracts as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendations

- 2.1 That Members note that for the reasons detailed in paragraph 3.6, it is proposed that the priced is fixed for 3 years with indexation of the annual price in subsequent years.
- 2.2 That Members award the contract for bio-fuel supplies for Brent Civic Centre CCHP plant to Fleetsolve Limited.

3.0 Detail

Background

- 3.1 This report concerns the contract award for bio-fuel supplies for Brent Civic Centre combined cooling, heat and power (CCHP) plant.
- 3.2 CCHP refers to the simultaneous generation of electricity and useful heating and cooling from the combustion of a fuel utilising the necessary plant equipment to produce electricity, heat and cooling in one single, highly efficient process.

- 3.3 Fleetsolve Ltd supplied, fitted and maintained the CCHP unit at Brent Civic Centre, as a sub-contractor to Skanska, the main building contractor. At the time of the contract negotiations for the Fleetsolve CCHP solution in March 2012 there was a proposed maintenance arrangement and fuel supply arrangement put forward by Fleetsolve Ltd. At that time it was agreed to revisit these arrangements and to finalise agreements once the building had been completed and handed over to the Council to manage. Since this time the maintenance contract element has been agreed and put in place by Europa FM services as part of their requirements under the Total FM solution. A term contract for the fuel supply remains outstanding.
- 3.4 Fleetsolve Ltd currently supplies the fuel for the Civic Centre CCHP unit under a temporary contractual arrangement. In the absence of a permanent fuel contract in place the council has continued to purchase fuel under the terms of the temporary arrangement but is paying a premium price for the supply of bio-fuel for the CCHP unit. The council needs to award a contract for the on-going supply of the fuel to ensure best value and a more economical rate for the supply of bio-fuel and to comply with procurement legislation and the council's Standing Orders and Financial Regulations.
- 3.5 In considering the procurement of the supply of bio-fuel, it is considered that the optimum length of contract is five years. This duration will provide for security of supply for this innovative product and will allow suppliers to be confident in their market place to make suitable investments in supply infrastructure. A fixed price over the five year term of the contract will give the Council price certainty within the volatile fuel supply market. Approval to tender was given on this basis.
- 3.6 Following receipt of approval to tender, further consultation with the market has been undertaken to inform tender documentation. Shifts in the market identified that the market favoured a shorter fixed price period – three years rather than five. Conscious of the need to ensure a degree of price certainty over the duration of the contract however, it was considered appropriate to tie any increases or decreases in the fourth and subsequent years to RPIx. Rather than delaying the procurement process further by seeking prior approval to this change, it was deemed preferable to proceed with the tender but to highlight the change to the Executive when seeking approval to award.
- 3.7 The Civic Centre is certified by the Building Research Establishment Environmental Assessment Method (BREEAM) as BREEAM Outstanding and is currently the greenest public building in the UK. In order to maintain this certification the type of bio-fuel used in the CCHP would need to be at least a 2nd generation bio-fuel. The contract specification requires that the supplied bio-fuel meets the requirements of the BREEAM Outstanding 'in

use' certification and also the requirements to achieve double Renewables Obligation Certificates (ROCs).

- 3.8 ROCs are tradable certificates issued to operators of accredited renewable generating stations for the eligible renewable electricity generated. Brent Civic Centre CCHP qualifies for these. The council can trade ROCs with other parties and they have a monetary value which can rise and fall. Because of its advanced nature, the bio-fuel currently used to run the CCHP plant is categorised as a 2nd generation bio-fuel (approved by The Building Research Establishment - BRE). 2nd generation bio-fuels are defined as those which are produced from waste by-product which would otherwise not be useable. This makes the CCHP in the Civic Centre eligible for double ROCs, which will potentially provide an income for the council to offset the cost of the fuel. This income is estimated at around £180,000 per annum. It is important that the fuel supplied for the CCHP therefore falls into this or a higher category to meet the necessary income assumptions. ROCs claims will be processed during 3rd quarter 2014-15.

The tender process

- 3.9 The new contract will be let using a service specific contract for 5 years.
- 3.10 Advertisements were placed on the London Tenders Portal and in the Official Journal of the European Community (OJEU), on 2 April 2014. The contract was advertised using the Open Procedure. 9 suppliers expressed an interest, of which one submitted a completed prequalification questionnaire and tender.
- 3.11 Checks were carried out on the basis of the supplier's financial standing and technical ability, including quality control processes, experience and risk assessment procedures. The single supplier who tendered passed this shortlisting stage, and their tender was then evaluated. The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following:
- Proposals for minimising the transport distances involved in the supply and delivery of the fuel (20% weighting); and
 - Total price over the term of the contract (80% weighting).
- 3.12 In addition to submitting information providing details of proposed arrangements for meeting the quality criteria and the price for the supply of the fuel over the term of the contract, tenderers were required to provide evidence that the proposed product conforms with EN14213:2003 (standard relating to 2nd generation bio-fuels) as this was an essential requirement of the contract specification.

Evaluation process

- 3.13 The tender evaluation was carried out by a panel of officers from Property and Projects.
- 3.14 All tenders had to be submitted electronically no later than 22 May 2014 at 2pm. The electronic tender box was opened on 22 May 2014 and 1 tender was received. Each member of the evaluation panel read the tender using evaluation sheets to note down their comments on how well each of the award criteria was addressed.
- 3.15 The panel met on 12 June 2014 and the submission was marked by the whole panel against the award criteria.
- 3.16 The evaluation panel scores are contained in Appendix 1. As a single tender was received which met acceptable standards and price, officers therefore recommend the award of the contract to that tenderer, Fleetsolve Ltd.
- 3.17 Should Members agree the award, the contract will commence on 11th August 2014.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Cabinet for approval of the award of the contract.
- 4.2 The estimated value of this contract is £382,500.00 per annum.
- 4.3 It is anticipated that the cost of this contract will be funded from existing Facilities Management budgets which includes a total allocation of £783,000 for energy and utilities in 2014-15.
- 4.4 There is a potential for additional income of £180,000 per annum from Renewable Obligations Certificates (ROCs as identified in Paragraph 3.8 above). This would have the impact of reducing the Council's expenditure on the fuel that meets the relevant criteria. ROCs claims will be processed during 3rd quarter 2014-15.

5.0 Legal Implications

- 5.1 The estimated value of this contract over its lifetime is higher than the EU threshold for supplies and the award of the contract therefore is governed fully by the Public Procurement Regulations 2006 (the "EU Regulations"). This requires the council to observe all requirements of the EU Regulations in awarding the contract, including notification of the award the EU Publications Office.

5.2 The award of the contract is subject to the council's own Standing Orders in respect of High Value contracts and Financial Regulations. As a result Cabinet approval is required for the award of the contract.

5.3 Given the council only received one tender, it is not necessary for the council to observe the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period before the contract can be awarded.

6.0 Diversity Implications

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

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from the contract.

8.0 Public Services (Social Value) Act 2012

8.1 This contract is for the supply of goods only and is therefore not subject to the provisions of the act.

9.0 Background Papers

9.1 Tender documents.

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Strategic Director Regeneration and Growth

APPENDIX 1

BIO-FUEL SUPPLIES FOR BRENT CIVIC CENTRE CCHP PLANT CONTRACT

TENDER EVALUATION GRID

The tenders were evaluated using the following criteria:

Following provision of satisfactory evidence that the proposed product conforms to EN14213:2003 (standard relating to 2nd generation bio-fuels) the Tender moved forward to the scored quality and price stages, where:

Quality: 20%

Price: 80%


Price to be based on fuel supplied conforming to the set standards and compliance with the sustainability criteria stated.

Evaluation Criteria	Score	Weighting	Weighted Score
1. Proposals for minimising the transport distances involved in the supply and delivery of the fuel	3	100%	75%
Weighted Total Quality Score		20%	15%
2. Price Score		80%	80%
Total Tender Score		100%	95%

The quality scores were based on the following methodology:

Score	Criteria
0	No response
1	Poor or unsatisfactory response showing limited evidence of ability to meet requirement – omissions/weaknesses in key areas
2	Weak response suggesting there may be shortcomings of a less serious nature.
3	Good response suggesting the specification will be satisfactorily met in all relevant respects.
4	Excellent response suggesting the specification will be satisfactorily met in all relevant respects with added value.

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 Brent	<p style="text-align: center;">Cabinet 21 July 2014</p> <p style="text-align: center;">Report from the Strategic Director Regeneration and Growth</p>
<p>Ward Affected: Alperton</p>	
<p>Premises at 1C Carlyon Road, Alperton HA0 1HH - disposal on a subject to planning basis</p>	

***Not for publication ('below the line')**

Appendix 4 – exempt report bid analysis (confidential).

Appendix 4A – bid assessment (confidential).

Appendix 4B – bid stage connection or interest response analysis (confidential).

1.0 SUMMARY

1.1 This report sets out proposals for the disposal of the Councils' land and premises at 1C Carlyon Road, Alperton, HA0 1HH, appendix 1 details a location plan, title plan (as per heads of terms) and site plan (as per heads of terms).

2.0 RECOMMENDATIONS

That the Cabinet:

2.1 Approve the disposal of a long leasehold interest in the land and premises at 1C Carlyon Road, Alperton HA0 1HH, as outlined on the attached plan (Appendix A) on a subject to planning basis to the first preferred bidder as identified in confidential appendix 4 for a capital receipt and 100% nominations rights in respect of affordable housing provision in favour of the Council upon the grant of planning consent – subject to financial checks.

2.2 That in the event that the above offer does not proceed satisfactorily delegated authority is given to the Strategic Director of Regeneration & Growth in consultation with the Lead Member for Regeneration & Growth to take a decision to revert to the first reserve bid as set out in confidential appendix 4 – subject to financial checks.

2.3 Grant delegated authority to the Operational Director Property and Projects to agree the terms of the transaction in consultation with the Chief Finance Officer.

3.0 DETAIL

3.1 The property is located just off Alperton Lane and is a short distance from the Hanger Lane Gyratory System, which links the A406 North Circular Road with the A40M. Both Hanger Lane and Alperton Underground Stations are close by.

3.2 The Council owns the freehold interest in the land and premises at 1C Carlyon Road, Alperton comprising a single storey warehouse of 948m² (10,577sq. ft.) on a site of 0.15 Ha (0.375 acres).

3.3 The premises were acquired by the Council in July 2009 and were formerly occupied by Remploy.

3.4 The whole site is let to P Ancketill Esq. t/a Glassbusters for a term expiring January 2016 at a passing rental of £20,000 p.a. subject to review to £25,000 p.a. with effect from January 2015 for the remainder of the term and a landlord or tenants break on two months notice by either party.

Planning Policy

3.5 Alperton is identified as one of the Borough's five growth areas in the Core Strategy of the Local Development Framework. Accordingly, the area is identified as being a suitable location for the construction of new homes to meet the demands for population growth and the shortage of housing. The principles of this are set out in Brent's Core Strategy 2010 and the Site Specific Allocations 2011 (SSA).

3.6 The Alperton Masterplan SPD, adopted in 2011, sets out to developers the scale of change which the council would like to see in Alperton and the infrastructure required to support this.

3.7 The Council's Carlyon Road site and the adjacent site fronting Ealing Road (formerly B & Q) comprise SSA3 in the Site Specific Allocations 2011, with the combined site area of 2.6 Ha (6.42 acres), appendix 2.

3.8 The allocation is for a comprehensive mixed use development including residential, amenity space, B1 employment and A3 retail uses. The proposal is for the canal side environment to be enhanced for pedestrian and canal users. Light industrial workspace and retail uses should be used to help separate residential from the range of uses and noise generated at Ealing Road. Proposals should conserve and enhance the adjacent Site of Metropolitan Nature Conservation Importance.

3.9 The introduction of high quality mixed use development on the Carlyon Road site will contribute to the regeneration of Alperton in accordance with the Council's planning and regeneration priorities.

3.10 On 11 June 2014 Brent's planning department received an application for consent on the land that immediately adjoins our site. The proposal is for the construction of a 3 to 9 storey building comprising 128 residential units and 250 sqm of commercial floor-space (use class B1/D1/D2/A1-A3) and associated parking, access, landscaping and related ancillary works. The planning application number is 14/2276.

Marketing

3.11 Over the past year Brent has received approaches to buy the subject site, with interested parties presenting themselves as special purchasers due to interest in adjoining sites or interest in the our land. A marketing campaign was run to ascertain if these offers represented best consideration.

3.12 Carlyon Road was placed on the open market with advertising in the Estates Gazette and the Wembley & Kilburn Times during April and May 2014, with offers sought on the 4th June 2014 on either an existing use or redevelopment basis. The equality analysis appendix 3 considers the process.

3.13 Bidders were asked to submit bids, using the heads of terms template provided by Brent, which included a site plan and title details as in appendix 1. The heads of terms asked for details of price and overage. Additional it asked bidders to set out their proposals in respect of job creation, apprenticeships, a commitment to fair pay, code for sustainable homes (CSH), BREEAM and secure by design (SBD).

3.14 Six offers were received in the form of heads of terms set out by Brent. One was discounted as the submission came in by email and not a 'sealed bid' as per the requirements clearly set out in marketing documentation. Details of the remaining bids are set out below commercial terms are detailed in confidential Appendix 4.

No	PROPOSAL	Value added commitments	Delivery	Brent planning summary comments	Bid Assessment score
1	Development of 24 flats for social/affordable housing (we anticipate 100% nomination rights in favour of the Council will apply).	Jobs: not stated Apprenticeships: 2 Fair pay: yes CSH: level 4 BREEAM: very good SBD: yes	18 months from planning	Some potential relationship issues with adjoining R55 site which may affect capacity. Lack of family housing would need to be considered.	85%
2	20 – 28 1 and 2 bedroom flats.	Jobs: 0 Apprenticeships: 0 Fair pay: yes CSH: 100% BREEAM: 56% SBD: 100%	12 months from planning.	Difficult to provide much guidance on this scheme due to the limited amount of information.	80%
3	Existing Use	Jobs: 20-30 Apprenticeships: 5-10	Not applicable	No planning issues as existing	80%

		Fair pay: confirmed. CSH: NA BREEAM: not stated SBD: NA		use.	
4	About to submit planning application for the adjoining site at 255 Ealing Road. Marriage opportunity and provision of 24 flats + 4 town houses.	Jobs: none Apprenticeships: to be agreed with contractor. Fair pay: confirmed CSH: level 4 BREEAM: Excellent SBD: 100%	20 weeks post the planning judicial review period = total of 26 weeks.	Housing capacity significantly over estimated within the submission.	55%
5	The premises will be used for community activities.	Jobs: 52 paid plus 20 volunteers Apprenticeships: n/a Fair pay: yes CSH: n/a BREEAM: 51-75 SBD: n/a	Delivery timetable is a maximum of 6 months.	Potential transport issues and noise would need to be considered. Likely to be problematic if lots of people were to arrive at any one time. However appear to be training & support rather than place of worship.	45%
6	Residential lead mixed use.	Jobs: subject to planning Apprenticeships: subject to planning Fair pay: yes BREEAM: excellent SBD: 100%	Tbc – will be dependent on the length of time the planning process.	No information submitted.	Bid by email – non compliant discounted.

3.15 In accordance with the bid assessment as the offer from bidder 1 ranks first this bid is recommended as preferred, there are two second ranking bids as the commercial terms offered by bidder 2 are considerably in excess in value this bid is recommended as reserve.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Details of the proposed capital receipt and associated matters arising from the recommendation to this report are set out in the confidential appendix. It should be noted that in addition to the proposed capital receipt on the site there is potential for additional income to be derived from overage agreements associated with the bidder's proposals.
- 4.2 Transaction costs for the proposed disposal are to be covered by the capital receipt arising.
- 4.3 The Council's general policy is that receipts arising from the disposal of land and properties are used to support the overall capital programme. This site was included within the Council's Capital Disposals Programme as part of the

2014/15 Budget Setting process at a forecast value of £500k to be received in 2015/16. This paper's recommendation to dispose will bring the forecast receipt forward to the 2014/15 financial year. Any additional receipt over and above that of the forecast would potentially improve the Council's Capital Programme funding position.

- 4.4 There is an existing net revenue rental stream of £20k from the current occupation of the site that will be lost should the recommendation to this report be approved. It is considered that this loss will need to be met from the existing overall Corporate Property revenue budget provision. The recommendation for disposal over a potential on going rental of the existing premises could mean that Brent would be foregoing a net rent which in the future would be in the order of £25,000 pa.
- 4.5 Approval for residential use would provide the Council with additional resources from the New Homes Bonus over a period of six years. The level of funding would be determined by the council tax band, based on £1,439 per Band D equivalent plus £350 if classified as affordable housing. The New Homes Bonus provides councils with additional resources to meet the costs of services arising from increased development in an area.
- 4.6 Additional uniform business rates income from any new build scheme would arise. It is estimated that about 30% of this additional amount would accrue directly to the Council.

5.0 LEGAL IMPLICATIONS

- 5.1 Head of terms provide for the sale of "only such interest as may exist at law (if any) in the land between the Title No. AGL203403 and the Public Highway" see appendix 1 plans. Any indemnity insurance required by the Purchaser must be obtained at the Purchaser's cost.
- 5.2 Under Section 123 of the Local Government Act 1972 the Council has the general power to dispose of properties by way of sale or lease .The essential condition is that the Council obtains the best consideration that is reasonably obtainable unless it is a lease of 7 years or less.
- 5.3 Disposal on the open market either via auctioneer, marketing agent or to a special purchaser by way of private treaty will satisfy the best consideration requirement.

6.0 DIVERSITY IMPLICATIONS

- 6.1 An equality analysis is attached.

7.0 STAFFING/ACCOMMODATION IMPLICATIONS

7.1 There are no staffing implications.

8.0 BACKGROUND PAPERS

None

9.0 APPENDICES

Appendix 1 – location plan, title plan (as per heads of terms) and site plan (as per heads of terms).

Appendix 2 – site specific allocation.

Appendix 3 – equality analysis.

Appendix 3A – bid stage equality and diversity responses.

Appendix 4 – exempt report bid analysis (CONFIDENTIAL).

Appendix 4A – bid assessment (CONFIDENTIAL).

Appendix 4B – bid stage connection or interest response analysis (CONFIDENTIAL).

Contact Officers

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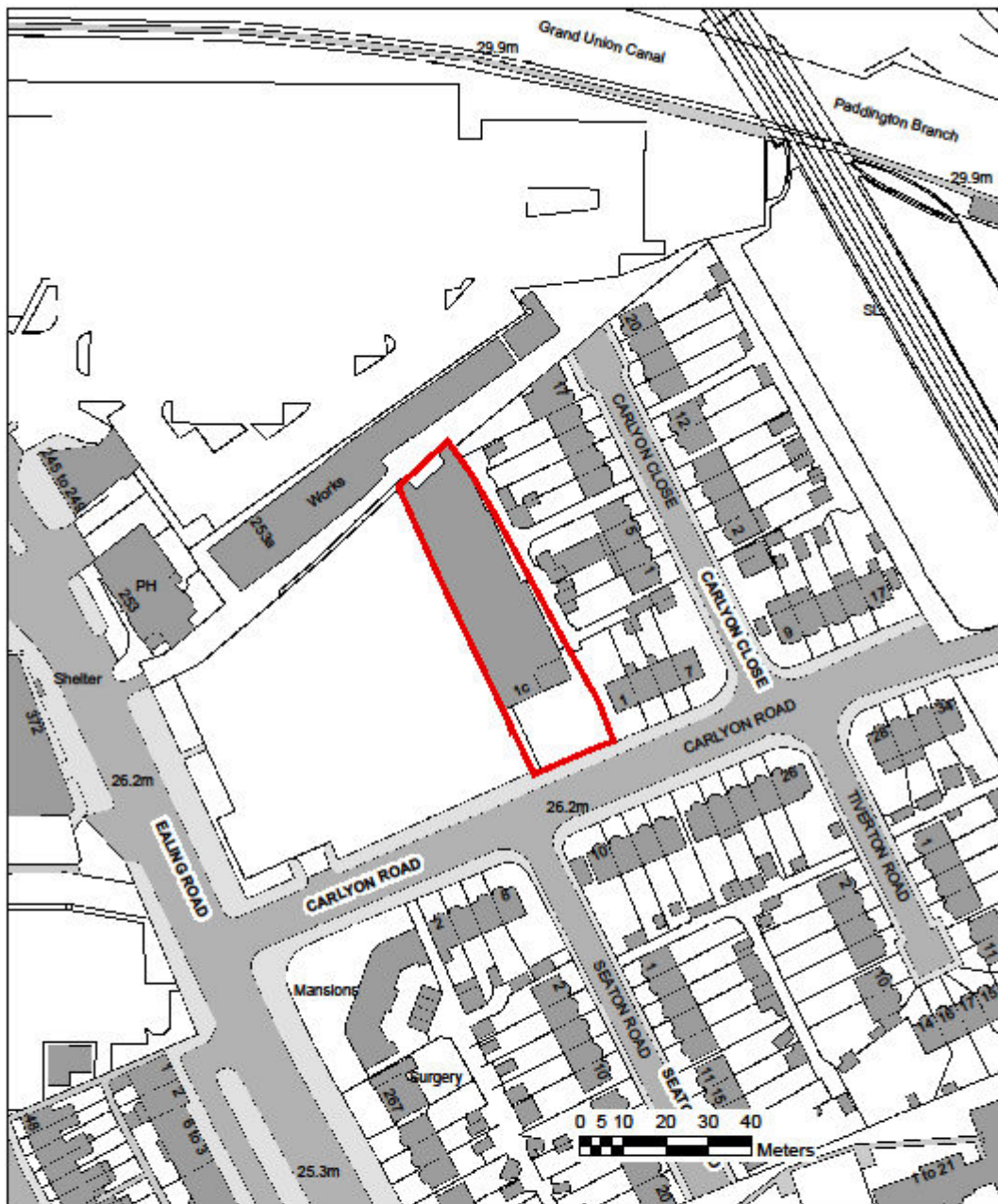
Richard Barrett

Operational Director of Property & Projects

ANDREW DONALD

Strategic Director of Regeneration and Growth

Appendix 1 - Location Plan



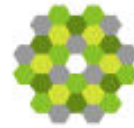
	<p>1C Carlyon Road, Wembley, HA0 1HH Premises shown outlined red.</p>	<p>NORTH</p> 
<p>PSMA OS copyright statement © Crown copyright and database rights 2012 Ordnance Survey 100025260 OS Open data copyright statement: Contains Ordnance Survey data © Crown copyright and database right 2012</p>		<p>1:1,250 Map to stated scale if printed at A4.</p>

Title Plan – as per Heads of Terms

Land Registry Title

Land Registry
Official copy of
title plan

Title number **AGL203403**
Ordnance Survey map reference **TQ1883SW**
Scale **1:1250**
Administrative area **BRENT**

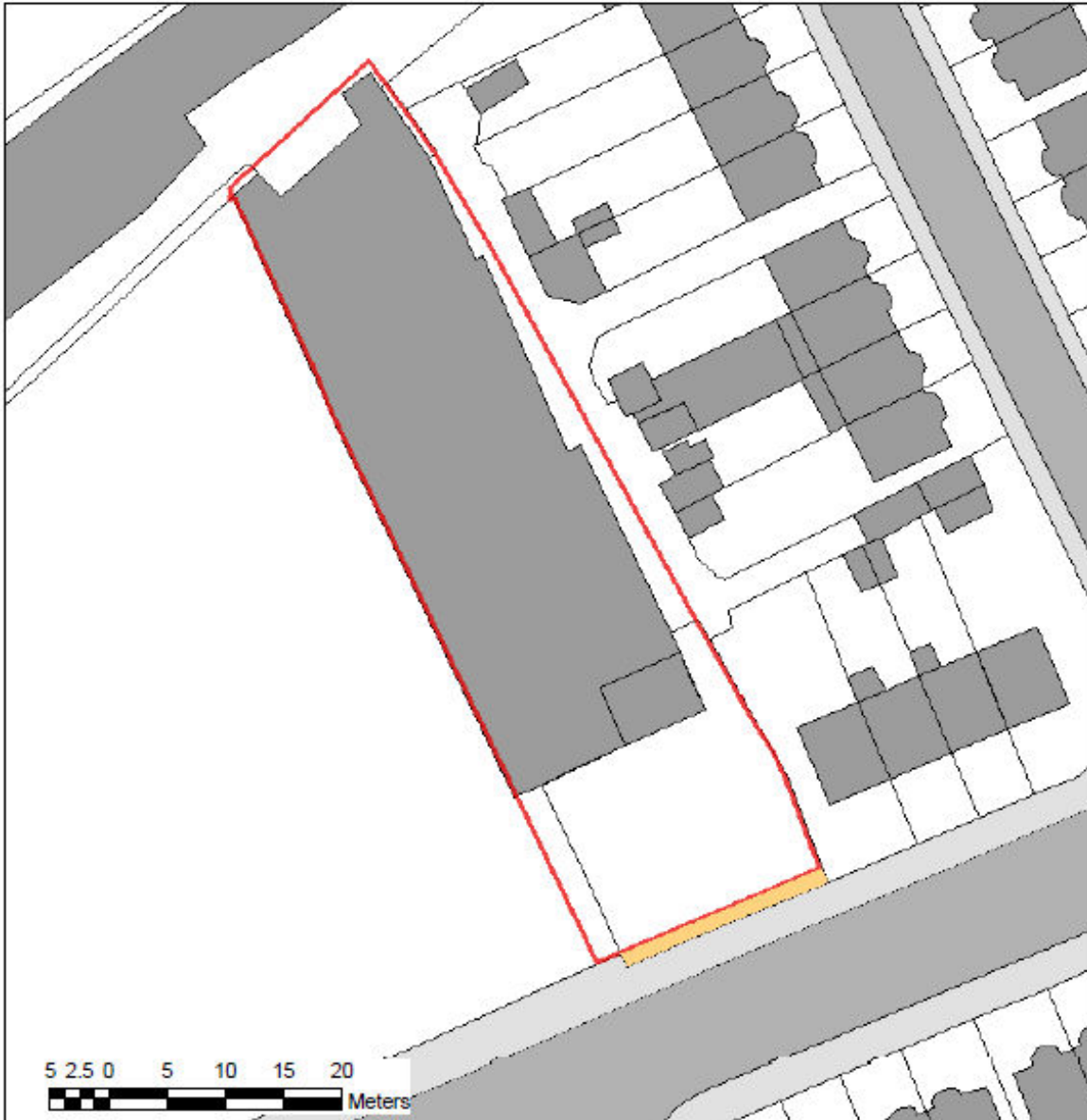


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Site Plan – as per Heads of Terms

1C Carlyon Road, Wembley, HA0 1HH



Brent



Premises



Frontage

1:500

Plan to stated scale if printed at A4.

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NORTH



Appendix 2: Site Specific Allocation

A3. Former B&Q and Marvellairs House

Address: Ealing Road, Alperton, HA0

Ward: Alperton

Area: 2.6 hectares

Description:

A mix of vacant and underused industrial and retail warehousing. Also motor vehicle repair and public house. Bordered by Ealing Road, the Grand Union Canal and the railway line.

Core Strategy policy context:

Core Policies 1, 2, 5, 6, 8, 17, 18 and 19

Planning guidance:

Alperton Masterplan SPD 2011



Map A3

Planning history:

Feb 2010 - planning permission pending S106. [LPA ref: 09/2116] for demolition of former B&Q building and development of 7 blocks comprising 440 flats, commercial and community space and 1 three storey detached dwelling house.

Nov 2008 - renewal of outline planning permission. [LPA ref: 99/0566] for redevelopment of Marvellairs House site for 2000m² non food retail space.

Allocation:

Comprehensive mixed use development including residential, amenity space, B1 employment and A3 uses. The canal side environment should be enhanced for pedestrian and canal users. The configuration of light industrial workspace and A3 uses should seek to mitigate potential conflicts arising from the range of uses and noise generated at Ealing Road. Proposals should conserve and enhance the adjacent canal's Site of Metropolitan Nature Conservation Importance designation. To assist this, an undeveloped buffer strip of 5 metres from the canal will be encouraged.

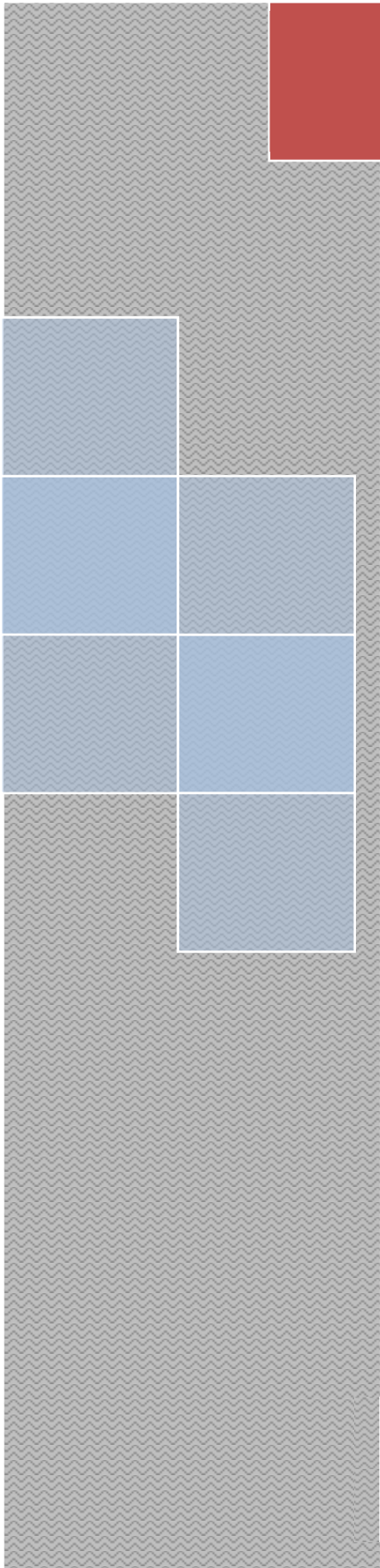
Indicative development capacity	211 units	115 units	115 units
Indicative development phasing	2011 - 12	2013 - 14	2015 - 16

Flood risk comments:

Not within an identified flood zone. Proposals must be accompanied by a Flood Risk Assessment as the site area is over 1ha. Flood zones are subject to change and modelling and re-modelling is carried out on a quarterly basis by the Environment Agency, therefore any assessment must ensure that the most up to date data is used as part of the Flood Risk Assessment.

Justification:

High quality mixed use development at this prominent location will contribute to the regeneration of Alperton. Introducing higher value uses into the area will improve the local environment and develop new workspace that reflects the current and projected demand. Development can exploit the canal side location to introduce residential development in Alperton growth area.



Equality Analysis

Gibbs, Bryony
London Borough of Brent



Brent Council Equality Analysis Form

Please contact the Corporate Diversity team before completing this form. The form is to be used for both predictive Equality Analysis and any reviews of existing policies and practices that may be carried out.

Once you have completed this form, please forward to the Corporate Diversity Team for auditing. Make sure you allow sufficient time for this.

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Regeneration & Growth Service Area: Property & Projects	Person Responsible: Name: Sarah Chaudhry Title: Head of Strategic Property Contact No: 0208 937 1705 Signed: Sarah Chaudhry
Name of policy: This is a transaction for the sale of surplus property at 1C Carlyon Road.	Date analysis started: 6/6/14 Completion date: 6/6/14 Review date: 6/6/14
Is the policy: New <input type="checkbox"/>	Auditing Details: Name: Elizabeth Bryan Title: Equality Officer Date: 19/06/14 Contact No: 0208 937 1190 Signed: Elizabeth Bryan
Signing Off Manager: responsible for review and monitoring Name: Richard Barrett Title: Operational Director Property and Projects Date: Contact No: 0208 937 1330 Signed: Richard Barrett	Decision Maker: Name individual /group/meeting/ committee: Executive Committee Date: 21/6/14

Meeting
Date

Version no.
Date

--	--

2. Brief description of the policy. Describe the aim and purpose of the policy, what needs or duties is it designed to meet? How does it differ from any existing policy or practice in this area?
 To enable redevelopment plans to come forward as per the site specific planning allocation and to dispose of this surplus Council owned property to obtain a capital receipt to meet the resources forecasts for the Council Capital Programme through a competitive tendering process

3. Describe how the policy will impact on all of the protected groups:
 Carlyon Road premises will be disposed of, subject to Executive Committee's approval following a high profile marketing campaign and receipt of informal tenders.

 This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way. It ensures that there is no discrimination to any potential bidder and y any bidder.

Please give details of the evidence you have used:
 The evidence used to justify this assertion is the result achieved from the marketing of the subject property and previous property transactions. See equality analysis results from marketing.

4. Describe how the policy will impact on the Council's duty to have due regard to the need to:

(a) Eliminate discrimination (including indirect discrimination), harassment and victimisation;
 There are no unmet needs or requirements that can be identified that affect specific groups.

 No one from a protected characteristic was prevented from entering a bid for this property.

(b) Advance equality of opportunity;
 This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way.

 The property was widely marketed and no one from a protected characteristic was prevented from entering a bid for this property.

(c) Foster good relations
 This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way. No one from a protected characteristic was prevented from entering a bid for this

property .

5. What engagement activity did you carry out as part of your assessment? Please refer to stage 3 of the guidance.

- i. **Who did you engage with?**
- ii. **What methods did you use?**
- iii. **What did you find out?**
- iv. **How have you used the information gathered?**
- v. **How has it affected your policy?**
No consultation has taken place

1. Have you have identified a negative impact on any protected group, or identified any unmet needs/requirements that affect specific protected groups? If so, explain what actions you have undertaken, including consideration of any alternative proposals, to lessen or mitigate against this impact.

This is an open and transparent method for the sale of property assets and permits all sections of society to purchase the property in an open and transparent way.

No negative impacts have been identified.

Please give details of the evidence you have used:

Equality and diversity submissions as part of the bid process – see appendix 3A.

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

Protected Group	Positive impact	Adverse impact	Neutral
Age			X
Disability			X
Gender re-assignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race			X

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Religion or belief			X
Sex			X
Sexual orientation			X

8. The Findings of your Analysis

Please complete whichever of the following sections is appropriate (one only). Please refer to stage 4 of the guidance.

A major change

Your analysis demonstrates that:

- *The policy is lawful*
- *The evidence shows no potential for direct or indirect discrimination*
- *You have taken all appropriate opportunities to advance equality and foster good relations between groups.*

Please document below the reasons for your conclusion and the information that you used to make this decision.

The property was advertised by the in the specialised property and local press and the Council's web-site, which ensured that any interested party was aware of the disposal.

As this is retrospective we probably make no change but ensure monitoring and review is in place.

As this method of disposal is open and transparent and anybody is able to bid, there will not be any public concern as to this method of disposal being discriminatory.

Adjust the policy

This may involve making changes to the policy to remove barriers or to better advance equality. It can mean introducing measures to mitigate the potential adverse effect on a particular protected group(s).

Remember that it is lawful under the Equality Act to treat people differently in some circumstances, where there is a need for it. It is both lawful and a requirement of the public sector equality duty to consider if there is a need to treat disabled people differently, including more favourable treatment where necessary.

If you have identified mitigating measures that would remove a negative impact, please detail those measures below.

Please document below the reasons for your conclusion, the information that you used to make this decision and how you plan to adjust the policy.

Not Applicable.

Continue the policy

This means adopting your proposals, despite any adverse effect or missed opportunities to advance equality, provided you have satisfied yourself that it does not amount to unlawfully discrimination, either direct or indirect discrimination.

In cases where you believe discrimination is not unlawful because it is objectively justified, it is particularly important that you record what the objective justification is for continuing the policy, and how you reached this decision.

Explain the countervailing factors that outweigh any adverse effects on equality as set out above:

Please document below the reasons for your conclusion and the information that you used to make this decision:

It will not have an adverse impact. It will promote equality of opportunity as it will allow everybody the opportunity to purchase the property in an open and transparent way.

Stop and remove the policy

If there are adverse effects that are not justified and cannot be mitigated, and if the policy is not justified by countervailing factors, you should consider stopping the policy altogether. If a policy shows unlawful discrimination it must be removed or changed.

Please document below the reasons for your conclusion and the information that you used to make this decision.

Not Applicable.

9. Monitoring and review

Please provide details of how you intend to monitor the policy in the future. Please refer to stage 7 of the guidance.

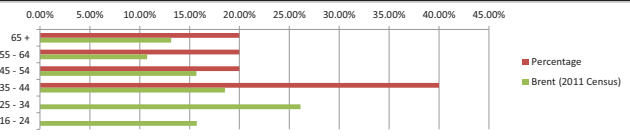
I am responsible for monitoring the results of the marketing exercise and with the marketing agent the number of enquiries received regarding the property and types of bids received.

PROJECT:

	Disposal of Former Carlyon Print Works
	To ensure equal access to opportunities for Brent property.

WHY IS THIS DATA BEING COLLECTED?

Age	Number	Percentage	Brent (2011 Census)
65 +	1	20.00%	13.15%
55 - 64	1	20.00%	10.75%
45 - 54	1	20.00%	15.70%
35 - 44	2	40.00%	18.55%
25 - 34	0	0.00%	26.11%
16 - 24	0	0.00%	15.72%
Prefer not to say	0		



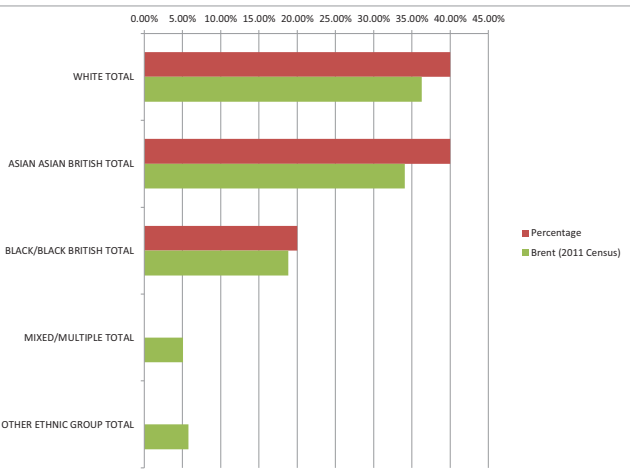
Disability	Number	Percentage
Yes	1	20.00%
No	4	80.00%
Prefer not to say	0	

Disability Type	Number	Percentage
Yes - limited a lot	0	0.00%
Yes - limited a little	0	0.00%
No	5	100.00%
Prefer not to say	0	

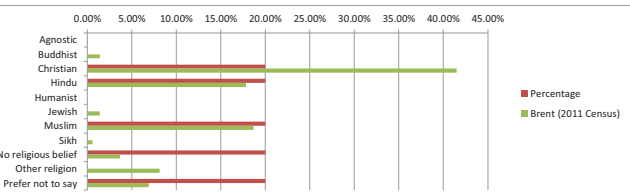
Gender	Number	Percentage	Brent (2011 Census)
Male	4	80.00%	49.96%
Female	1	20.00%	50.09%
Prefer not to say	0		

Is this your original Gender?	Number	Percentage
Yes	5	100.00%
No	0	0.00%
Prefer not to say	0	

Ethnicity	Number	Percentage	Brent (2011 Census)
White - English	2	40.00%	
White - Welsh	0	0.00%	
White - Scottish	0	0.00%	
White - Irish	0	0.00%	
White - Traveller	0	0.00%	
White - Gypsy or Roma	0	0.00%	
White - Any other white	0	0.00%	
WHITE TOTAL		40.00%	36.27%
Asian/Asian British - Bangladeshi	0	0.00%	
Asian/Asian British - Pakistani	0	0.00%	
Asian/Asian British - Indian	2	40.00%	
Asian/Asian British - Chinese	0	0.00%	
Asian/Asian British - Any other Asian	0	0.00%	
ASIAN ASIAN BRITISH TOTAL		40.00%	34.06%
Black/Black British - African	0	0.00%	
Black/Black British - Somali	0	0.00%	
Black/Black British - Caribbean	0	0.00%	
Black/Black British - Any other black	1	20.00%	
BLACK/BLACK BRITISH TOTAL		20.00%	18.84%
Mixed/Multiple - White & Black Caribbean	0	0.00%	
Mixed/Multiple - White & Black African	0	0.00%	
Mixed/Multiple - White & Asian	0	0.00%	
Mixed/Multiple - Other mixed/multiple	0	0.00%	
MIXED/MULTIPLE TOTAL		0.00%	5.07%
Other ethnic group - Eastern European	0	0.00%	
Other ethnic group - Afghan	0	0.00%	
Other ethnic group - Turkish	0	0.00%	
Other ethnic group - Any other ethnic group	0	0.00%	
OTHER ETHNIC GROUP TOTAL		0.00%	5.77%
Prefer not to say	0		



Religion/Belief	Number	Percentage	Brent (2011 Census)
Agnostic	0	0.00%	0.05%
Buddhist	0	0.00%	1.38%
Christian	1	20.00%	41.48%
Hindu	1	20.00%	17.82%
Humanist	0	0.00%	0.01%
Jewish	0	0.00%	1.40%
Muslim	1	20.00%	18.65%
Sikh	0	0.00%	0.55%
No religious belief	1	20.00%	3.66%
Other religion	0	0.00%	8.10%
Prefer not to say	1	20.00%	6.90%




Sexual Orientation	Number	Percentage
Bisexual	0	0.00%
Gay Man	0	0.00%
Gay woman/lesbian	0	0.00%
Heterosexual/straight	5	100.00%
Other	0	0.00%
Prefer not to say	0	



Marital Status	Number	Percentage
Civil Partnership	0	0.00%
Married	2	40.00%
Single	2	40.00%
Co-habiting	1	20.00%
Prefer not to say	0	

Pregnancy/Maternity	Number	Percentage
Yes	0	0.00%
No	5	100.00%
Prefer not to say	0	

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 Brent	Cabinet 21 July 2014 Report from the Chief Finance Officer
Wards Affected: ALL	
2013/14 Treasury Management Outturn Report	

1. INTRODUCTION

- 1.1 This report updates members on Treasury Management activity and confirms that the Council has complied with its Prudential Indicators for 2013/14.

2. RECOMMENDATION

- 2.1 The Cabinet do consider the 2013/14 Treasury Management outturn report, which has been presented to the Audit Committee and will also be submitted to Full Council.

3. BACKGROUND

- 3.1 The Council's treasury management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management ("the Code"), which requires authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year.
- 3.2 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Investment Guidance. The report was considered by the Audit Committee on 26 June 2014 and will be reported to the next meeting of Full Council.
- 3.3 The Council has borrowed money over the long term to support investment in the Council's infrastructure and also invests balances held for short periods. It is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

Economic background

- 3.4 The recovery in the UK surprised with strong economic activity and growth. Q4 2014 GDP showed year-on-year growth of 2.7%. Much of the improvement was down to the dominant service sector, and an increase in household consumption buoyed by the pick-up in housing transactions which were driven by higher consumer confidence, greater availability of credit and strengthening house prices which were partly boosted by government initiatives such as Help-to-Buy. However, business investment had yet to recover convincingly and the recovery was not accompanied by meaningful productivity growth. CPI fell from 2.8% in March 2013 to 1.7% in February 2014, the lowest rate since October 2009, helped largely by the easing commodity prices and discounting by retailers, reducing the pressure on the Bank to raise rates. Although the fall in unemployment (down from 7.8% in March 2013 to 6.6% in April 2014) was faster than the Bank of England had forecast, the real level of unemployment, and therefore the amount of excess capacity, remains uncertain making it difficult to be confident how much inflationary pressure is in the economy.
- 3.5 At present it is difficult to be confident that present levels of growth can be sustained due to:
- The Federal Reserve's then Chairman Ben Bernanke's announcement in May 2013 that the Fed's quantitative easing (QE) programme may be 'tapered'
 - the Eurozone struggling to show sustainable growth
 - uncertainty arising from the situation in the Ukraine and the Middle East
 - evidence of strains to the Chinese economy

Gilt Yields and Money Market Rates

- 3.6 Gilt yields (the rate of interest on UK government borrowing) ended the year higher than in April 2013. The peak in yields was during autumn 2013. The biggest increase was in 5-year gilt yields which increased by nearly 1.3% from 0.70% to 1.97%. 10-year gilt yields rose by nearly 1% ending the year at 2.73%. The increase was less pronounced for longer dated gilts; 20-year yields rose from 2.74% to 3.37% and 50-year yields rose from 3.23% to 3.44%.
- 3.7 Interest rates on short term inter-bank lending remained below 1% through the year.

The Borrowing Requirement and Debt Management

- 3.8 The table below summarises the Council's borrowing activity during 2013/14. The Council's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31/03/2014 was £582 million.

	Balance 01/04/2013 (£m)	New Borrowing (£m)	Borrowing Repaid (£m)	Balance 31/03/2014 (£m)	Average Rate (%)	Average Life (Years)
CFR	591			582		
Short Term Borrowing	0	422	422	0	0	
Long Term Borrowing	432	0	4	428	4.68	37.8
TOTAL BORROWING	432	422	426	428	4.68	37.8

- 3.9 At 1 April 2013 the Council had £432 million of long-term borrowing, to finance its previous years' capital programmes. With short-term interest rates being much lower than long-term rates, it was more cost effective in the short-term to use internal

resources and borrow on a short-term basis (mainly from other local authorities), rather than undertake further long-term borrowing. By doing so, the Council has been able to reduce net borrowing costs and reduced overall treasury risk.

3.10 The Treasury Management Strategy approved by the Council in March 2014 includes provision for borrowing to progress towards CFR over a period of 2 – 3 years. The rate of progress will depend on the perceived risks of lending surplus cash, the Council’s cash flow and the prospective path of interest rates.

3.11 No debt was restructured during the year and no lenders exercised options to vary the terms of loans on LOBO (Lender Option, Borrower Option) terms.

Investment Activity

3.12 Both CIPFA and the CLG Investment Guidance require the Council to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. The table below summarises investment activity during 2013/14.

Investments	Balance on 01/04/2013 (£m)	Investments made (£m)	Investments repaid (£m)	Balance on 31/03/2014 (£m)	Average Rate (%)
Fixed Term Deposits	48	136	122	62	0.7
Market Funds	17	550	518	49	0.4
TOTAL INVESTMENTS	65	686	640	111	0.6

3.11 Security of capital remained the Council’s main investment objective. This was maintained by following the Council’s counterparty policy as set out in its Treasury Management Strategy Statement for 2013/14 which defined “high credit quality organisations” as those having a long-term credit rating of A- or higher that are domiciled in the UK or overseas where the sovereign rating is AA+ or higher.

3.12 Investments with banks and building societies were primarily fixed-rate term deposits. The maximum duration of these investments was 12 months in line with the prevailing credit outlook during the year as well as market conditions.

Credit developments and credit risk management

3.13 The Council assessed and monitored counterparty credit quality with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country’s net debt as a percentage of GDP and share price. The minimum long-term counterparty credit rating determined by the Council for the 2013/14 treasury strategy was A- across rating agencies Fitch, S&P and Moody’s.

3.14 The debt crisis in Cyprus was resolved by its government enforcing a ‘haircut’ on unsecured investments and bank deposits over €100,000. This resolution mechanism has implications throughout Europe and has already been incorporated into UK legislation through the Financial Services (Banking Reform) Act 2013. The risk of loss is currently felt to be low in the UK, but the Council has taken a number of actions in response to this, and continues to monitor risks, with advice from Arlingclose.

- 3.15 EU finance ministers agreed further steps towards banking union, and the Single Resolution Mechanism (SRM) for resolving problems with troubled large banks which will shift the burden of future restructurings/rescues to the institution's shareholders, bondholders and unsecured investors. Proposals were also announced for EU regulatory reforms to Money Market Funds which may result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper in the future.
- 3.16 The material changes to UK banks' creditworthiness were (a) the strong progress made by the Lloyds Banking Group in strengthening its balance sheet, profitability and funding positions and the government reducing its shareholding in the Group to under 25%, (b) the announcement by Royal Bank of Scotland of the creation of an internal bad bank to house its riskiest assets (this amounted to a material extension of RBS' long-running restructuring, further delaying the bank's return to profitability) and (c) substantial losses at Co-op Bank which forced the bank to undertake a liability management exercise to raise further capital and a debt restructure which entailed junior bondholders being bailed-in as part of the restructuring.
- 3.17 In July Moody's placed the A3 long-term ratings of Royal Bank of Scotland and NatWest Bank and the D+ standalone financial strength rating of RBS on review for downgrade amid concerns about the impact of any potential breakup of the bank on creditors. As a precautionary measure the Council reduced its duration to overnight for new investments with the bank(s). In March Moody's downgraded the long-term ratings of both banks to Baa1. As this rating is below the Council's minimum credit criterion of A-, the banks were withdrawn from the counterparty list for further investment. Natwest are the Council's bankers, and having reviewed their position and taken advice from Arlingclose, they will continue to be used for operational and liquidity purposes.
- 3.18 The Co-op's long-term ratings were downgraded by Moody's and Fitch to Caa1 and B respectively, both sub-investment grade ratings. The Co-op Bank's capital raising plans to plug a capital shortfall include a contribution from the Co-op Group which is committed to injecting £313m in 2014 of which £50m had been paid [as at 16 April 2014]. However, in order to cover future expected losses and to meet the Prudential Regulation Council's capital targets, a further £400m is being sought from shareholders, of which Co-operative Group's share is approximately £120m.

Liquidity Management

- 3.19 At current rates it is appropriate to make use of opportunities to lend to secure counterparties for up to a year (and limited amounts beyond that). Over the last year, largely due to the pattern of government grant distribution, net available balances have fluctuated considerably. At peak periods, mindful of the primacy of security as a criterion for decision making, substantial balances may be held in short term investments, particularly Money Market Funds. The use of short term borrowing at times of lower cash balances is judged to maintain a prudent balance between maintaining security and liquidity and achieving a reasonable yield on investments.

Yield

- 3.20 The UK Bank Rate was maintained at 0.5% through the year. Short term money market rates also remained at very low levels which continued to have a significant impact on investment income. The average 3-month LIBID rate during 2013/14 was 0.45%, the 6-month LIBID rate averaged 0.53% and the 1-year LIBID rate averaged 0.78%. The low rates of return on the Council's short-dated money market

investments reflect prevailing market conditions and the Council's objective of optimising returns commensurate with the principles of security and liquidity.

- 3.21 The Council's budgeted investment income for the year had been estimated at £0.2m. The average cash balance during the year was £97m during the period and interest earned was £0.6m.

Update on Investments with Icelandic Banks

- 3.22 **Heritable** – The Council has now recovered 94% of its £10 million deposit with Heritable Bank. It is likely that further distributions will be received, although the administrators have not made any further estimate of final recoveries yet.
- 3.23 **Glitnir** – The Council has received £4 million of its deposit with Glitnir Bank, and approximately £1m is held in a bank account in Iceland until authorisation is received from the Central Bank of Iceland to convert it into sterling. It is earning interest at a rate of 4.2%, but that is also not convertible. The amount which will, in due course, be realised from this deposit will depend on the exchange rate when it becomes convertible.

Compliance

- 3.24 The Council confirms that it has complied with its Prudential Indicators for 2013/14, which were approved by the Council on 25 February 2013 as part of the Council's Treasury Management Strategy Statement.
- 3.25 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2013/14. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. Further information is set out in Appendix 2.

Investment Training

- 3.27 The needs of the Council's treasury management staff for training in investment management are kept under review and considered as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.
- 3.28 During 2013/14 staff attended training courses, seminars and conferences provided by Arlingclose and CIPFA and opportunities which may arise with other organisations are considered.
- 3.29 A member training session on treasury management was held on 2 July 2013 which outlined the overall treasury management framework with a particular focus on the management of risks.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council's incurred interest costs of £20.2m in 2013/14 in respect of its long-term borrowing and earned interest of £0.6m on its investments. The approach taken to minimise net interest costs enabled the Council to reduce its capital financing requirement by £4.6m, thereby providing ongoing annual contribution of at least £550k towards the savings needed in the Council's medium term financial strategy.

5. LEGAL IMPLICATIONS

- 5.1 Under section 12 of the Local Government Act 2003, a local authority may invest:
- (a) for any purpose relevant to its functions under any enactment, or
 - (b) for the purposes of the prudent management of its financial affairs.
- 5.2 Under section 15(1) of the Local Government Act 2003, when carrying out its functions under Chapter 1 of the 2003 Act in relation to capital finance, a local authority shall have regard to such guidance as the Secretary of State may issue and such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.
- 5.3 Under sections 3 (in relation to the Council's borrowing powers) and 15 (in relation to the Council's investment powers) of the 2003 Act, "The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003" (Statutory Instrument - SI: 3146/2003) were laid in Parliament and these regulations set out the limits, controls and powers in relation to borrowing and investments by local authorities. These regulations also require local authorities to have regard to the CIPFA Prudential Code for Capital Finance and have regard to the "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes", which are also published by the CIPFA.
- 5.4 The CIPFA Treasury Management Code of Practice recommends that local authorities receive reports on its treasury management policies and activities, including, as a minimum, an annual strategy. Under Table 3 in Part 4 of the Council's Constitution (Functions not to be the sole responsibility of the Executive), the Cabinet is responsible for formulating or preparing the plans listed in that Table and then submitting them to the Full Council for consideration and adoption or approval. Those plans include, amongst others, "A plan or strategy for the control of the authority's borrowing investments or capital expenditure or for determining the authority's minimum revenue provisions".

6. DIVERSITY IMPLICATIONS

- 6.1 No specific implications arising from this report.

7. STAFFING IMPLICATIONS

- 7.1 No specific implications arising from this report.

8. BACKGROUND INFORMATION

Treasury Management Strategy Report to Council – 25 February 2013
2013/14 Mid Year Treasury Report to Council – 18 November 2013

9. CONTACT OFFICERS

Mick Bowden
Tel: 020 8937 1460, mick.bowden@brent.gov.uk

CONRAD HALL
Chief Finance Officer

Appendix 1 - Debt and Investment Portfolio Position 31/3/2014

	31/3/2014 Actual Portfolio £m	31/3/2014 Average Rate %
External Borrowing:		
PWLB – Maturity	288	2.6
PWLB – Equal Instalments of Premium	44	5.0
LOBO Loans	96	4.7
Total External Borrowing	428	4.7
Other Long Term Liabilities:		
PFI	36	9.5
Total Gross External Debt	464	5.1
Investments:		
Deposits	62	0.7
Money Market Funds	49	0.4
Total Investments	111	0.6
Net Debt	353	4.8

Appendix 2 – Prudential Indicators

(a) Capital Financing Requirement (CFR)

The Council's cumulative maximum external borrowing requirement for 2013/14 is shown in the table below:

Capital Financing Requirement	31/03/2014 Estimate £m	31/03/2014 Actual £m
General Fund	478	445
HRA	137	137
Total CFR	615	582

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31/03/2014 Estimate £m	31/03/2014 Actual £m
Borrowing		428
PFI liabilities		36
Total Debt	615	464
Borrowing in excess of CFR?	No	No

(b) Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

The Director of Finance confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2013/14.

	Operational Boundary (Approved) 31/03/2014	Authorised Limit (Approved) 31/03/2014	Actual External Debt 31/03/2014
Borrowing			428
Other Long-term Liabilities			36
Total	700	800	464

(c) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed.

	Approved Limits for 2013/14 Proportion %	Maximum during 2013/14 Proportion %
Upper Limit for Fixed Rate Exposure	100	100
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure	40	14
Compliance with Limits:	Yes	Yes

(d) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing at 31/03/2014 £m	% Fixed Rate Borrowing at 31/03/2014	Compliance with Set Limits?
under 12 months	40	0	19	5	Yes
12 months and within 24 months	20	0	29	7	Yes
24 months and within 5 years	20	0	64	15	Yes
5 years and within 10 years	60	0	27	6	Yes
10 years and within 20 years	100	0	8	2	Yes
20 years and within 30 years	100	0	20	4	Yes
30 years and within 40 years	100	0	89	21	Yes
40 years and within 50 years	100	0	172	40	Yes
50 years and above	100	0	0	0	Yes

(e) Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council tax and in the case of the HRA, housing rent levels.

Capital Expenditure	31/03/2014 Estimate £m	31/03/2014 Actual £m
Non-HRA	85	73
HRA	17	16
Total	102	89

(f) Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31/03/2014 Estimate %	31/03/2014 Actual %
Non-HRA	8.83	8.74
HRA*	20.34	19.33
Total	10.56	10.33

(g) Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Council adopted the principles of best practice.

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in February 2013


(h) Upper Limit for Total Principal Sums Invested Over 364 Days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

	31/03/2014 Approved £m	31/03/2014 Actual £m
	20	5

(i) HRA Limit on Indebtedness

HRA Debt Cap (as prescribed by CLG)	£199m	
	31/03/2014 Estimate £m	31/03/2014 Actual £m
HRA CFR	137	137

 <p>Brent</p>	<p>Cabinet 21 July 2014</p> <p>Report from the Chief Finance Officer</p>
<p>Wards Affected: ALL</p>	
<p>Review of 2013/14 Financial Performance</p>	

1. Introduction

- 1.1 This report sets out the year end financial position for 2013/14 and the unaudited statement of accounts.

2. Recommendation

- 2.1 The Cabinet is asked to note the year end financial performance and the unaudited statement of accounts.

3. Background

- 3.1 This report highlights the key results against service departments' revenue budgets for 2013-14. The position is summarised in the table below.

Service Area	2013/14		
	Budget £m	Actual £m	Variance £m
Adult Social Care	91.4	91.4	0.0
Children & Young People	45.3	44.9	(0.4)
Environment & Neighbourhoods	36.6	36.5	(0.1)
Regeneration & Growth	36.3	32.0	(4.3)
Transfers to Reserves (TA)	0.0	3.0	3.0
Corporate Services	50.7	50.1	(0.6)
Service Area Total	260.3	257.9	(2.4)

- 3.2 All service departments have spent within their allocated budgets. The total underspend is £2.4m on service area budgets.

- 3.3 A brief commentary on each department is set out below.

Adult Social Care

- 3.4 The year end variance for Adult Social Care was an underspend of £40k. However there are some under and overspends within individual service areas. The Brent Mental Health Service overspent by £0.288m due to a reduction in joint funding contributions from Health. This was offset by underspends on activity and transport costs for clients in Direct Services of £0.252m. Expenditure as a whole has been contained within the funds available.

Children & Young People

- 3.5 The Children & Young People's department underspent by £0.4m. This is largely due to a refund of the Local Authority Central Spend Expenditure Grant of £0.541m.
- 3.6 SEN transports overspent by £0.867m due to a higher number of eligible children requiring transport. This overspend was offset by :
- lower than anticipated numbers of children in residential care placements;
 - a reduction in the school improvement service attributable to the general fund; and
 - lower property related charges within the care leavers service and youth centres.

Environment & Neighbourhood

- 3.7 As with any large and complex budget there are some under and overspends within individual service areas, but expenditure as a whole has been contained within the funds available with a small underspend of £0.1m achieved. Overspends on Parking Control due to under achievement of income in the early part of the new contract and additional costs on the use of Taxis within the Transport Services budget have been more than offset by savings across all other service areas.

Regeneration & Growth

- 3.8 The departmental underspend of £4.3m is principally due to the impact of welfare reforms on temporary accommodation and this year's costs being significantly less than anticipated when the budget was set. The underspend on temporary accommodation amounts to £3m and this has been transferred to a reserve to assist the council to meet its policy objectives in 2014/15 and beyond.

- 3.9 After adjusting for the transfer to reserves the remaining underspend of £1.3m reflects the increased savings arising from the retender of the Supporting People contracts.

Corporate Services

- 3.10 Corporate Service departments have underspent by £0.6m. In particular the Assistant Chief Executive's service underspent by £0.5m, reflecting vacant posts pending the completion of the recruitment process in that area.

Virements

- 3.11 There were no virements in the quarter.

Debt Write-Offs

- 3.12 Under the Council's constitution bad debt write offs of over £3,000 are reported to the Executive twice yearly. For the period October 2013 to March 2014 there are write offs of £1,410,845.39 including 94 write offs totalling £1,195,803.55 for Non Domestic Rates and 25 sundry debt write offs for £215,041.84. These relate to debts where all recovery actions have been pursued and the debt is not considered recoverable.

Statement of Accounts

- 3.13 The draft statement of accounts was considered by the Audit Committee at its meeting on 26 June and certified by the Chief Finance Officer on 30 June. The audit of the financial statements is currently being undertaken by the Council's external auditor, KPMG. A report on the auditor's work will be presented to the Audit Committee at its meeting on 29 September 2014 and the Committee will be asked to approve the accounts on behalf of the Council.
- 3.14 The draft statements, as presented to the Audit Committee, are attached as an Appendix to this report. The draft statement of accounts is set out in the appendix to this report. There is a prescribed format for much of the information although a review has been undertaken to ensure that the information is presented as concisely as possible.
- 3.15 Within the accounts four statements are defined as "core financial statements", which means that they are fundamental to understanding the accounts. A short commentary on each of these is set out below.

Movement in Reserves Statement (MiRS)

- 3.16 The MiRS shows the movement in the year on the different reserves held by the Council, analysed into those reserves which can be used to fund expenditure and other reserves of a technical nature which cannot be used to fund expenditure. This is therefore a summary of the resources that the council has available to fund future expenditure and to manage financial risks.

Comprehensive Income and Expenditure Statement (CIES)

- 3.17 The CIES sets out the total expenditure by the authority in the 2013/14 financial year, some £1.1bn. The format of the CIES is completely different to council's management accounts, which present income and expenditure by service area. However, reconciliation between the two is provided in the technical reconciliation section of the financial statements.

Balance Sheet

- 3.18 The balance sheet reports the 'total equity' of the council, and shows that it increased by £306m over the year to £435m as at 31 March 2014.

Cash Flow Statement

- 3.19 The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the 2013/14 financial year.

Other Statements

- 3.20 Members' attention is also drawn to the following financial statements, which although not technically defined as "core financial statements" are nonetheless highly important to understanding key aspects of local authority services and financing
- The Housing Revenue Account (HRA) which presents the financial transactions relating to the provision of council housing; and
 - The Collection Fund which presents a summary of the collection of council tax and national non domestic rates.
- 3.21 The accounts also provide substantial detail by way of notes and other statements. In particular, Members may find the following helpful to their understanding the financial position of the authority:
- Notes 2 and 7 to the core financial statements, which disclose the debtors and creditors of the council as at 31 March 2014
 - Note 9 to the core financial statements, which discloses the provisions held by the Council against the costs of likely future events

- Note 10 to the core financial statements, which discloses the level of earmarked revenue reserves and the purposes for which these are held.

4 Financial implications

4.1 The key elements of the Council's financial performance the 2013/14 financial year were:

- All services areas maintained spending within budget
- Budgeted savings of £7.3m were delivered during the year, meaning that more than £70m has been delivered since April 2010
- The level of General Fund balances has been maintained at the planned level of £12m

5 Legal implications

5.1 Changes to or departures from the budget during the year (other than those by Full Council) can only be agreed in accordance with the Scheme of Transfers and Virements contained in the Council's Constitution. Any decisions the Cabinet wishes to take and any changes in policy which are not in accordance with the budget and are not covered by the Scheme of Transfers and Virements will need to be referred to Full Council.

6. DIVERSITY IMPLICATIONS

6.1 There are no specific diversity implications arising from this report.

7. STAFFING IMPLICATIONS

7.1 There are no specific diversity implications arising from this report.

8. BACKGROUND INFORMATION

Draft Statement of Accounts – Audit Committee – 26 June 2014

9. CONTACT OFFICERS

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CONRAD HALL
Chief Finance Officer

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LONDON BOROUGH OF BRENT

STATEMENT OF ACCOUNTS

2013/14

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INTRODUCTION BY THE CHIEF FINANCE OFFICER

Brent's annual accounts show the financial performance of the Council for the year 2013/14. They present the financial position of the Council on 31 March 2014 and its income and expenditure for the year ending on that date.

It is intended that these accounts will provide a useful and important source of financial information for the community, Council Members and other interested parties. The Explanatory Foreword on the next few pages gives a brief summary of the Council's financial position in 2013/14.

I should also like to thank my staff and colleagues throughout the Council for their hard work and support during the year.

Date: xx June 2014

CONRAD HALL
Chief Finance Officer

DRAFT

Explanatory Foreword

1. INTRODUCTION

The accounts have been produced in line with the requirements of the 2011 Accounts and Audit Regulations, the 2013/14 Code of Practice on Local Council Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Audit Commission Act 1998, except where specifically stated in the Statement of Accounting Policies.

2. REVIEW OF THE 2013/14 FINANCIAL YEAR

The Council set its budget for 2013/14 on 25 February 2013 at £284.3m. The budget included £7.3m of savings meaning that the Council had made more than £70m of savings since April 2010.

The majority of savings since 2010 have been delivered through the One Council Programme, the Council's approach to improving services and efficiency. The medium term outlook for local government funding continues to be difficult and it is clear that the Council will need to continue to scrutinise how it provides services in the future to manage the challenge in a planned and structured manner. Based on current projections it is estimated that the Council will need to identify saving of £53m by 2016/17 with a similar level of savings in the following two years.

Despite this challenging environment all departments managed to maintain spending within their respective budgets. Overall the Council has achieved its target level of non-earmarked reserves (or general fund balances) at £12m.

2013/14 Revenue Budget Compared with Outturn

	Latest Budget	Gross Income	Gross Expenditure	Transfer to/from Reserves	Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Services	91,396	(22,021)	113,227	150	91,356	(40)
Children & Young People	45,303	(265,115)	299,657	10,405	44,947	(356)
Environment & Neighbourhoods	36,609	(38,489)	73,848	1,159	36,518	(91)
Regeneration & Growth	36,277	(68,274)	105,246	(1,997)	34,975	(1,302)
Corporate Departments	50,746	(8,958)	58,766	343	50,151	(595)
Service Total	260,331	(402,857)	650,744	10,060	257,947	(2,384)
Central Budgets	23,966	(428,374)	432,849	21,707	26,181	2,215
Transfer to general fund	0	0	0	75	75	75
Total Budget Requirement	284,297	(831,231)	1,083,593	31,842	284,203	(94)
Revenue Support Grant	(115,976)	(115,976)	0	0	(115,976)	0
Council Tax Income	(81,741)	(81,741)	0	0	(81,741)	0
Non Domestic Rates	(78,424)	(78,347)	0	0	(78,347)	77
Other Non Specific Grants	(6,342)	(6,325)	0	0	(6,325)	17
Collection Fund	(1,814)	(1,814)	0	0	(1,814)	0
Total Funding	284,297	(284,203)	0	0	(284,203)	94

The presentation of financial performance in the Comprehensive Income and Expenditure Statement (CIES) differs from that used for budget management purposes as the CIES includes a number of

accounting adjustments. The table above shows the Council underspent its overall budget by £75k whilst the total figure in the CIES is a credit of £306m.

The main reasons for this difference are as follows:

- Actuarial gains on pension assets and liabilities (£205m)
- Revaluations of Plant, Property and Equipment (£51m)
- Gains on disposal of Plant, Property and Equipment (£15m)
- Capital grants received (£36m)

Capital Expenditure

The Councils in-year expenditure in 2013/14 was £88.77m (2012/13 £139.43m). The Expenditure was within the definition of capital expenditure within the Local Government and Housing Act 1989.

Capital expenditure has been financed from the following sources:

Funding Source	2013/14 £000
Capital Receipt	(21,154)
Government Grant	(40,668)
General Fund Contributions	(3,768)
HRA Contributions	(1,788)
Borrowing	(9,199)
Major Repairs Reserve	(12,197)
Total	(88,774)

Directorate	2013/14 Capital Budget £000	2013/14 Actual £000	Variance £000	Commitments at 31 March 2014 £000
Adults	88	23	65	0
Children and Young People	883	266	617	321
Environment & Neighbourhoods	13,555	11,652	1,903	1,780
Regeneration & Growth (excluding the HRA)	130,255	58,382	71,873	20,605
HRA	20,957	16,048	4,909	197
Finance & IT	1,681	2,403	(722)	50
Total	167,419	88,774	78,646	22,953

The major variances on the Capital Programme relate to Environment & Neighbourhoods, Regeneration & Growth and the HRA and are due principally to slippage into future years of committed expenditure. The Capital Budget in 2013/14 reflected the full approved Capital Programme and work is underway to profile this budget from 2014/15 onwards to reflect commitments for future years.

Borrowing/Investments

During 2013/14 the Council's net borrowing (gross borrowing less investments) fell by £35m. This was largely due to the strong cash flow off setting borrowing requirements to fund the capital programme of the Council. The only change to long-term borrowing was scheduled repayments in relation to borrowing undertaken on the basis of annual repayments of principal throughout the life of the loan.

As set out in the Notes to the Balance Sheet (Note 31 - Nature and extent of risks arising from Financial Instruments) the Council deposited £15m with Icelandic banks in 2008 that subsequently went into administration. Of the original deposits £13.4m has now been recovered, with a further £1m held in a Icelandic account, pending lifting of restrictions on the return of the money.

The Council's borrowing and investment strategy is outlined annually in its Treasury Management Strategy and presented to the Audit Committee.

Reserves

Earmarked reserves generally available for use by the Council have increased by £4.7m in the year. In addition a further £3.1m has been earmarked to manage anticipated increased pressures on the temporary accommodation budget.

Within other reserves the largest single item is a rise in the capital receipts reserve of £37m, the monies are being held to fund specific projects, including the regeneration of South Kilburn, the provision of additional affordable housing, and the new Library at Willesden Green. Further reserve increases include £11m of section 106 funding being held for the provision of infrastructure in the borough and the collection fund surplus increasing by nearly £4m, which is due to be split between the GLA and Brent Council in future years.

4. PENSION FUND DEFICIT

The Pension Fund deficit is a long term liability. It is planned that the deficit will be eliminated over the next 21 years through a combination of investment returns and additional payments by Brent Council, in accordance with the triennial actuarial valuation of the Fund, undertaken as at 31 March 2013.

The accounts also present the actuary's annual assessment of the Council's deficit on its share of the Pension Fund, which is undertaken using a different set of assumptions from that used in the triennial valuation, in accordance with IAS19. On this measure the Council's deficit has reduced by £170m, largely reflecting an improvement in the actuary's assumptions around the cost of future liabilities.

Further information is shown in Note 36 - Defined Benefit Pension Schemes to the Core Financial Statements.

5. HOUSING REVENUE ACCOUNT (HRA)

The Council originally budgeted for a carried forward surplus of £400k. It was reported to members, as part of the Housing Revenue Account (HRA) budget report for 2014/15 in February 2014 that the carried forward surplus for 2013/14 would be £511k, which is £111k more than the originally budgeted amount. The final accounts show a carried forward surplus of £950k, which is £439k more than the revised budgeted surplus carried forward for the year.

6. COLLECTION FUND

The Collection Fund reflects two changes introduced with effect from 2013/14:

- (1) Council Tax Support – the national scheme for council tax benefit has been replaced by a local council tax support scheme to be managed by councils with reduced resources. In advance of the scheme it was recognised that collection performance would reduce. In that context the actual collection rate achieved during 2013/14 (95.7%) was positive as it was only marginally down on the previous year.
- (2) Localisation of business rates – this means that the business rates collected locally are now shared between central government (50%), the Council (30%) and the GLA (20%).

7. FURTHER INFORMATION

Further information on these accounts may be obtained by writing to the Chief Finance Officer at Brent Civic Centre, Wembley, HA9 0FJ.

Core Financial Statements

Balance Sheet

31 March 2013 £'000	Notes	31 March 2014 £'000	
1,322,460	1	1,372,500	Non-current Assets
498		498	
2,751		1,171	
3,727	1	3,480	
100	26	100	
42,346		54,008	
1,371,882		1,431,757	
46,336	26	75,225	Current Assets
0		4,519	
97		64	
44,100	2	56,525	
36,131	3	61,654	
126,664		197,987	
(10,509)		(8,794)	Liabilities
(81,517)	7	(91,095)	
(2,885)		(4,001)	
(94,911)		(103,890)	
(38,065)	26	(33,444)	
(2,803)	9	(3,033)	
(428,003)	26	(423,662)	
(806,034)	8	(630,675)	
(1,274,905)		(1,090,814)	
128,730		435,040	
12,060		12,135	Reserves
9,198		46,173	
88,427	10	112,351	
115,285		118,367	
(96,240)		146,014	
128,730		435,040	

Movement in Reserves Statement

	General Fund Balance £'000	School Balances £'000	Earmarked General Fund Reserves £'000	HRA £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance as at 31 March 2012 (restated)	10,316	14,187	54,181	2,268	3,979	9,018	4,503	67,509	165,961	(7,846)	158,115
Movement in reserves during 2012/13											
Surplus or (deficit) on the provision of services	23,901		32,221						56,122		56,122
Other comprehensive income & expenditure										(85,506)	(85,506)
Total comprehensive income & expenditure	23,901	0	32,221	0	0	0	0	0	56,122	(85,506)	(29,384)
Adjustments between accounting basis & funding basis under regulations	7,711		(31,528)		180	3,838	22,685		2,886	(2,886)	0
Net increase/decrease before transfers to earmarked reserves	31,612	(2,542)	0	693	0	180	3,838	22,685	59,008	(88,392)	(29,384)
Transfers to/from earmarked reserves	(29,868)		32,410	(375)	(2,143)		2,518		0		0
Increase/decrease in 2012/13	1,744	(2,542)	32,410	318	(2,143)	180	6,356	22,685	59,008	(88,392)	(29,384)
Balance as at 31 March 2013 carried forward	12,060	11,645	86,591	2,586	1,836	9,198	10,859	90,194	224,969	(96,238)	128,731
Movement in reserves during 2013/14											
Surplus or (deficit) on the provision of services	5,664			72,113					77,777	0	77,777
Other comprehensive income & expenditure										228,535	228,535
Total comprehensive income & expenditure	5,664	0	0	72,113	0	0	0	0	77,777	228,535	306,312
Adjustments between accounting basis & funding basis under regulations	24,405			(70,334)		36,975	(1,639)	(3,126)	(13,719)	13,720	1
Net increase/decrease before transfers to earmarked reserves	30,069	0	0	1,779	0	36,975	(1,639)	(3,126)	64,058	242,255	306,313
Transfers to/from earmarked reserves	(29,993)	5,991	23,936	(3,416)	(12)	0	3,494	0	0	0	0
Increase/decrease in 2013/14	76	5,991	23,936	(1,637)	(12)	36,975	1,855	(3,126)	64,058	242,255	306,313
Balance as at 31 March 2014	12,136	17,636	110,527	950	1,825	46,173	12,714	87,067	289,028	146,013	435,041

Comprehensive Income and Expenditure Statement

	2012/13 (restated)		2013/14		
	Gross Expenditure £'000	Gross Income £'000	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central services to the public	50,686	(43,993)	29,505	(12,112)	17,393
Cultural and related services	19,444	(3,777)	21,198	(4,940)	16,258
Environmental and regulatory services	35,105	(6,810)	39,370	(6,217)	33,153
Planning	6,370	(2,832)	7,790	(3,766)	4,023
Children's social care	44,923	(2,566)	49,265	(8,018)	41,246
Education and children's services	306,312	(273,652)	311,865	(271,654)	40,211
Highways and transport services	53,120	(32,603)	49,221	(25,416)	23,805
Local authority housing (HRA)	38,805	(70,613)	40,598	(120,843)	(80,245)
Other housing services	410,421	(394,449)	425,094	(406,368)	18,726
Adult social care	100,978	(26,281)	115,987	(26,227)	89,760
Corporate and democratic core	3,717	(36)	7,113	(983)	6,130
Non distributed costs	2,018	(47)	1,095	(224)	871
Cost of Services	1,071,899	(857,659)	1,098,101	(886,768)	211,333
Services transferred from the NHS - Public Health	0	0	18,189	(18,694)	(505)
Cost of continuing and acquired services	1,071,899	(857,659)	1,116,290	(905,462)	210,828
Other operating expenditure					(10,232)
Financing and investment income and expenditure					55,652
Taxation and non-specific grant income					(334,026)
(Surplus) or Deficit on Provision of Services					(77,778)
Surplus or deficit on revaluation of Property, Plant and Equipment assets					(23,277)
Actuarial (gains)/losses on pension assets and liabilities					(205,258)
Other Comprehensive Income and Expenditure					(228,535)
Total Comprehensive Income and Expenditure					(306,313)

Cash Flow Statement

The Cash Flow Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

2012/13		2013/14	
£'000		£'000	Note
62,895	Net surplus or (deficit) on the provision of services	77,781	
(80,631)	Adjustments for non-cash movements	(114,454)	
81,888	Adjustments for investing and financing activities	95,056	
64,152	Net cash flows from Operating Activities	58,383	4
(68,606)	Investing activities	(24,935)	5
131	Financing activities	(7,925)	6
(4,323)	Net increase or decrease in cash and cash equivalents	25,523	
40,454	Cash and cash equivalents at the beginning of the reporting period	36,131	
36,131	Cash and cash equivalents at the end of the reporting period	61,654	6

Note 1 – Significant movements on balances of non-current assets

Movements in 2013/14	Council Dwellings	Other Land and Buildings	Infrastructure Assets	Plant Vehicle & Equipment	Surplus Assets	Assets under Construction	Total	Of which PFI funded Assets	Intangible Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2013	575,171	474,440	202,704	47,230	4,072	141,277	1,444,894	89,889	6,530
Additions	16,048	38,217	11,271	3,145	41	13,457	82,179	293	1,802
Revaluation (Revaluation Reserve)	0	18,747	0	47	0	4,619	23,413	171	0
Revaluation (Surplus/Deficit on the Provision of Services)	67,365	(39,926)	0	0	0	0	27,439	2,457	0
Derecognition - disposals	(20,807)	(26,536)	0	(3,028)	0	0	(50,371)	(500)	0
Reclassified (to)/from Held for Sale	0	(8,998)	0	0	0	0	(8,998)	0	0
Reclassifications	0	1,580	0	0	0	0	1,580	0	0
Other movements in cost or valuation	0	145,012	0	0	0	(145,012)	0	0	0
At 31 March 2014	637,777	602,536	213,975	47,394	4,113	14,341	1,520,136	92,310	8,332
Accumulated Depreciation/Amortisation and Impairment									
At 1 April 2013	(18,821)	(33,781)	(41,431)	(27,243)	(87)	0	(122,431)	(10,144)	(2,803)
Depreciation/ amortisation	(10,558)	(12,045)	(5,273)	(7,276)	(22)	0	(35,174)	(3,067)	(2,048)
Impairment losses/(reversals) recognised in the Revaluation Reserve	0	(137)	0	0	0	0	(137)	0	0
Derecognition - disposals	0	2,327	0	3,028	0	0	5,355	0	
Derecognition - other	0	0	0	275	0	0	275	0	
Assets reclassified (to)/from Held for Sale	0	4,479	0	0	0	0	4,479	0	
Other				0	0	0	9	0	0
At 31 March 2014	(29,379)	(40,225)	(46,704)	(31,216)	(109)	0	(147,633)	(13,202)	(4,851)
Net Book Value (Cost or Valuation less Accumulated Depreciation/Amortisation and Impairment)									
At 31 March 2014	608,398	562,311	167,271	16,178	4,004	14,341	1,372,503	79,108	3,481
At 31 March 2013	556,350	439,591	161,273	19,987	3,985	141,277	1,322,463	79,745	3,727

Note 1 - Movements on balances of non-current assets (continued)

Movements in 2012/13	Council Dwellings	Other Land and Buildings	Infrastructure Assets	Plant Vehicle & Equipment	Surplus Assets	Assets under Construction	Total	Of which PFI funded Assets	Intangible Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 April 2012	553,871	472,290	191,198	64,878	4,120	72,806	1,359,163	78,495	3,717
Additions	11,325	32,355	11,506	1,857	0	78,778	135,821	6,341	2,812
Depreciation / amortisation	0	(1,068)	0	0	0	0	(1,068)		0
Revaluation (Revaluation Reserve)		2,664				2,229	4,893	83	0
Revaluation (Surplus/Deficit on the Provision of Services)	16,701	1,724		0	0	(704)	17,721	(140)	0
Derecognition - disposals	(6,726)	(43,321)		(19,505)	(48)	0	(69,600)		0
Derecognition - other		(3,609)					(3,609)		0
Reclassified (to)/from Held for Sale		0					0		0
Reclassifications		505					505		0
Other movements in cost or valuation		11,832				(11,832)	0	(4,912)	0
At 31 March 2013	575,171	473,372	202,704	47,230	4,072	141,277	1,443,826	79,867	6,529
Accumulated Depreciation/Amortisation and Impairment									
At 1 April 2012	(8,078)	(27,810)	(36,440)	(39,761)	(113)	0	(112,202)	(7,112)	(1,094)
Depreciation/ amortisation	(10,743)	(11,514)	(4,991)	(6,987)	(22)		(34,257)	(3,032)	(1,708)
Depreciation written out	0	1,068	0	0	0	0	1,068		0
Impairment (Surplus/Deficit on the Provision of Services)	0	0	0	0	0	0	0		0
Derecognition - disposals	0	866	0	19,505	48		20,419		0
Derecognition - other	0	3,609	0	0	0		3,609		0
At 31 March 2013	(18,821)	(34,849)	(41,431)	(27,243)	(87)	0	(122,431)	(10,144)	(2,802)
Net Book Value (Cost or Valuation less Accumulated Depreciation/Amortisation and Impairment)									
At 31 March 2013	556,350	439,591	161,273	19,987	3,985	141,277	1,322,463	79,745	3,727
At 31 March 2012	545,793	444,480	154,758	25,117	4,007	72,806	1,246,961	71,383	2,623

Current Assets**Note 2 - Debtors**

31-Mar-13		31-Mar-14	
£'000		£'000	
7,039	Central government bodies	17,992	
4,471	Other local authorities	5,828	
1,571	NHS bodies	882	
2,926	Public corporations and trading funds	3,248	
28,093	Other entities and individuals	28,575	
44,100	Total	56,525	

Note 3 - Cash and Cash Equivalents

31-Mar-13		31-Mar-14	
£'000		£'000	
19,730	Bank current accounts	27,552	
16,401	Short-term deposits	34,101	
36,131	Total	61,654	

Note 4 - Cash Flow Statement - Operating Activities

2012/13		2013/14	
£'000		£'000	
2,639	Interest received	2,823	
(19,636)	Interest paid	(26,103)	

Note 5 - Cash Flow Statement - Investing Activities

2012/13		2013/14	
£'000		£'000	
(135,873)	Purchase of property, plant and equipment, investment property and intangible assets	(91,101)	
(14,621)	Net decrease in short-term and long-term investments	(28,890)	
23,832	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	59,292	
58,056	Capital grants received	35,764	
(68,606)	Net cash flows from investing activities	(24,935)	

Note 6 - Cash Flow Statement - Financing Activities

2012/13		2013/14	
£'000		£'000	
1,294	Net increase/ (decrease) in short-term and long-term borrowing	(6,056)	
(1,163)	Cashflows relating to PFI schemes	(1,869)	
131	Net cash flows from financing activities	(7,925)	

Liabilities**Note 7 - Creditors**

31-Mar-13		31-Mar-14	
£'000		£'000	
9,547	Central government bodies	8,141	
9,039	Other local authorities	5,776	
40	NHS bodies	69	
1,390	Public corporations and trading funds	664	
61,501	Other entities and individuals	76,446	
81,517	Total	91,095	

Note 8 - Long-Term Liabilities

31-Mar-13		31-Mar-14	
£'000		£'000	
772,290	Pension Fund Liability	598,938	
33,744	Deferred Income	31,737	
806,034	Total	630,675	

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Note 9 - Provisions

	Outstanding Legal Cases £'000	Compensation Claims £'000	Other Provisions £'000	Total £'000
<u>Short Term Provisions</u>				
Balance at 1 April 2013	0	2,124	761	2,885
Moved from long term		1,289	0	1,289
Additional provisions made in 2013/14		2,372	959	3,331
Amounts used in 2013/14		(2,130)	(236)	(2,366)
Unused amounts reversed in 2013/14		(1,138)	0	(1,138)
Balance at 31 March 2014		2,517	1,484	4,001
<u>Long Term Provisions</u>				
Balance at 1 April 2013	148	2,514	140	2,802
Moved to short term		(1,288)		(1,288)
Additional provisions made in 2013/14	47		1,995	2,042
Amounts used in 2013/14			(523)	(523)
Balance at 31 March 2014	195	1,226	1,612	3,033

Outstanding legal claims

Disrepair Cases - Estimated compensation due to Council tenants for disrepair cases.

Housing Repairs - To meet legal liabilities to repair leased properties.

Compensation Claims

Uninsured Losses - The Council meets a proportion of its insurance liabilities and claims from the Uninsured Losses provision. The level of the provision is reviewed annually on the basis of information from the Council's advisers.

Other Provisions

Finance lease liability - provision for onerous lease

Carbon Reduction Commitment- provision to cover 2013/14 costs of scheme

Non Domestic Rates - Provision for appeals outstanding since the 2010 revaluation

Non Domestic Rates - Provision for deferred income awaiting new DCLG regulations

Corporate Leases - Provision for photocopier leases

In addition to the Uninsured Losses provision detailed above, an earmarked reserve for insurance is maintained:

31-Mar-13 £'000		31-Mar-14 £'000
2,124	Uninsured Losses provision short term	2,517
2,514	Uninsured Losses provision long term	1,226
1,200	Earmarked insurance reserve	2,500
5,838	Total	6,243

Note 10 - Transfers to/from Earmarked Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and below. Movement in the unusable reserves are detailed in the technical reconciliation section.

	Balance at 31-Mar-13 £'000	Transfers in 2013/14 £'000	Transfers out 2013/14 £'000	Balance at 31-Mar-14 £'000
General Fund				
Central				
S106 and Community Infrastructure Levy	15,848	12,806	(1,934)	26,720
Property & Civic Centre	8,618	0	(2,938)	5,680
Redundancy & Restructuring	4,250	0	(525)	3,725
Transformation	4,101	2,000	(325)	5,776
Welfare Reform	3,510	0	0	3,510
Capital Financing	2,900	0	0	2,900
JFS School PFI	2,635	111	0	2,746
Revenue Contribution to Capital	2,350	580	0	2,930
Collection Fund	2,340	6,200	(2,340)	6,200
Capital Funding	2,013	944	(889)	2,068
Service Pressures	2,000	0	0	2,000
Insurance	1,200	1,300	0	2,500
Other Central	1,576	3,055	(56)	4,575
	53,341	26,996	(9,007)	71,330
Corporate	1,723	640	(785)	1,578
Regeneration & Growth				
Council Tax, Business Rates & Local Welfare	1,480	1,976	(210)	3,246
Employment Initiatives	4,000	0	(826)	3,174
Affordable Housing PFI	5,419	0	(2,477)	2,942
Service Pressures - Temporary Accommodation	2,700	3,055	0	5,755
Other Regeneration & Growth	3,277	2	(645)	2,634
	16,876	5,033	(4,158)	17,751
Environment & Neighbourhoods				
Environment & Neighbourhoods	1,389	1,547	(1,090)	1,846
Willesden Sports Centre PFI	1,884	202	0	2,086
	3,273	1,749	(1,090)	3,932
Adults & Children & Young People				
Brent NHS Trust Joint Venture	9,043	0	(35)	9,008
2Yr Old additional Funding	0	2,440	0	2,440
Other Adults & Children & Young People	2,335	2,355	(203)	4,487
	11,378	4,795	(238)	15,935
Total	86,591	39,213	(15,278)	110,526
HRA: Housing Revenue Account	1,837	111	(123)	1,825
Total	88,428	39,324	(15,401)	112,351

Note 11 - Other Operating Expenditure

31-Mar-13		31-Mar-14	
£'000		£'000	
3,129	Levies	3,360	
943	Payments to the Government Housing Capital Receipts Pool	1,074	
26,296	Gains/losses on the disposal of non-current assets	(14,667)	
30,368	Total	(10,233)	

Note 12 - Financing and Investment Income and Expenditure

31-Mar-13		31-Mar-14	
£'000		£'000	
20,306	Interest payable and similar charges	24,181	
	Pensions interest cost and expected return on pensions assets	34,668	
24,635		(2,988)	
(3,177)	Interest receivable and similar income		
	Income and expenditure in relation to investment properties and changes in their fair value	0	
(484)		(209)	
66	(Surplus)/Deficit on Trading Accounts		
41,346	Total	55,652	

Note 13 - Financial Instruments - Income, Expense, Gains and Losses

The Council incurred interest expense of £24,181k in 2013/14 (£20,306k in 2012/13) and received interest income of £2,998k in 2013/14 (£3,177k in 2012/13). This expense and income is shown within the surplus or deficit on the provision of services

Note 14 - Taxation and non-Specific Grant Incomes

31-Mar-13		31-Mar-14	
£'000		£'000	
(104,972)	Council tax income	(83,555)	
0	NNDR Top Up	(46,532)	
0	NNDR Retained Income	(31,815)	
(155,420)	Revenue Support Grant	(115,976)	
(29,953)	Other government grants & taxation	(13,441)	
(58,504)	Capital grants and contributions	(42,707)	
(348,849)	Total	(334,026)	

Note 15 – Material items of Income and Expenses

There were no material items in the statements for 2013/14 or 2012/13.

Additional Disclosures

Note 16 – Acquired and Discontinued Operations

The Council has acquired Public Health operations from the NHS in April 2013. The Council now has a number of commissioning responsibilities, together with overall responsibility for improving health at borough level.

No operations were acquired in the year to 31 March 2013.

One of the Council's schools transferred to Academy status in 2013/14. The assets and liabilities and associated reserves have been written out of the Council's accounts and transferred to the school. The Council does not consider these transactions to be material and as such has not undertaken specific accounting required for acquired and discontinued operations. These transactions have been treated as in-year entries within the Council's accounts.

Note 17 - Pooled Budgets

The Council entered into partnership agreements under Section 31 of the Health Act 1999 with Brent NHS Trust for the Integrated Community Equipment Service Partnership Board. The London Borough of Brent is the host partner for Occupational Therapy equipment. Funding for Occupational Therapy equipment is split 41% London Borough of Brent and 59% NHS Brent. There is also a Section 31 arrangement with the Central and North West London NHS Foundation Trust (CNWLNFT) which is the host partner for Mental Health. The funding split in this case is 30% London Borough of Brent and 70% CNWLNFT.

The Partnerships' income and expenditure for 2013/14 was:

	Mental Health £'000	Occupational Therapy £'000
Funding: London Borough of Brent	(500)	(450)
Brent NHS Trust	0	(654)
CNWLNFT	(1,158)	0
Total Funding	(1,658)	(1,104)
Expenditure	1,620	1,214
Net Overspend/(Underspend)	(38)	110
2012/13 Net Overspend/(Underspend)	(38)	140

Note 18 - Members Allowances

Total payments including National Insurance costs in 2013/14 were £943,654 (£940,000 in 2012/13). Details of the Members' Allowances scheme are available on Brent's website (www.brent.gov.uk).

Note 19- External Audit Costs

31-Mar-13 £'000		31-Mar-14 £'000
276	Fees payable to KPMG with regard to external audit services carried out for the year	239
40	Fees payable to KPMG for the certification of grant claims and returns for the year	41
316	Total	280

Note 20 - Contingent Liabilities

The Council has a number of contingent liabilities listed below. The potential maximum liability for all the issues could be in the region of £2.5m. Figures are not shown against contingent liabilities where there are legal proceedings or the disclosure would adversely affect the outcome.

The Council has received a claim from a company that owns a piece of land, in which it bought from the Council, stating that the Council is liable to decontaminate the land. The Council is resisting the claim and is making no specific provision. This matter has not progressed over the past four years.

The Council has received two new claims in respect of social care clients.

A number of claims to Employment Tribunals have been made against the Council. The Council is disputing these claims.

A number of primary schools within the borough have disputes about leases in respect of photocopiers and other IT equipment.

Note 21 - Exceptional Items

There were no exceptional items in the 2013/14 and 2012/13 financial years.

Note 22 - Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

2012/13 £'000	Credited to Services	2013/14 £'000
4,204	Adult and Community Learning from Learning and Skills Council	3,849
35,289	Council Tax Benefit	0
210,319	Dedicated Schools Grant (DSG)	201,975
2,005	Discretionary Housing payments	4,815
3,650	Housing Benefit and Council Tax Benefit Administration	3,355
3,418	Private Finance Initiative Housing Non HRA	3,418
295,105	Mandatory Rent Allowances: subsidy	293,076
17,394	Mandatory Rent Rebates outside HRA	22,321
0	Public Health	18,335
1,242	Private Finance Initiative Willesden Sports Centre - Pfi Rese	1,242
7,367	Pupil Premium Grant	9,159
3,638	REFCUS revenue grants	0
30,822	Rent Rebates Granted to HRA Tenants: subsidy	30,606
10,806	Sixth forms funding from Learning and Skills Council (LSC)	6,929
900	Troubled Families	1,016
5,042	Other Miscellaneous Grants	8,960
631,201	Total	609,056

2012/13 £'000	Credited to Taxation and Non Specific Grant Income	2013/14 £'000
	Grants:	
32,583	Basic Safety Needs	9,103
0	Targeted Basic Safety Needs	1,148
11,401	Framework Academies	11,300
1,700	My Place	0
4,403	Transport for London	5,833
3,406	LA Capital Maintenance	2,132
925	Other Grants	1,370
	Contributions:	
4,086	S106	11,820
58,504	Total	42,706

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Note 23 - Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded by grant monies provided by the Department for Education (DfE), the Dedicated Schools Grant (DSG).

The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget.

In 2013-14, as in previous years, an element of the DSG was recouped by the DfE to fund academy schools in the borough.

The Schools Budget includes elements for a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each school.

Over and underspends on the two elements (i.e. central expenditure and ISB) are accounted separately and the Council is able to (where it can afford) supplement the schools budget from its own resource.

The DSG received in 2013/14 was deployed as follows:

	Central Expenditure	Individual Schools Budget	Total
	£	£	£
Final DSG for 2013-14 before Academy Recoupment			264,973,000
Academy figure recouped for 2013-14			62,998,000
Total DSG after recoupment for 2013-14			201,975,000
Brought Forward from 2012-13			(4,661,115)
Carry Forward to 2013-14 agreed in advance			4,661,115
Agreed initial budgeted distribution in 2013-14	26,948,411	175,026,589	201,975,000
In year adjustments	24,139,504	(24,139,504)	0
Final budgeted distribution for 2013-14	51,087,915	150,887,085	201,975,000
Less Actual Central Expenditure	47,609,451		47,609,451
Less Actual ISB deployed to schools		150,887,085	150,887,085
Plus Local Authority contribution for 2013-14	0	0	0
Carry Forward to 2013-14 agreed in advance	3,478,464	0	(1,183,119)

Note 24 – Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Central Government provides grant income for the Council which is shown in Note 22 - Grant Income.

Councillors and Chief Officers complete related party transactions forms each year. Out of 63 Councillors 3 failed to reply. None of these three stood for election in May 2014.

A number of voluntary organisations which received grants from the London Borough of Brent in 2013/14 have Brent Members as Directors, Trustees or employees.

The following disclosures have been made where material transactions were made as obtained from Members' 2013/14 Declarations of Related Party Transactions (where the organisation received a significant amount of funding):

	£'000
Community Development Centre (CODEC)	5
Tricycle Theatre Company	198
Sudbury Town Residents Association	3
Community Voluntary Services (CVS) Brent	100
Energy Solutions (NW London)	75
Brent Housing Partnership (management fee)	8,046

The Director of Environment and Neighbourhood Services declared board membership of Pro-Active West London (PAWL) until January 2014 soon after which it was disbanded. Pro-Active West London became 'London Sport' on 1 May 2014.

Sport England funding distributed by Brent Council through Pro-Active West London totalled £12,579.76. Sport England give a fund to Pro-Active West London who give it to Brent Sports Service who distribute to schools and voluntary sports groups.

London Borough of Brent Pension Fund - administrative support is provided to the Fund. The Pension Fund's accounts are shown separately in this document. The Council charged the Pension Fund £0.880m for administering the fund in 2013/14 (£0.987m was charged in 2012/13).

Pooled Budgets - Details of partnerships with Brent PCT and the North West London Mental Health Trust are shown in Note 17 - Pooled Budgets to the Core Financial Statements.

Subsidiary Company - Brent has one subsidiary, Brent Housing Partnership (BHP) Limited. The Council paid a management fee to BHP of £8.046m in 2013/14 (£8.192m in 2012/13).

Barham Park Trust is controlled by Brent and is included in Brent's Group accounts which can be found later in this document and combine the accounts of Brent, BHP and Barham Park Trust. Brent held £475k on behalf of the Barham Park Trust.

As at 31 March 2014 the Council was owed £401k by Brent PCT and £4k by the Tricycle Theatre Company. There were no provisions for bad debts relating to the above.

Financial Instruments

Note 26 - Financial Instruments Categories

The following categories of financial instrument are carried in the Balance Sheet. In addition cash and cash equivalents are disclosed in Note 3 - Cash and Cash Equivalents.

	Long Term			Current		
	31 March	31 March	31 March	31 March	31 March	31 March
	2014	2013	2012	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000	£'000
Investments						
Loans and receivables				75,226	46,336	31,715
Unquoted equity investment at cost	100	100	100	-	-	-
Total investments	100	100	100	75,226	46,336	31,715
Debtors						
Loans and receivables	54,008	42,346	44,780			
Financial assets carried at contract amounts				28,575	28,093	22,392
Total Debtors	54,008	42,346	44,780	28,575	28,093	22,392
Borrowings						
Financial liabilities at amortised cost	423,662	428,003	403,089	8,794	10,509	34,124
Total Borrowings	423,662	428,003	403,089	8,794	10,509	34,124
Other Long Term Creditors						
PFI and finance lease liabilities	(33,444)	(38,065)	(38,275)			
Total Other Long Term Creditors	(33,444)	(38,065)	(38,275)			
Creditors						
Financial liabilities carried at contract amounts				76,446	61,501	68,514
Total Creditors				76,446	61,501	68,514

Note 27 – Fair Values of Assets and Liabilities

The Council's long term financial assets and financial liabilities are carried in the Balance Sheet at amortised cost. The portion of borrowings and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under short term borrowings or short term investments. This includes accrued interest for long term investments and borrowings, as well as accrued interest for cash and cash equivalents.

The Council's long term borrowing at 31 March 2013 and 31 March 2014 consisted of loans from the Public Works Loan Board (PWL) and market loans. The PWL has provided the Council with Fair Value amounts in relation to its debt portfolio, assessed by calculating the amounts the Council would have had to pay to extinguish the loans on these dates. In the case of market loans, the Council's Treasury Adviser has calculated the fair value based on equivalent swap rates at the Balance Sheet date. The carrying amount of short-term borrowing is considered to be at fair value.

In the case of the Council's investments, these consisted almost entirely of term deposits with Banks and Building Societies. The maturity dates of these investments were within 12 months of the Balance Sheet date. The contracts of term deposits do not permit premature redemption. None of the investments were impaired (i.e. at risk of default), apart from the impairments incurred as a result of the Icelandic situation

Financial Liabilities

31-Mar-13			31-Mar-14	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
10,509	10,509	Short Term Borrowing	8,794	8,794
428,003	608,637	Long Term Borrowing	423,662	560,664
38,065	38,065	Long Term Creditors	33,444	33,444

The Fair Value of financial liabilities is higher than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

Financial Assets

62,737	62,737	Loans and Receivables	109,326	109,326
42,346	42,346	Long Term Debtors	54,008	54,008

The amortised value of investments is felt to be a good estimate of the Fair Value

Impairment of Deposits with Icelandic Banks

Heritable Bank

Heritable bank is a UK registered bank under Scots law. The company was placed in administration on 7th October 2008. As at 31 March 2014, the Council had recovered £9.4m of the original £10m deposit and a further repayment may arise subject to the result of court action. The impairment made by the Council is essentially the balance of the deposit outstanding.

Glitnir Bank hf

Glitnir Bank hf is an Icelandic entity. Court action in Iceland confirmed that the Council is a preferential creditor and £4m has been repaid to the Council. The outstanding balance is being held in an escrow account in Icelandic krone. Recovery is subject to the impact of exchange rate fluctuations on the value of sums held in the this account. The impairment made by the Council is essentially the balance of the deposit outstanding.

Note 28 - Leases

Authority as Lessee

Finance Leases

Brent Council leases some of its IT equipment and Vehicles under finance leases. The assets acquired are included in Plant, Property and Equipment in the balance sheet as part of Plant, Furniture, Vehicles and Equipment in the notes at the following net amounts

31-Mar-13		31-Mar-14
£'000		£'000
607	Plant, Furniture, Vehicles and Equipment	13

The council is committed to making minimum payments comprising of repaying the outstanding liability for the capital purchase, and interest upon the outstanding liabilities. The minimum lease payments are made of the following amounts

31-Mar-13		31-Mar-14	
£'000		£'000	
	Finance lease liabilities		
688	Current		119
160	Non-current		7
55	Finance costs payable in future years		2
903	Minimum lease payments		128

These minimum lease payments are payable over the following periods

Present Value of Minimum
Lease Payments Repayable
Minimum Lease Payments
Repayable

	Total Minimum Lease Payments		Minimum Lease Payments Repayable	
	2013-14	2012-13	2013-14	2012-13
	£'000	£'000	£'000	£'000
Not Later than one year	120	740	119	688
Later than one year and not later than five years	8	162	7	160
	128	902	126	848

Operating Leases

Brent Council leases Land & Buildings, Office Equipment, vehicles, and telecommunications Equipment in order to provide its services.

The Future Minimum payments under these leases in future years are:

2012-13		2013-14	
£'000		£'000	
1,740	Not later than one year		1,178
3,271	Later than one year and not later than five years		3,467
1,012	Later than five years		1,012
6,023	Total		5,657

The council sub-leases office accommodation and sports grounds. The future minimum sub lease payments to the council for these sub leases are:

2012-13	2013-14
£'000	£'000
0	115
	Future Minimum Sublease Payments Receivable

The expenditure charged to Comprehensive Income and Expenditure Statement for these leases is detailed below:

2012-13		2013-14	
£'000		£'000	
3,290	Minimum Lease payments		2260
(73)	(Sublease payments receivable)		(38)
3,217			2,222

The council is required to disclose embedded leases in line with the principles of IFRIC 4. IFRIC 4 requires disclosure of the total payment required where payments cannot be separated in separate payments for services and for assets. Lease elements of contracts for Waste Services and Parking Enforcement have been separated and are disclosed above in the finance and operating lease sections.

The following payments are for an Adult Social Services contract and two Special Education contracts where payments cannot be separated, so are disclosed separately from other leases:

2012-13		2013-14	
£'000		£'000	
1,544	Minimum Lease payments	227	

Future payments under this contract are:

2012-13		2013-14	
£'000		£'000	
227	Not later than one year	0	

Authority as Lessor

Finance Leases

Brent Council leases Northwick golf course to a commercial operator on a finance lease with a remaining term of 93 years.

The authority has a gross investment in the property which is the present value of future lease payments receivable under the contract. The gross investment is made up of the following amounts:

2012-13		2013-14	
£'000		£'000	
1,249	Finance lease debtor	1,249	
	Non Current		
1,249	Gross Investment in Lease	1,249	

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the Lease		Present Value of Minimum Lease Payments	
	2013-14	2012-13	2013-14	2012-13
	£'000	£'000	£'000	£'000
Later than five years	1,249	1,249	1,249	1,249
	1,249	1,249	1,249	1,249

The council receives additional contingent rent based on the turnover of the golf course. In 2013-14, £26k contingent rent was receivable.

Operating Leases

The council leases out a number of its properties both for commercial use and service provision. It also leases a small number of vehicles to Brent Housing Partnership.

Future minimum lease payments expected under these contracts are:

2012-13 £'000		2013-14 £'000	
874	Not later than one year	929	
2,280	Later than one year and not later than five years	1,669	
7,639	Later than five years	6,428	
10,793	Total	9,026	

The council receives additional contingent rent for one of its properties based on the turnover of the lessee's business. In 2013-14, £43k contingent rent was receivable.

Note 29 – Private Finance Initiative (PFI) and Service Concessions

The Council has entered into three PFI projects which have generated assets to be used by the Council, these are:

- In 1998/99 a 20 year project to provide and maintain street lights throughout the Borough, legal title to these street lights transfers to Brent at the end of the contract. The contract pays for the maintenance and operation of the streetlights throughout the contract period.
- In 2006/07 a 25 year project to provide, operate and maintain a new sports centre and related facilities in Willesden; legal title to this sports centre transfers to Brent at the end of the contract.
- In 2008/09 the Council entered into phase 1 of a 20 year project to provide and maintain social housing, and replacement residential facilities for people with learning disabilities. Phase 2 of this contract was signed in 2010-11 Legal title to the residential facilities for people with learning disabilities transfers to Brent. Brent controls the residual value of 158 units of the housing stock at the end of the contract by a combination of restrictions on the sale and use of the social housing built and guaranteed nomination rights to 158 of the properties built. The complexities of this contract are further detailed below.

The Council has reviewed its contracts and identified the following agreements that meet the definition of a Service Concession:

- In 2005/06 a 32 year agreement was made to provide and maintain social housing within Stonebridge. Whether or not a block of flats or house paid for by this contract appears on Brent's balance sheet was determined by a tenant's vote at the start of the contract. The PFI operator manages and maintains these properties on behalf of Brent.

The assets that have been recognised on the balance sheet funded by PFIs and service concessions are shown in Note 1 on Plant, Property, and Equipment.

These assets are funded by the following liabilities which are repaid over the course of the contract to recompense the PFI operator for the capital expenditure they have carried out.

2012-13 £'000		2013-14 £'000	
36,745	Balance outstanding at start of year	37,806	
(1,163)	Payments during the year	(1,869)	
2,224	Additional liabilities	13	
37,806	Balance outstanding at end of year	35,950	

The following future payments are expected to be made on the PFIs and Service Concessions:

	Payment for Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Payable in 2013/14	2,964	2,789	3,657	9,410
Payable with two to five years	13,345	10,779	13,029	37,153
Payable within 6 to 10 years	10,164	12,368	13,069	35,601
Payable within 11 to 15 years	9,996	17,310	10,463	37,769
Payable within 16 to 20 years	5,491	10,340	7,372	23,203
Payable within 21 to 25 years	1,264	5,666	3,677	10,607
Total	43,224	59,252	51,267	153,743

Where a PFI asset is paid for by third party payments, the statement of recommended practice requires recognition of deferred income, recognising the expected future third party payments. The following deferred income balance has been recognised in line with the Code of Practice:

2012-13 £'000		2013-14 £'000	
(30,279)	Deferred Income opening balance	(32,362)	
(4,090)	Additions	0	
2,007	Amortisation	2,007	
(32,362)	Deferred Income closing balance	(30,355)	

Further details of the Housing and Adult Social Care PFI: assessed under IFRS this contract has three distinct elements:

1. Residential facilities for people with learning disabilities Legal title to 20 units residential facilities for people with learning disabilities transfers to Brent. This element of the PFI is accounted for using the service concession rules for IFRIC 12
2. Residential social housing with guaranteed nomination rights Brent controls the residual value of this Social Housing stock at the end of the contract by a combination of restrictions on the sale and use of the social housing built and nomination rights to some of the properties built. Brent will be granted at least 158 nomination rights. This element of the PFI is accounted for using the service concession rules for IFRIC 12.
3. Residential social housing without guaranteed nomination rights This residual stock after Brent is granted at least 158 nomination rights. This will be at most 206 units. These units can be sold by the PFI Operator to other Registered Social Landlords under the conditions of the contract. This element is therefore considered to be temporary housing stock, and is accounted for using the embedded lease rules for IFRIC 4.

The Assets and Liabilities for element 2 of the PFI have been calculated using the ratio of 158:364, which is the ratio of guaranteed nomination rights to total social housing properties.

The payments for element 3 are the residual payments once elements 2 and 3 are accounted for.

There are a number of uncertainties about this contract where the Council's assets and liabilities may be affected by uncertain future events:

- The number of nomination rights is governed by House Price inflation: the higher house price inflation is the greater the number of nomination rights.
- The PFI Operator is allowed to sell a number of properties to equal in value to the principal amount of senior debt for the PFI. The principal amount of senior debt will be affected by future social housing rents. It is also possible that refinancing of the contract could lower the principal amount of senior debt.

- At this stage, it is not possible to state to which 158 properties the Council will get permanent nomination rights. This will be determined over the course of the contract by the granted of long term tenancies to residents of the properties. This may result in the Council's assets and liabilities being higher or lower than currently projected.

These features of the contract are an important part of the Council's risk control for this contract. The contract is fixed in price; it is the apportionment of this fixed payment between the permanent and temporary elements which is uncertain. In substance, the risks principally affect the future benefits the Council will receive at the end of the contract in the form of nomination rights.

Note 30 – Capitalisation of Borrowing Costs

The Civic Centre scheme is currently the Council's only asset where borrowing costs have been capitalised. The total borrowing costs capitalised in 2013/14 were £580k (£4,070k in 2012/13). The capitalisation rate used to determine borrowing costs eligible for capitalisation was 4.73% in 2013/14 (5.58% in 2012/13).

Note 31 - Nature and extent of risks arising from Financial Instruments

The Council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with The Prudential Code for Capital Finance in Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the DCLG's *Guidance on Local Government Investments*. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

- *Credit Risk*: The possibility that one party to a financial instrument will fail to meet its contractual obligations, causing a loss for the other party.
- *Liquidity Risk*: The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments

- The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.
- A limit of £15m of the total portfolio is placed on the amount of money that can be invested with a single counterparty or banking group (other than the UK government). No more than £20m in total can be invested for a period longer than one year.
- The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments

or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2014 that this was likely to crystallise.

- The table below summarises the credit risk exposures of the Council's investment portfolio by credit rating:

Credit Rating	Long Term		Short Term	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	£'000	£'000	£'000	£'000
AAA	0	0	34,100	1,400
AA-	0	0	20,000	0
A	0	0	50,000	35,000
Unrated local authorities	5,000	0	0	25,000
Residual Icelandic banks	0	0	1,602	3,275
Total Investments	5,000	0	105,702	64,695

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the Approved List for Investments, which governs lending to banks and financial institutions, including building societies, government authorities and supranational institutions. The Council combines long-term, short-term and individual ratings to reduce the risk of default.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on the Council's experience of its default levels.

	Amount at 31 March 2014 £'000 (a)	Historical experience of default % (b)	Estimated maximum exposure to default £'000
Deposits with banks and financial institutions	1,275		1,275
Trade debtors	67,900	64.1%	43,553
	69,175		44,828

The short term investments are loans and receivables and shown at amortised cost.

The Council expects some losses from non-performance by its Icelandic counterparties in relation to deposits, and has allowed for this in the impairment calculation. The Council does not expect any losses from non-performance by other counterparties.

Trade debtors are general debtors to the Council, and do not include government departments, other local authorities or housing rents.

The Council does not generally allow credit for its trade debtors. During the reporting period the council held no collateral as security.

Historical experience of default has been used to determine the bad debt provision for trade debtors.

Liquidity risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than specified of the Council's borrowing matures in any period

The maturity analysis of the principal sums borrowed is as follows:

	£'000
Less than one year	4,341
Between one and two years	4,341
Between two and five years	13,023
Between five and ten years	22,036
Between ten and twenty years	8,250
Between 20 and 30 years	19,908
Between 30 and 40 years	88,488
More than 40 years	172,111
Uncertain date *	95,500
	427,998

*The Council has £95.5m of "Lender's option, borrower's option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely repay these loans. The maturity date is therefore uncertain.

All investments (£75,225k) are due to be repaid within one year.

Market Risks: Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. However, the Council's long term borrowing is all at fixed rates so the risk would arise when the need to refinance arises or on occasions when short term borrowing is required, which are small in relation to the Council's scale of operation. A rise in interest rates would lead to a fall in the fair value of borrowings but this would have no impact on the Income and Expenditure Account.

Investments classed as "loans and receivables" and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on Comprehensive Income and Expenditure. Changes in interest receivable on investments will be posted to the Surplus or Deficit on the Provision of Services.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. At 31 March 2014, all the principal borrowed was exposed to fixed rates.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest receivable on variable rate investments	(1,000)
Impact on Comprehensive Income and Expenditure	(1,000)
Decrease in fair value of fixed rate borrowings/liabilities*	78,600

*No Impact on Comprehensive Income and Expenditure

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Market Risks: Foreign Exchange Risk

The Council currently has approximately £1m in Icelandic Krona held in escrow pending the relaxation of capital controls by the Icelandic Government. If sterling appreciated by 5% against all other currencies, there would be a £50,000 loss recorded in the Surplus or Deficit on the Provision of Services.

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Note 32 - Senior Employees' Remuneration Employee Benefits

Senior employees are Brent's Chief Executive and direct reports (other than administration staff). This includes statutory chief officers.

Postholder	Note	2012/13					2013/14				
		Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employer's pension contributions £	Total remuneration including pension contributions £	Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employer's pension contributions £	Total remuneration including pension contributions £
Chief Executive – G Daniel (until September 2012)	1	119,485	200,702	320,187	nil	320,187	nil	Nil	Nil	nil	
Interim Chief Executive – C Gilbert (from 1 November 2012)	1	83,333	Nil	83,333	Nil	83,333	66,667	66,667	Nil	66,667	
Payments to Limited Company	1	Nil	Nil	Nil	Nil	Nil	118,983	118,983	Nil	118,963	
Interim Chief Executive – C Gilbert	2	nil	Nil	Nil	Nil	Nil	51,026	51,026	6,838	57,864	
Assistant Chief Executive (from October 2013)	2	Nil	Nil	Nil	Nil	Nil	55,519	55,519	7,440	62,959	
Chief Finance Officer (section 151 officer from October 2013)	2	127,461	Nil	127,461	17,080	144,541	50,574	143,851	6,774	150,626	
Director- Children and Families (until July 2013)	2	Nil	Nil	Nil	Nil	Nil	94,424	94,424	12,653	107,076	
Acting Director Children and Families (from July 2013)	2	140,508	Nil	140,508	18,828	159,336	29,388	142,564	3,938	146,502	
Director- Strategy Partnerships & Improvement (left during 2013/14)	2	140,508	Nil	140,508	18,828	159,336	29,388	142,564	3,938	146,502	

Note 32 - Senior Employees' Remuneration (Continued)

Postholder	Note	2012/13				2013/14					
		Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employer's pension contributions £	Total remuneration including pension contributions £	Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employer's pension contributions £	Total remuneration including pension contributions £
Director- Customer & Community Engagement (Left during 2013/14)	2	108,084	Nil	108,084	14,483	122,567	11,078	63,278	74,355	1,484	75,840
Human Resources Director	2	Nil	Nil	Nil	Nil	Nil	117,676	Nil	117,676	15,769	133,444
Director of Finance & Corporate Services (left during 2012/13)		114,710	140,508	255,218	15,371	270,589	Nil	Nil	Nil	Nil	Nil
Deputy Director of Finance (section 151 officer from September 2012 to October 2013)	2	63,410	Nil	63,410	8,497	71,907	69,461	Nil	69,461	9,308	78,769
Director of Environment & Neighbourhoods		126,751	Nil	126,751	16,985	143,736	133,475	Nil	133,475	17,886	151,361
Director of Legal and Procurement	3	122,065	Nil	122,065	16,357	138,422	120,073	Nil	120,073	16,090	136,162
Director of Adult Social Services		118,893	Nil	118,893	15,932	134,825	126,715	Nil	126,715	16,980	143,695
Director of Regeneration and Major Projects		126,751	Nil	126,751	16,985	143,736	133,475	Nil	133,475	17,886	151,361
Director of Public Health	2	Nil	Nil	Nil	Nil	Nil	77,765	Nil	77,765	10,420	88,185
Total		1,251,451	341,210	1,592,661	140,517	1,733,178	1,256,279	269,731	1,526,009	143,465	1,669,474

Note 1:

The former Chief Executive's salary in 2011/12 included £9,504 for acting as counting officer for the May 2011 referendum paid by the Government and £1,452 for returning officer duties in Council by-elections paid by the Council as well as £277 for travel mileage. Remuneration in 2012/13 included £15,359 for Returning Officer duties on the GLA election, £761 for returning officer duties on a Council by election and £127 for travel mileage. The former Chief Executive's annualised salary, excluding returning officer duties and travel mileage, was £194,550 in 2012/13. The post holder left the Council in September 2012. The Interim Chief Executive's annualised salary in 2013/14 was £187,044.

Note 2:

A restructure of the Council's senior management was undertaken during 2013/14, as reported to the General Purposes Committee in March 2013 and November 2013. The annualised salaries in 2013/14, including acting up allowances where appropriate, for posts occupied for part of that year are as follows:

Assistant Chief Executive – £119,382
 Chief Finance Officer – £119,382
 Director of Children & Families – £129,699
 Acting Director of Children & Families – £125,538
 Director of Strategy, Partnerships and Improvement – £140,508
 Director of Customer & Community Engagement – £108,084
 Deputy Director of Finance – £119,382
 Director of Public Health - £109,164

Note 3:

The Director of Legal and Procurement was Acting Chief Executive from 10th September 2012 until 5th November 2012. She was paid £10,088 for additional responsibilities.

Note 33 - Officers' Remuneration

The number of employees whose remuneration in 2013/14 and 2012/13, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:-

2012/13				2013/14		
Schools Staff	Officers	Total	Remuneration band £'s	Schools Staff	Officers	Total
190	53	243	50,000 - 54,999	142	67	209
94	36	130	55,000 - 59,999	86	31	117
33	19	52	60,000 - 64,999	27	18	45
23	15	38	65,000 - 69,999	24	9	33
18	5	23	70,000 - 74,999	21	14	35
18	5	23	75,000 - 79,999	14	6	20
5	3	8	80,000 - 84,999	10	2	12
13	7	20	85,000 - 89,999	9	3	12
1	1	2	90,000 - 94,999	7	3	10
0	6	6	95,000 - 99,999	1	1	2
4	2	6	100,000 - 104,999	2	2	4
1	5	6	105,000 - 109,999	2	5	7
1	2	3	110,000 - 114,999	0	4	4
1	1	2	115,000 - 119,999	1	1	2
0	2	2	120,000 - 124,999	0	2	2
0	3	3	125,000 - 129,999	0	1	1
0	0	0	130,000 - 134,999	0	2	2
0	0	0	135,000 - 139,999	0	1	1
0	1	1	140,000 - 144,999	0	2	2
0	0	0	185,000 - 189,999	0	1	1
0	1	1	255,000 - 259,999	0	0	0
0	1	1	300,000 - 304,999	0	0	0
402	167	569	Total	346	175	521

The table above includes senior employees. Further details concerning senior employees are shown in a separate note.

Bands over £145,000 are not shown above where there are no staff who earn within particular bands of £5,000.

The number of school staff earning over £50k have reduced because 4 Secondary schools and 1 Primary school have converted into Academies and are no longer part of Brent's accounts.

Officers earning over £50K has increased due to pay award increase of 1%.

Officers earning over £75K have decreased due to senior management restructure during 2013/14.

Note 34 - Exit Packages

Exit Package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other other departures		Total number of exit packages by by cost band (b) + (c)		Total cost of exit exit packages in each band £'000	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
	£0 - £20,000	63	39	87	93	150	132	939
£20,001 - £40,000	8	15	17	51	25	66	712	1,899
£40,001 - £60,000		4	3	22	3	26	158	1,236
£60,001 - £310,000	4	1		3	4	4	502	294
Total	75	59	107	169	182	228	2,311	4,492
ADD amounts provided for in CIES not included in bandings							1,310	1,014
TOTAL cost included in CIES							3,621	5,506

Note 35 - Pension Schemes Accounted for as Defined Contribution Schemes

In 2013/14, the Council paid £9.5m to Teachers' Pensions (£11.1m 2012/13) in respect of teachers' retirement benefits, representing 14.1% (14.1% 2012/13) of pensionable pay. The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 36.

As a result of the transfer of responsibilities for Public Health from the NHS, the Council also paid £61k in 2013/14 to the NHS pension scheme representing 14% of pensionable pay.

Note 36 - Defined Benefit Pension Schemes Participation in Pension Schemes

The Council participates in two post employment schemes:

- (1) The Local Government Pension Scheme – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- (2) Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. Actuarial gains and losses on pension assets and liabilities are recorded as Other Comprehensive Income and Expenditure. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost

of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

31 March 2013 £'000 (restated)		31 March 2014 £'000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services:</i>		
23,946	Current service cost	31,261
881	Past service costs (including curtailments)	883
	Settlements and curtailments	0
<i>Financing and investment Income and Expenditure:</i>		
51,741	Interest cost	56,496
(20,321)	Expected return on scheme assets	(21,828)
56,247	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	66,812
 <i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
0	Changes in demographic assumptions	(78,334)
152,193	Changes in financial assumptions	19,525
(25,148)	Other experience	(145,540)
(36,646)	Return on assets excluding amounts in net interest	(909)
146,646	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(138,446)
 Movement in Reserves Statement		
27,777	Employers' contributions payable to the scheme	29,766
5,080	Contributions in respect of unfunded benefits	5,140
32,857	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	34,906
(56,247)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(66,812)
(23,390)		(31,906)

Note 37 – Reconciliation of Assets and Liabilities in Relation to Post Employment Benefits

	31 March	31 March	31 March	31 March	
	2013	2013	2014	2014	
	£'000	£'000	£'000	£'000	
Assets	Obligations	Net (liability) / asset	Assets	Obligations	Net (liability) / asset
Opening Balances at 1 April					
Fair value of employer assets	421,608	421,608	482,210		482,210
Present value of funded liabilities	(982,329)	(982,329)		(1,178,630)	(1,178,630)
Present value of unfunded liabilities	(97,780)	(97,780)		(75,870)	(75,870)
Opening Position at 1 April	(658,501)	(658,501)			(772,290)
Current service cost	(23,946)	(23,946)		(31,261)	(31,261)
Past service costs	(881)	(881)		(883)	(883)
Interest income on plan assets	20,321	20,321	21,828	(56,496)	21,828
Interest cost	(51,741)	(51,741)			(56,496)
Contributions by scheme participants	0	0	6,148	6,148	0
Employer contributions	27,777	27,777	29,766		29,766
Contributions in respect of unfunded benefits	5,080	5,080	5,140		5,140
Benefits paid	(30,261)	30,261	(29,431)	(29,431)	0
Unfunded benefits paid	(5,080)	5,080	(5,140)	(5,140)	0
Actuarial gains and losses	36,646	(127,045)	909	(204,349)	205,258
Closing Balances at 31 March					
Fair value of employer assets	482,210	482,210	511,430		511,430
Present value of funded liabilities	(1,178,630)	(1,178,630)		(1,040,067)	(1,040,067)
Present value of unfunded liabilities	(75,870)	(75,870)		(70,302)	(70,302)
Closing Balance at 31 March	(1,254,500)	(772,290)	511,430	(1,110,369)	(598,939)

The liabilities show the underlying commitments that the Council has in the long run to pay post employment (retirement) benefits. The total liability of £1,110m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a negative overall net liability of £599m. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy:

- the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid

Note 38 - Fair value of employers assets (bid value)

		31-Mar-13		31-Mar-14		
Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets	Quoted prices in active markets	Quoted prices not in active markets	Percentage of Total Assets
£'000	£'000	£'000	%	£'000	£'000	%
	61,696.8	61,696.8	13%	64,630.6	64,630.6	13%
	24,679.3	24,679.3	5%	26,719.4	26,719.4	5%
	4,865.3	4,865.3	1%	4,768.6	4,768.6	1%
	231,410.4	231,410.4	48%	254,046.5	254,046.5	50%
	73,504.9	73,504.9	15%	75,676.9	75,676.9	15%
	30,105.8	30,105.8	6%	40,444.1	26,733	5%
	26,895.1	26,895.1	6%	29,706.9	40,444.1	8%
					29,706.9	6%
	4,906.9	4,906.9	1%	(11,295.4)	(11,295.4)	-2%
	369,472.6	112,737.4	100%	401,655.5	109,775.1	100%
		482,210			511,430.6	

Sensitivity Analysis

Change in assumptions at 31 March 2014:	Approximate % increase to Employer Liability	Approximate monetary amount
	%	£'000
0.5% decrease in Real Discount Rate	9%	104,083
1 year increase in member life expectancy	3%	33,311
0.5% increase in the Salary Increase Rate	2%	25,648
0.5% increase in the Pension Increase Rate	7%	77,509

Note 39 - Projected defined benefit cost for the period to 31-Mar-15

Period Ended 31-Mar-15	Assets	Obligations	Net (liability)/asset
	£'000	£'000	% of pay
Projected Current service cost		(22,395)	-24.20%
Total Service Cost		(22,395)	-24.20%
Interest Income on plan assets	21,980	21,980	23.70%
Interest cost on defined benefit obligation		(47,536)	-51.30%
Total Net Interest Cost	21,980	(47,536)	-27.60%
Total Included in Surplus or Deficit	21,980	(69,931)	-51.80%

Information about the defined benefit obligation

	Liability Split	Weighted Average Duration (years)
Active members	36%	23.9
Deferred members	23%	24
Pensioner members	41%	11.7
Total	100%	18.3

Note 40 - Basis for Estimating Assets and Liabilities

The latest actuarial valuation of the London Borough of Brent's liabilities took place as at 31 March.2013. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund and assessing discretionary benefit liabilities are set out below:

2012-13	Actuarial Assumptions:	2013-14
	Longevity at 65 for current pensioners:	
23.8	Men	22.0
26.6	Women	24.3
	Longevity at 65 for future pensioners:	
25.6	Men	24.4
28.6	Women	26.8
5.1%	Rate of increase in salaries	4.4%
2.8%	Rate of increase in pensions	2.8%
4.5%	Rate for discounting scheme liabilities	4.3%
25.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2008 service)	50.0%
25.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2008 service)	75.0%

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Housing Revenue Account

Income and Expenditure Statement for the Year Ended 31 March 2014

2012/2013 £'000		2013/2014 £'000
	<u>Income</u>	
(47,100)	Dwelling Rents	(47,155)
(442)	Non Dwelling Rents(Gross)	(401)
(3,010)	Tenants Charges for Services and Facilities	(2,893)
(284)	Contribution Towards Expenditure	(295)
(3,076)	Leaseholders' charge for services and Facilities	(2,734)
(16,701)	Upward revaluation of assets	(67,365)
(70,613)	Total Income	(120,843)
	<u>Expenditure</u>	
8,992	Repairs and Maintenance	9,534
12,749	Supervision and Management	12,137
4,314	Special Services	5,691
1,317	Rent and Rates and Other Charges	2,093
10,826	Depreciation of Fixed Assets	10,641
515	Bad or Doubtful Debts	488
92	Debt Management Expenses	14
38,805	Total Expenditure	40,598
(31,808)	Net Cost of Services included in the Council's Income and Expenditure Account	(80,245)
121	HRA share of Corporate and Democratic Core	40
(31,687)	Net Cost of HRA Services	(80,205)
	HRA share of the operating income and expenditure included in the Council's income and expenditure	
943	Payments to capital receipts pool	1,074
(7,380)	(Gain) or Loss on Sale of HRA fixed Assets	978
6,115	Interest payable and similar charges	6,136
(49)	HRA Investment Income/Mortgage Interest	(57)
117	Pension interest and expected return on pension assets	
(31,941)	(Surplus)or Deficit for the Year on HRA Services	(72,074)

This statement reflects a statutory obligation to account separately for the Council's housing provision. It shows the major elements of housing expenditure and income.

Movement on the HRA Statement

2012/2013 £'000	Movement on the HRA Statement	2013/2014 £'000
(2,268)	Housing Revenue Account brought forward	(2,586)
(31,941)	(Surplus) or deficit on the provision of services	(72,074)
	Other comprehensive income & expenditure	
(31,941)	Total comprehensive income & expenditure	(72,074)
31,248	Adjustment between accounting basis and funding basis under regulations	73,789
(693)	Net increase/decrease before transfers to earmarked reserves	1,715
375	Transfers to/(from) earmarked reserves	(12)
0	Transfers to/(from) General Fund	(66)
(318)	Net increase/decrease	1,637
(2,586)	Balance as at 31 March carried forward	(949)

HRA adjustments between accounting basis and funding basis under regulations

2012/13 £000		2013/2014 £000
7,380	Gain / (Loss) on sale of HRA non-current assets	(978)
3,933	Capital expenditure funded by HRA	1,788
4,535	Amortised payment and discount	3,579
16,701	Revaluation of assets	67,365
(943)	Payments to the capital receipts pool	(1,074)
(37)	Pooled capital receipts – contribution to administration costs	(262)
(117)	Pension interest cost and expected return on pension assets	
(121)	HRA share of CDC	(40)
10,743	Transfers to / from Major Repairs Reserve	14,052
(10,826)	Transfers to / from Capital Adjustment Account	(10,641)
31,248	Total adjustments between accounting basis and funding basis under regulations	73,789

Notes to the Housing Revenue Account

Note 1: Housing Stock

The Council's stock of dwellings reduced during the year from 8,860 to 8,432, a net reduction of 428 Dwellings. These reductions resulted from Right to Buy sales, demolition of dwellings as a result of the on going regeneration work at South Kilburn and transfers to the Council's General Fund to be used for Temporary Accommodation for Homelessness households.

The stock at the end of the year was made up as follows:

31-Mar-13		31-Mar-14	
£'000		£'000	
288	Leasehold	284	
8,572	Freehold	8,259	
8,860	Total	8,543	

Note 2: Rent Arrears

The level of rent arrears at 31 March 2014 was £2.751m. Movement on the arrears and related provisions are shown below.

31-Mar-13		31-Mar-14	
£'000		£'000	
2,770	Arrears from tenants	2,751	
4,161	Arrears from Right to Buy Leaseholders	4,247	
(5,801)	Provision	(5,832)	
1,130	Total Arrears	1,166	

Note 3 – Non-current Assets

	Council Dwellings £'000	Non- Operational £'000	Total £'000
Gross Book Value at 1 April 2013	575,172	9,523	584,695
Revaluation in 2013/14	0		0
Impairment	67,365	0	67,365
Expenditure during the Year	16,048	0	16,048
Disposals	(20,807)	(12)	(20,819)
Gross Book Value at 31 March 2014	637,778	9,511	647,289
Accumulated Depreciation B/fwd.	(18,440)	(109)	(18,549)
Write out of Accumulated Depreciation	595	0	595
Depreciation/adjustment for current year	(10,558)	(83)	(10,641)
Net Book Value at 31 March 2014	609,375	9,319	618,694

Note 4 - Vacant Possession Value of HRA Dwellings

The vacant possession value of dwellings within the HRA at 31 March 2014 was £2.437 billion. The difference between vacant possession value of the HRA dwellings and balance sheet value within the HRA shows the economic cost to the government of providing Council housing at less than open market value.

Note 5 - HRA Capital Receipts

2012/13 £'000			2013/14 £'000	
14,111	Houses		19,829	
0	Other Properties		0	
14,111	Total		19,829	

Note 6 – Net Interest Charged to the HRA

The net interest charge to the HRA, is calculated in accordance with government regulation. In 2013/14 £6,136m was charged (£6,114 in 2012/13).

Note 7 - Brent Housing Partnership

In October 2002, the Council formed Brent Housing Partnership Limited, an arms length management organisation. Brent Housing Partnership Limited is responsible for the provision of services associated with the Council's Housing stock (repairs, lighting, cleaning). The housing stock remains in the ownership of the Council and the rents is collected by Brent Housing Partnership Limited. The Council has entered into a contract with Brent Housing Partnership Limited to provide these services. The income and expenditure arising from these activities are shown in the Council's accounts in accordance with requirement of the current CIPFA Code of Practice and legislation. Brent Housing Partnership Limited is required by law to prepare a set of accounts which shows its management and administrative cost.

Collection Fund

These statements represent the transactions of the Collection Fund. This is a statutory fund separate from the General Fund of the Council. The Collection Fund accounts independently for income relating to Council Tax and Non-Domestic Rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised. Administrative costs are borne by the General Fund.

There has been a major change between the 2012/13 and 2013/14 years in relation to Non Domestic Rates (also known as Business Rates). Up to the end of the 2012/13 financial year, all income for Non Domestic Rates was paid over to central government, which redistributed the rates collected to local authorities based on a formula of assessed spending needs. From 1 April 2013, local authorities keep a proportion of the income raised (in London the local authority keeps 30%, 50% is paid over to central government, and 20% to the Greater London Authority (GLA). This is a fundamental change, which transfers some of the benefits and risks directly to local authorities, as they will benefit from a share of the increased income if their business base grows, but there is also a risk if the total income falls, either due to businesses closing, or if successful appeals are made against rateable valuations, and bills drop as a result. As of 31 March 2014 there were still nearly a thousand appeals outstanding in Brent, and although some of these will be unsuccessful, there will be a reduction in income as a result of successful appeals. An allowance has been made for this in finalising the figures for 2013/14, but the authority has no influence over decisions made by the Valuation Office.

In addition to its 30% share of income raised from Non Domestic Rates, the Council also receives a "Top-up" payment from central government, to bring it back to the income figure it would have received for 2013/14 had the previous system remained unchanged. This income is credited to the General Fund rather than the Collection Fund.

There has also been a major change in relation to Council Tax. Previously, there had been a national scheme for Council Tax Benefit, whereby qualifying claimants received full or partial benefit towards their Council Tax bills. Central government met the cost of this. From April 2013 Council Tax Benefit was replaced by the Council Tax Reduction Scheme. Under this scheme, central government reduced its support to local authorities, who had to cover the shortfall either by spending cuts or by reducing the benefit awarded to claimants (although pensioners are exempt from any charges). This has meant that a large number of residents have had their benefit reduced, and now have to pay a percentage of their Council Tax bill.

Collection Fund Account for the Year ended 31 March 2014

2012/13 £'000		Notes	2013/14 £'000
	Income		
(103,936)	Income from Council Tax payers	1	(113,071)
(35,586)	- Council Tax Benefits (ended 12/13)		0
(102,894)	Income from Non Domestic Rates	2	(101,590)
(242,416)	Total Income		(214,661)
	Expenditure		
	Council Tax:-		
	Payment to GLA		
30,181	- precept	3	23,389
226	- share of surplus		526
	Payment to Brent		
104,197	- precept	3	81,741
774	- share of surplus		1,814
2,819	Provisions for uncollectable amounts		(2,386)
(15)	less write back/add write off		4,127
	Non-Domestic Rates:-		
102,477	- Payment to National Pool / Preceptors	3	101,173
417	- Cost of Collection Allowance		417
241,076	Total Expenditure		210,801
(1,340)	Surplus in year		(3,860)
(1,000)	Surplus brought forward		(2,340)
(2,340)	Surplus carry forward		(6,200)

Notes to the Collection Fund

Note 1: Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities and the Council for the forthcoming year and dividing this by the Council Tax Base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts) which was 77,191 for 2013/14. This basic amount of Council Tax for a Band D property £1,361.94 for 2013/14 is multiplied by the proportion specified for the particular band to give an individual amount due.

Council Tax bills were based on the following proportions and property numbers for Bands A to H:

Proportion of Band D Charge		Number of Band D Equivalent Properties	
Band A	0.67	1,012	
Band B	0.78	5,119	
Band C	0.89	18,419	
Band D	1.00	22,631	
Band E	1.22	20,474	
Band F	1.44	7,552	
Band G	1.67	4,806	
Band H	2.00	<u>394</u>	
		<u>80,407</u>	x 96.0% Collection Rate = 77,191

The final income of £108.944m for 2013/14 includes adjustments to debits during the year. This total includes the adjustment required for the collection fund surplus of £3.2m as at 31 March 2014 (see Note 4).

The differences between 2012/13 and 2013/14 for write-offs and provisions relate to a very large write-off of old uncollectable debts in 13/14, which was largely met from reducing the provision. This did not happen in 2012/13.

Note 2: National Non-Domestic Rates (NNDR)

Non Domestic Rates are organised on a national basis. The Government specified a rate of 47.1p in the £ for 2013/14 (46.2p for small businesses having a rateable value of below £12,000) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. There was a nation-wide re-valuation of all properties which took effect from 1 April 2010. The Council is responsible for collecting rates due from the ratepayers in the area with a total non-domestic rateable value of £281,071,735 at 31 March 2014. From 2013/14, the Council retains 30% of the income due, 20% goes to the Greater London Authority and 50% to Central Government. The Government redistributes the sums paid to it back to local authorities on the basis of a Formula Grant calculation. The amounts collected from the ratepayers and paid between the three preceptors can be analysed as follows:

2012/13 £000		2013/14 £000	
122,286	Gross Debit	123,965	
(518)	Transitional Relief	0	
(6,728)	Charitable Relief	(7,239)	
(3,877)	Provision for Uncollectable Amount	(1,743)	
0	Provision for Rate Appeal Reductions (13/14 only)	(6,097)	
(3,201)	Other Adjustments	(2,218)	
(5,070)	Empty/Void Relief	(5,078)	
102,894	Net NNDR Income	101,590	
(417)	Cost of Collection Allowance Payable to General Fund	(417)	
102,477	Amount Payable to NNDR Pool / Preceptors	101,173	

Transitional relief falls outside of the Pool calculations from 2103/14

In addition to the above, properties with a rateable value of over £55,000 pay an additional business rates supplement of 2.0p in the £ to the Greater London Authority, to pay towards the costs of the Crossrail project. This supplement began on 1 April 2010, and for 2013/14 £3.010m was due to the GLA.

Note 3: Precepts

2012/13 £'000	Council Tax	2013/14 £000
104,197	London Borough of Brent	81,741
30,181	Greater London Authority	23,389
134,738		105,130

For 2013/14 the precept figures for both Brent and the GLA are net of Council Tax Support (see above), and are therefore lower than 2012/13.

The Greater London Authority (GLA) functions include London's policing, fire and emergency planning services, and transport.

2012/13 £'000	NNDR	2013/14 £000
102,247	Central Government	50,586
0	London Borough of Brent	30,352
0	Greater London Authority	20,235
102,247		101,173

Note 4: Estimated Surplus and Deficit

By 15 January each year, the Council estimates what the surplus or deficit on the collection fund will be as at 31 March. These estimates are set out below.

31-Mar-13 £000		31-Mar-14 £'000
(1,814)	London Borough of Brent	(2,488)
(526)	Greater London Authority	(712)
(2,340)	Deficit / (Surplus)	(3,200)

Note 5: Collection Fund Debtors and Creditors

Brent Council businesses and residents, the Greater London Authority (GLA) and central government share the outstanding liabilities and assets of the Collection Fund. The balances are as follows:

Debtors

31-Mar-13 £'000		31-Mar-14 £'000
634	Other entities and individuals	2,303
2,838	Central government	5,487
1,332	Other local authorities	1,115
4,804		8,905

Creditors

31-Mar-13
£'000

(3,105)	Other entities and individuals
(4,099)	Central government
(1,436)	Other local authorities
(8,640)	

31-Mar-14
£'000

(3,724)	
(4,659)	
(2,622)	
(11,005)	

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GROUP ACCOUNTS

Local authorities are required to produce group accounts which include interests in subsidiaries, associates and joint ventures.

Brent has one subsidiary, Brent Housing Partnership (BHP) Limited. This is an arms length management organisation (ALMO) which was set up in October 2002 to manage Council properties on behalf of Brent.

BHP is a limited company. It is limited by a guarantee with no share capital. It is fully owned by the London Borough of Brent. The London Borough of Brent has an obligation to meet BHP's pension fund liabilities. BHP's accounts may be obtained from Ian Rooney, Head of Finance, 6th Floor, Brent Civic Centre, Engineers Way, Wembley HA9 0FJ, e-mail address ian.rooney@bhphousing.co.uk.

The group accounts also consolidate the accounts of the Barham Park Trust.

The accounts of BHP & Barham Park Trust have been consolidated as a subsidiaries using the acquisition basis of combination.

The following group financial statements have been prepared:

- Group Movement in Reserves Statement
- Group Comprehensive Income and Expenditure Account
- Group Balance Sheet
- Group Cash Flow Statement

A significant amount of information in these statements is identical to Brent's accounts on the preceding pages of this document. Information has not been reproduced in the group accounts where it can be readily seen in Brent's accounting statements. This includes accounting policies. The accounting policies for the group accounts are the same as for Brent's single entity accounts and are shown earlier in this document.

Group Movement in Reserves Statement

	General Fund Balance £'000	Earmarked General Fund Reserves £'000	HRA £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance as at 31 March 2012 carried forward	30,007	54,181	2,268	3,979	9,017	4,502	67,509	171,463	(22,253)	149,209
Movement in reserves during 2012/13										
Surplus or (deficit) on the provision of services	30,938		32,221					63,159		63,159
Other comprehensive income & expenditure								0	(95,507)	(95,507)
Total comprehensive income & expenditure	30,938	0	32,221	0	0	0	0	63,159	(95,507)	(32,348)
Adjustments between accounting basis & funding basis under regulations	1,576		(31,528)		180	3,838	22,685	(3,249)	3,249	0
Net increase/decrease before transfers to earmarked reserves	32,514	0	693	0	180	3,838	22,685	59,910	(92,258)	(32,348)
Transfers to/from earmarked reserves	(32,410)	32,410	(375)	(2,143)		2,518		0		0
Increase/decrease in 2012/13	104	32,410	318	(2,143)	180	6,356	22,685	59,910	(92,258)	(32,348)
Balance as at 31 March 2013	30,111	86,591	2,586	1,836	9,197	10,858	90,194	231,373	(114,511)	116,862
Movement in reserves during 2013/14										
Surplus or (deficit) on the provision of services	5,500	0	71,523	0	0	0	0	77,023	0	77,023
Other comprehensive income & expenditure	0	0	0	0	0	0	0	0	235,066	235,066
Total comprehensive income & expenditure	5,500	0	71,523	0	0	0	0	77,023	235,066	312,089
Adjustments between accounting basis & funding basis under regulations	24,405	0	(70,334)	0	36,975	(1,639)	(3,126)	(13,719)	13,719	0
Net increase/decrease before transfers to earmarked reserves	29,905	0	1,189	0	36,975	(1,639)	(3,126)	63,304	248,785	312,089
Transfers to/from earmarked reserves	(24,002)	23,936	(3,416)	(12)	0	3,494	0	0	0	0
Increase/decrease in 2013/14	5,903	23,936	(2,227)	(12)	36,975	1,855	(3,126)	63,304	248,785	312,089
Balance as at 31 March 2014	36,014	110,527	359	1,824	46,172	12,713	87,068	294,677	134,274	428,951

**GROUP COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	2012/13		2013/14	
	Gross Expenditure £'000	Gross Income £'000	Gross Expenditure £'000	Gross Income £'000
		Net Expenditure £'000		Net Expenditure £'000
Central services to the public	50,686	(43,993)	29,505	(12,112)
Culture and related services	19,576	(3,901)	21,458	(5,036)
Environment and Regulatory services	35,105	(6,810)	39,370	(6,217)
Planning	6,370	(2,832)	7,790	(3,766)
Children's Social Care	44,923	(2,566)	49,265	(8,018)
Education and Children's services	306,312	(273,652)	311,865	(271,654)
Highways and transport services	53,120	(32,603)	49,221	(25,416)
Local authority housing (HRA)	38,202	(72,997)	41,813	(124,554)
Other housing services	410,421	(394,449)	425,094	(406,368)
Adult social care	100,978	(26,281)	115,987	(26,227)
Corporate and democratic core	3,717	(36)	7,113	(983)
Non distributed costs	2,018	(47)	1,095	(224)
Services Acquired from NHS - Public Health	0	0	18,189	(18,694)
Cost of Services	1,071,428	(860,167)	1,117,766	(909,270)
Other operating expenditure		30,368		(10,232)
Financing and investment income and expenditure		44,061		58,738
Taxation and non-specific grant income		(348,849)		(334,026)
(Surplus) or Deficit on Provision of Services		(63,159)		(77,022)
Surplus or deficit on revaluation of Property, Plant and Equipment assets		(6,433)		(23,277)
Actuarial gains/losses on pension assets and liabilities		101,940		(211,789)
Other Comprehensive Income and Expenditure		95,507		(235,066)
Total Comprehensive Income and Expenditure		32,348		(312,088)

GROUP BALANCE SHEET AS AT 31 MARCH 2014

31 March 2013 £'000		31 March 2014 £'000
1,364,012	Property, Plant & Equipment	1,413,837
498	Heritage Assets	498
8,221	Investment Property	6,641
3,727	Intangible Assets	3,480
100	Long Term Investments	100
1,323	Long Term Debtors	13,578
1,377,881	Long Term Assets	1,438,134
46,336	Short Term Investments	75,226
0	Assets Held for Sale	4,519
370	Inventories	373
42,177	Short Term Debtors	56,358
37,493	Cash and Cash Equivalents	62,946
126,376	Current Assets	199,422
(10,509)	Short Term Borrowing	(8,794)
(80,723)	Short Term Creditors	(91,620)
(2,885)	Provisions	(4,001)
	Deferred income	
(94,117)	Current Liabilities	(104,415)
(38,065)	Long Term Creditors	(33,444)
(2,803)	Provisions	(3,114)
(428,003)	Long Term Borrowing	(423,662)
(824,404)	Other Long Term Liabilities	(643,970)
	Capital Grants Receipts in Advance	
(1,293,275)	Long Term Liabilities	(1,104,190)
116,865	Net Assets	428,951
231,375	Usable Reserves	294,676
(114,510)	Unusable Reserves	134,275
116,865	Total Reserves	428,951

Group Cash Flow Statement

2012/13 £'000		2013/14 £'000
63,159	Net surplus or (deficit) on the provision of services	77,022
(79,001)	Adjustments for non-cash movements	(113,696)
81,888	Adjustments for investing and financing activities	97,397
66,046	Net cash flows from Operating Activities	60,724
(70,872)	Investing activities	(27,346)
131	Financing activities	(7,925)
(4,695)	Net increase or decrease in cash and cash equivalents	25,453
42,188	Cash and cash equivalents at the beginning of the reporting period	37,493
37,493	Cash and cash equivalents at the end of the reporting period	62,946

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Notes to the Group Accounts

This shows the main differences between items in Brent's single entity accounts and the group accounts. Where there are intra-group entries these are adjusted in calculating the overall group position.

2013/14

	Brent	BHP	Barham Park	Adjustments	Group
	£000	£000	£000	£000	£000
Financing and investment income	55,652	3,086	(11)	11	58,738
Local Authority housing (HRA)	(80,245)	(2,496)	0	0	(82,741)
Property plant and equipment	1,372,500	40,432	905	0	1,413,837
Investment properties	1,171	5,470	0	0	6,641
Long term debtors	54,008	0	0	(40,430)	13,578
Inventories	65	308	0	0	373
Short term debtors	56,525	4,363	475	(5,005)	56,358
Cash and cash equivalents in hand	61,654	1,292	0	0	62,946
Short term creditors	(91,095)	(5,530)	0	5,005	(91,620)
Other long term liabilities	(33,444)	(40,430)	0	40,430	(33,444)
Usable reserves	289,028	5,173	475	0	294,676
Unusable reserves	146,014	(12,644)	905	0	134,275
Cash flow from investing activities	(24,935)	(2,411)	0	0	(27,346)

2012/13

	Brent	BHP	Barham Park	Adjustments	Group
	£000	£000	£000	£000	£000
Financing and investment income	41,346	2,714	0	0	44,060
Local Authority housing (HRA)	(31,808)	(2,987)	0	0	(34,795)
Property plant and equipment	1,322,460	40,647	905	0	1,364,012
Investment properties	2,751	5,470	0	0	8,221
Long term debtors	42,346	0	0	(41,023)	1,323
Inventories	97	273	0	0	370
Short term debtors	44,100	3,958	628	(6,509)	42,177
Cash and cash equivalents in hand	36,131	1,362	0	0	37,493
Short term creditors	(81,517)	(5,715)	0	6,509	(80,723)
Other long term liabilities	806,034	18,370	0	0	824,404
Usable reserves	224,970	5,777	628	0	231,375
Unusable reserves	(96,240)	(19,175)	905	0	(114,510)
Cash flow from investing activities	(68,606)	(2,266)	0	0	(70,872)

Independent auditor's report to the members of London Borough of Brent
To be included following the conclusion of the audit

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Conclusion on London Borough of Brent's arrangements for securing economy, efficiency and effectiveness in the use of resources

To be included following the conclusion of the audit

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

- ◆ to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Finance Officer;
- ◆ to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ◆ to approve the Statement of Accounts.

The Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Council Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the Council at the Accounting date and its income and expenditure for the year ended 31 March 2014.

In preparing this statement of accounts, the Deputy Director of Finance and Corporate Services has:

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgements and estimates that were reasonable and prudent;
- ◆ complied with the Code of Practice.
- ◆ kept proper accounting records which were up to date;
- ◆ taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Finance Officer

I certify that the accounts set out on pages 5 to 86 give a true and fair view of the financial position of the London Borough of Brent as at 31 March 2014 and its income and expenditure for the year then ended, and that the accounts set out on pages 87 to 122 give a true and fair view of the net assets of the London Borough of Brent Pension Fund as at 31 March 2014 and its income and expenditure for the year then ended.

Date: _____

CONRAD HALL
Chief Finance Officer

Certificate of the Chair of the Audit Committee

I confirm that these accounts were agreed by the Audit Committee at its meeting held on xx September 2014.

To update following audit

Date: _____

Chair of the Audit Committee

Statement of Accounting Policies

1. Code of Practice

The general policies adopted in preparing these accounts are in accordance with the 2013-14 Code of Practice on Local Council Accounting in the United Kingdom issued by the Chartered Institute of Public Finance Accountants (CIPFA) - Statement of Recommended Practice (SORP), henceforth referred to as the "Code of Practice". This Code of Practice is based upon International Financial Reporting Standards (IFRS), with some adoptions from International Public Sector Accounting Standards (IPSAS). The financial statements do not include the measurement and disclosure requirements of IFRS 13 Fair Value Measurement since the adoption of this standard has been deferred to the 2014/15 Code.

1.1 Materiality

The Council has presented information in the accounts to provide a full picture of its performance and financial health, any of which, if omitted, might influence decisions made on the basis of these accounts. Information about transactions and balances of low financial value and which are non-influential for decision-makers (immaterial) have been omitted where possible to improve the readability of the statements.

2. Comprehensive Income and Expenditure Statement

2.1 Accruals of Expenditure and Income

The Statement of Accounts is prepared on an accruals basis with the effects of transactions and other events being recognised when they occur, and recorded in the accounting records and reported in the financial statements of the periods to which they relate.

The exception to this is the Cash Flow Statement which is prepared in accordance with International Accounting Standard (IAS) 7.

2.2 Revenue Recognition

Revenue is recognised in line with the Code of Practice and IAS 18.

2.3 VAT

Income and expenditure accounts are VAT exclusive, unless VAT is irrecoverable, in which case it is included.

2.4 Revenue Grants

Grants are immediately recognised where the Council has reasonable assurance it will comply with the conditions attached to the grant, and the grants or contributions will be received.

2.5 Charges to Revenue

External interest payable and the provision for depreciation are charged to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement. This results in a charge to the General Fund for depreciation for all fixed assets used in the provision of services. The charge is allocated to each individual service on the basis of the capital employed in its provision. Depreciation charges are reversed out of the General Fund in the Movement in Reserves Statement.

The charge made to the HRA is calculated on the basis determined by the Local Government and Housing Act 1989.

Amounts set aside from revenue for the repayment of external loans, to finance capital expenditure or as transfers to earmarked reserves are disclosed in the Movement in Reserves Statement and the notes to this statement.

2.6 Council Tax and National Non Domestic Rates (NNDR)

Council Tax included in the Comprehensive Income and Expenditure Statement (CIES) account is Brent's accrued income for the year. The collection of Council Tax on behalf of the Greater London Authority (GLA) is in substance an agency arrangement so these amounts are shown in the surplus or deficit on provision of

services section of the Comprehensive Income and Expenditure Statement. There will be a debtor / creditor position between Brent and the GLA to be recognised in Brent's balance sheet if the net cash paid to the GLA is not exactly its share of cash collected from Council Taxpayers. In this case, Brent's accrued income will be shown in the taxation and non-specific grant section of the Comprehensive Income and Expenditure Statement. The 'Revenue Activities' section of the cash flow statement only includes Brent's share of Council Tax cash collected during the year.

Previously Brent collected NNDR under what was in substance an agency arrangement with the Government. From 2013/14, the income collected from NNDR is shared between the Council, Central Government and the Greater London Authority (GLA) rather than being paid over to government and redistributed (so is now acting as principal and agent.) Apart from its own share of NNDR transactions, Brent accounts only for the effects of timing differences between the collection of NNDR attributable to major precepting authorities and central government and paying it across.

In terms of its own share and any top-up or levy from Central Government, income from the collection of NNDR will be shown in the taxation and non-specific grant section of the Comprehensive Income and Expenditure Statement. Similarly Brent's attributable share of NNDR debtor and creditor balances with taxpayers are recognised in the balance sheet. In addition Brent's share of the net cash collected from NNDR taxpayers is included in Brent's cash flow statement.

2.7 Overheads/Cost of Support Services

The full costs of support services (also known as overheads) have been charged to services in the Comprehensive Income and Expenditure Statement in accordance with CIPFA's 'Service Reporting Code of Practice'. Charges have been made on a variety of bases. Appropriate statistics have been used, for example, Human Resources charges were based on staff numbers.

2.8 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Sterling at the rate ruling on the date of the transactions. The Pension Fund accounting policies deal with the only foreign currency dominated assets disclosed on the balance sheet.

2.9 Accounting for the costs of the carbon reduction commitment scheme

The Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This scheme is currently in its introductory phase which will last until 31 March 2014. The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions ie carbon dioxide produced as energy is used. As carbon dioxide is emitted (ie as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Council is recognised and reported in the costs of the Council's services within the CIES and is apportioned to services on the basis of premises costs.

2.10 Jointly Controlled Operations

The council has a jointly controlled operation in the form of pooled budget conjunction with Brent NHS Trust. This is an operation undertaken that with a pooled budget between the NHS Trust and the council. The authority recognises the income that it gains and expenditure that it incurs on the Comprehensive Income and Expenditure Statement. The Balance sheet recognises any assets and liabilities resulting to the council from the pooled budget.

3. Balance sheet – Non Current Assets

3.1 Plant, Property and Equipment

All expenditure on the acquisition, creation or enhancement of fixed assets above the Council's de minimis of £5,000 is capitalised on an accruals basis in the accounts. Repairs and maintenance expenditure is charged direct to service revenue accounts.

Fixed assets are valued on the basis required by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS) by the Council's In-house Valuer. Fixed assets are classified into the groupings required by the Code of Practice, with the exception of plant and furniture and equipment where two categories are combined due to the limited amount of plant held by the Council.

Individual categories of assets are valued on the following basis:

- Council dwellings are valued using a beacon principle (ie using sample dwellings) based on their Open Market Value (OMV) but adjusted to reflect their value as social housing
- Other Land and Buildings are included in the balance sheet at their OMV. The exceptions to this are school buildings and Social Services establishments that are included at their Depreciated Replacement Cost (DRC).
- Surplus assets are included in the balance sheet at their OMV.
- Community assets are included in the balance sheet at depreciated historic cost where appropriate otherwise they are included at a nominal value.
- Infrastructure assets, vehicles, plant, furniture and equipment have been valued at depreciated historic cost.
- Assets under construction are held at their invoiced construction cost at year end.

Revaluations of fixed assets are planned on a five year cycle with a proportion of the asset base being revalued each year. Material changes to asset valuations resulting from works or similar investment outside of the agreed revaluation of assets cycle will be adjusted in the period as they occur.

At 1 April 2009 those land and building assets held at 1 April 2004 values were revalued completing that 5 year cycle. There has been subsequent revaluation of elements of the asset base at 1 April 2010, 1 April 2011, 1 April 2012 [and 1 April 2013] in line with the five year cycle. Council dwellings have been revalued at 1 April 2011 in line with the separate 5 year cycle, and their values have been up-rated to 31 March 2014 using Land Registry indices to reflect changes in property values.

3.1.1 Depreciation and Amortisation

Depreciation is the measurement of the cost or revalued amount of the economic benefits of the tangible fixed assets that have been consumed during the financial year.

Consumption includes the wearing out, using up or other reduction in the useful economic life of a tangible fixed asset whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

With the exception of HRA dwellings depreciation is calculated on all building assets using the straight line method as set out below. Land Assets are not depreciated.

Buildings	5 – 60 years as determined by the Valuer
Infrastructure	10 – 40 years
Plant, Vehicles, Equipment and Machinery	Up to 10 years

Housing Revenue Account dwellings are depreciated by an estimate of the consumption of economic benefits. The Major Repairs Allowance calculated by central government is used as the basis for this. Where buildings assets are revalued, the accumulated depreciation at the beginning of the year is written down to the revaluation reserve.

3.1.2 Component Accounting

Local authorities are required to value the components of major assets, where the components are of material value and have a significantly different economic life to the asset itself.

Componentisation will be undertaken where the value of the individual component is over £2 million and/or the value of that component is in excess of 20% of the total gross carrying value of the building.

Housing Revenue Account assets are not componentised, in accordance with valuation guidance published by central government.

Consideration of the requirement for componentisation will be undertaken when buildings are valued/re-valued, or enhancement expenditure of £250,000 is spent on them, which will trigger a revaluation.

3.2 Investment Properties

Investment properties are properties held solely for capital appreciation or rental income.

The Code of Practice requires that investment properties are not depreciated, but instead held at fair value, in this case OMV, and their book value is adjusted annually where there has been a material change in value. The Council adjusts the book value of these assets when appropriate indices indicate that the property has changed in value by 15% or more since the last indexation or revaluation.

Investment properties have a full revaluation on the same five year cycle as Plant, Property and Equipment.

3.3 Heritage Assets

Heritage Assets are defined as:

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture, or an intangible asset with cultural, environmental or historical significance.

Heritage assets are carried at valuation rather than fair value, reflecting the fact that exchanges of heritage assets are uncommon. The Council's valuation is as per an insurance valuation. Revaluations will be carried out as and when the insurance valuation is updated.

3.4 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. Expenditure on purchasing intangible fixed assets such as computer software has been capitalised at cost.

Amortisation is the equivalent of depreciation for intangible assets.

Amortisation is calculated using the straight line method based on estimated economic life of between 5 to 7 years.

3.5 Impairment

Impairment reviews on groups of assets are undertaken on an annual basis by the valuer. Impairment is recognised where the asset's carrying value is greater than its net recoverable value in use or through sale, and the loss is specific to the asset, or a small group of assets. Losses not specific to the asset or a small group of assets, such as a general fall in market prices will be treated as revaluation losses.

Impairment losses are recognised against historic cost, and revalued net book value (for revalued assets). Losses for revalued assets will be recognised against the revaluation reserve to the limit of the credit balance for that asset in the revaluation reserve, and thereafter in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement.

The impairment review includes an annual assessment of whether there is indication that the recoverable value of any impaired assets has increased, reversing part or all of the impairment. If there is indication that the recoverable value has increased, the valuer will reassess the economic life of the asset for the

purposes of determining depreciation. The impairment will be reversed to the extent that up to the carrying value of the asset had there been no impairment. This reversal will in the first instance be used to reverse any charge made to the surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement, and then to the revaluation reserve.

4. Balance sheet – Current Assets

4.1 Inventories and Long Term Contracts

Inventories are valued at the lower of cost and net realisable value. The Council has no inventories obtained through non-exchange transactions.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year

4.2 Cash and Cash Equivalents

IAS 7 defines cash and cash equivalents as cash, bank balances, and very short term investments used for cash management purposes. The Council uses bank overdrafts as part of its cash management strategy, therefore these are disclosed as part of cash and cash equivalents in line with IAS 7. Short term investments invested for three months or less with a known maturity value and date are included in cash and cash equivalents; the Council uses money market funds as an integral part of its cash management, so these investments are also disclosed as part of cash and cash equivalents.

4.3 Work in Progress (Construction contracts)

Under the Code of Practice, construction contracts undertaken by the Council for the Council's customers are accounted for as set out in IAS 11. This is separate from Assets under Construction where the Council is constructing assets for its own use. The Code of Practice requires use of the percentage completion method for calculating accounting entries for such contracts. Under the percentage of completion method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and surplus/deficit which can be attributed to the proportion of work completed. The percentage of completion is assessed based on costs incurred for work performed to date.

Until the point where outcome of the construction contract can be reliably estimated, revenue will only be recognised in line with construction costs to date. Once construction costs can be reliably measured, revenue will be recognised using the percentage completion method described above. Any expected losses will be immediately recognised as an expense.

5. Balance sheet - Liabilities

5.1 Provisions, Contingent Liabilities, and Contingent Assets

The Council makes a provision in compliance with IAS 37 where there is a present obligation as a result of a past event where it is probable that the Council will incur expenditure to settle the obligation and where a reasonable estimate can be made of the amount involved. In addition to the provisions listed in note 9 to the Core Financial Statements, there is a provision for unrecovered debts, this has been netted off against the debtors figure on the balance sheet (see note 2 to the Core Financial Statements).

The Code of Practice requires provisions to be split into current provisions (within a year) and long term provisions. The current provision for insurance is estimated by taking the moving average of insurance expense over the previous three years. All other current provisions are estimated by the officers of the Council in the relevant service area.

The provision for Council Tax debts is based on an assessment of the likely future collection of Council Tax arrears compared to the total level of arrears. Collection of arrears continues for several years after the original liability arises, and the provision is re-assessed each year based on collection trends and movements in amounts due. Debts are not actually written off until there is no realistic chance of collection, at which point the write-off reduces both the debtors and provision totals.

A contingent liability is disclosed in the notes to the accounts where there is either a possible obligation as a result of a past event where it is possible that the Council will incur expenditure to settle the obligation; or a present obligation as a result of a past event where it is either not probable that the Council will incur expenditure to settle the obligation, or where a reasonable estimate of the future obligation cannot be made.

A contingent asset is disclosed in the notes to the accounts where a possible asset arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

5.2 Employee benefits

The Council recognises a provision for the entitlement of its employees to benefits within the reported financial year. This provision is estimated based on the entitlement of the Council's employees to leave as at the 1 April for the previous financial year.

Regulations prohibit Council tax payers from being charged for this provision, so any movement in this provision is transferred to the Accumulated Absences Account.

The Council accounts for employee benefits in accordance with the Code which is based on IAS 19. The underlying principle of IAS 19 is that an organisation should account for employment and post-employment benefits when employees earn them and the authority is committed to providing them, even if the actual provision might be many years into the future.

The Code has adopted the 2011 amendments to IAS 19 and IAS 1 which has resulted in a change in accounting policy. There are new classes of components of defined benefit cost to be recognised in the financial statements (ie net interest on the net defined benefit liability (asset) and remeasurements of the net defined benefit liability (asset)), and new definitions of recognition criteria for service costs, eg past service costs and new recognition criteria for termination benefits.

The opening Balance Sheet for 1 April 2012 and a number of the IAS 19 disclosures have been restated.

5.3 Reserves

Reserves are divided into usable and unusable reserves. Within the usable reserves there are amounts set aside for earmarked purposes out of the balances on the Council's funds.

6 Balance Sheet - Financial Instruments

6.1 Financial Assets

Financial assets are classified into three types:

- Loans and receivables – assets that have fixed or determinable payments, but are not quoted in an active market
- Available for sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments – the Council does not hold any of these assets
- Fair value through income and expenditure

6.1.1 Loans and Receivables

Loans and Receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus interest outstanding, and interest credited to the financing and investment income and expenditure section of the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under a contract will not be made, the asset is written down and a charge made to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement.

Any gains or losses that arise on the derecognition of the asset are credited/debited to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement.

6.1.2 Fair value through income and expenditure

Investments where there is an active market (e.g. certificates of deposit or gilts). These are treated in the same manner as Loans and Receivables.

6.2 Premature Redemption of Debt

The practice for the Comprehensive Income and Expenditure Statement is to amortise premia and discounts over a period which reflects the life of the loans with which they are refinanced determined as described below. This will not be followed in the following situations:

- Where it is permissible and advantageous to capitalise premia (in which case the question of amortisation will not arise)
- Where the loans redeemed are not refinanced (when premia and discounts will be taken directly to the Revenue Account)
- Where discounts and premia are amortised over a broadly similar period, for convenience they will be shown as a net figure.

The practice for the HRA is different. In this case, discounts and premia are amortised, individually, over the remaining life of the loan repaid or ten years, whichever is the shorter.

The Council's policy on repayment of debt is as follows:

- For strategic financial reasons, the optimum level of borrowing for a Council in the position of Brent is usually to maintain gross borrowing at the Council's overall Capital Financing Requirement, unless the yield curve indicates very low short term rates. Unless borrowing required to fund the capital programme is less than the Minimum Revenue Provision, this will always involve refinancing debt redeemed prematurely with new borrowing. Borrowing to fund Brent's capital programme is likely to exceed Minimum Revenue Provision by a substantial margin for the foreseeable future. However, at present the yield curve indicates that interest rates are likely to remain low, so that borrowing for shorter periods or at variable rates may be prudent.
- Given the current pattern of rates, there is a significant penalty incurred in redeeming much of the Council's debt prematurely. However, the cost of maintaining a higher borrowing portfolio than is immediately required is particularly high at present, and the current risks to balances on deposit indicate that these should be kept to a minimum prudent level (to cover cash flow). In practice, this suggests a policy of seeking opportunities to redeem individual loans where this is economical.

6.3 Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount respectively would be deducted from or added to the amortised cost of the new or modified loan and the write down to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement spread over the life of the loan by an adjustment to the effective interest rate.

Where premia and discounts have been charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain / loss over the term of the replacement loan, at present up to a maximum of thirty years. The reconciliation of amounts charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

7 Capital Financing

7.1 Capital Expenditure

Capital expenditure on building assets is added to the value of the asset and depreciated over the remaining useful life.

Capital expenditure on HRA dwellings is added to the value of fixed assets.

Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions but does not result in the creation of tangible assets owned by the Council. Such revenue expenditure incurred during the year has been written off as expenditure to the relevant service revenue account in the year.

7.2 Capital Government Grants and Contributions

Where the acquisition of a fixed asset is financed either wholly or in part by a government grant or other contribution, the amount of the grant or contribution is recognised as income as soon as the Council has reasonable assurance it will comply with the conditions attached to the grant, and the grants or contributions will be received.

The Greater London Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The income from the levy is accounted with Brent Council as agent under IAS 18 as the council collects these funds on behalf of the Greater London Authority.

7.3 Leasing

The Council has acquired a number of assets, mainly vehicles, plant and computer equipment, by means of leases. The Council assesses whether or not leases have to be disclosed on balance sheet in line with IAS 17, using guidance from the Royal Institute of Chartered Surveyors as directed by the CIPFA. On balance sheet leases are described as finance leases, leases not reported on the balance sheet are known as operating leases.

Finance leases are initially recognised on the balance sheet with assets and liabilities equal to the net present value of the minimum lease payments. Where a contract does not detail an interest rate for a specific asset, or provide sufficient information for its calculation, the interest rate implicit in the lease will in the first instance be estimated based on interest rates for other assets within the lease. If there is no interest rate detailed in the lease then a suitable interest rate is applied.

Assets financed by finance leases are treated as having an economic life equal to the minimum length of the contract and are depreciated over this period.

Finance lease repayments and interest payments are calculated using the actuarial method (allocating interest to the period it relates to) and assumes that a single payment is made at the end of the contract year. Where a contract starts part way through a single financial year payments will be apportioned to that financial year based on the number of days of the contract year within the reported financial year.

Rentals payable under operating leases are charged to revenue in the year in which they are paid and no provision is made for outstanding lease commitments.

Two interpretations of the International Financial Reporting Standards apply to contracts and series of transactions where the substance of the contract or transactions may be a lease under International Financial Reporting Standards. The Council first assesses whether or not contracts contain a service concession under IFRS Interpretations Committee (IFRIC) 12, and then whether or not there is an embedded lease under IFRIC 4. The disclosure of service concessions is complex and dealt with in further detail below. Embedded leases are disclosed as set out in IFRIC 4, accounting policies for major embedded finance leases are set out below.

7.3.1 Service Concessions and the Private Finance Initiative (PFI)

Contracts and other arrangements that have been determined as “service concessions” are accounted for under IFRIC 12, the Code of Practice and the additional provisions of IPSAS 32 Service Concession Arrangements: Grantor.

Where new assets are identified these assets are recognised at fair value being the relevant elements of the capital cost in the PFI operators’ financial model.

Where the PFI operator’s right to third party income is recognised in reductions to the unitary payment, a proportion of the finance lease creditor is re-allocated to a deferred income balance based on the proportion of fixed payments (if any) from the Council and expected third party payments. The deferred income balance is amortised to the Comprehensive Income and Expenditure Statement on a straight line basis over the life of the PFI scheme.

The Council’s ongoing liabilities for these service concessions are recognised on the balance sheet. This has been done by recognising a finance lease creditor and written down accordingly.

The assets acquired with these service concessions will be depreciated over the useful estimated economic life of the assets; with the exception of the assets generated by a Social Housing PFI. Legal title to the majority of assets from the Social Housing PFI will remain with the PFI operator, so these assets will be depreciated over the life of the contract, not their useful economic life.

Lifecycle costs will be capitalised in line with the directions of the Code of Practice on capitalising expenditure for these service concessions. All lifecycle costs for the Street lighting PFI are treated as revenue maintenance expenditure due to the nature of maintaining street lighting.

7.4 Minimum Revenue Provision

The Minimum Revenue Provision (MRP) included within the 2013/14 Accounts has been calculated on the basis of the 2012/13 outturn position, amended for the inclusion of PFI projects as per the requirements of the introduction of the International Financial Reporting Standards. In accordance with the revised regulations for the calculation of MRP issued in 2008 the Council adopted the following policy for non-HRA assets:

For supported borrowing, the Council will continue with the existing method (Option 1). This option, ‘the regulatory method’, continues to use the calculations that were used under the system that existed from 2004/05 when the previous regulations came into effect. This means that the amount

of non-housing Capital Financing Requirement (CFR), adjusted as set out in the original regulations (Adjustment A'), is used as the starting position for the MRP calculation in 2008/09 and adjusted thereafter for supported borrowing in each year.

For prudential borrowing, the Council will adopt Option 3, 'the asset life method', and an 'annuity' approach for calculating repayments. This option allows provision for repayment of principal to be made over the estimated life of the asset. The use of the 'annuity' method is akin to a mortgage where the combined sum of principal and interest are equalised over the life of the asset.

The proposed asset lives which will be applied to different classes of assets are as follows:

- *Vehicles and equipment – 5 to 15 years;*
- *Capital repairs to roads and buildings – 15 to 25 years;*
- *Purchase of buildings – 30 to 40 years;*
- *New construction – 40 to 60 years;*
- *Purchase of land – 50 years (unless there is a structure on the land with an asset life of more than 50 years, in which case the land would have the same asset life as the structure).*

These policies do not apply to HRA assets.

The statutory guidance in the Guidance on Minimum Revenue Provision (second edition) from the Department of Communities and Local Government directs local authorities to make an MRP charge equal to the writing down of the finance lease liability upon transition to IFRS, and a charge equal to the writing down of the finance lease liability in subsequent years for operating leases reclassified as finance leases. It states that this is equivalent to one of the other options provided by the guidance for MRP in other circumstances. In order to ensure consistent treatment of all finance leases, an MRP charge equal to the writing down of the finance lease liability will be made for all finance leases.

In line with the statutory guidance on Minimum Revenue Provision (MRP), MRP has been charged for PFIs at a rate equal to the writing down of the finance lease liability. In addition, to ensure that all capital costs are captured by MRP, MRP includes a charge equal to any capital lifecycle additions within the scheme, and a charge equal to the release of any deferred income. Where finance lease liabilities increase in year, this is recognised by a credit to MRP equal to the increase in liability. The net effect of this policy is to maintain revenue balances at the same level under IFRS as under UK GAAP which is considered the prudent course of action within Guidance on Minimum Revenue Provision.

Minimum Revenue Provision is charged against the General Fund in the Movement in Reserves statement.

7.5 Income from the Sale of Fixed Assets

Income from the disposal of fixed assets is known as capital receipts. Such income that is not reserved and has not been used to finance capital expenditure in the period is included in the balance sheet as capital receipts unapplied.

The treatment of HRA capital receipts is determined by the Local Government Act 2003 as amended from 1 April 2012 in order to make new provision for the pooling of housing receipts by

- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (SI 2012/711); and
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012 (SI 2012/1324)

As a result of these amendments, local authorities are able to retain the receipts generated by Right to Buy sales for replacement housing provided they can sign up to an agreement with Government that they will

limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes within a 3 year period from the point of receipt. The London Borough of Brent has elected to enter into agreement with the Government to retain the net receipts from Right to Buy sales.

The regulations provide that receipts from Right to Buy sales will in future be applied as follows:

- the council may deduct certain costs, namely: an amount to cover the housing debt supportable from the income on the additional Right to Buy sales; transaction and administration costs; and an amount which reflects the income the council might reasonably have expected from Right to Buy sales prior to the new scheme;
- The council must also pay the Government an amount which reflects the income which the Treasury expected from Right to Buy sales prior to the new scheme;
- Once these costs are deducted, the remaining net receipts are available to fund (and must be applied to) replacement affordable rented homes.

7.6 Borrowing Costs

The Council may borrow to meet capital costs that are attributable to the acquisition, construction or production of a qualifying asset that has a life of more than one year. It is the Council's policy to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Borrowing costs will be deemed as interest and other costs that the Council incurs in connection with the borrowing of funds, and a qualifying asset will be that which takes in excess of three years to get ready for intended use and has forecast expenditure in excess of £100 million. Cessation of capitalisation will occur when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

8 Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions of the Council, its subsidiary Brent Housing Partnership (BHP) Limited and the Barham Park Trust. BHP is an Arms Length Management Organisation (ALMO). Barham Park Trust is a charity that is controlled by the council as a result of the council appointing all the trustees. The financial statements in the Group Accounts are prepared in accordance with the policies set out above.

Additional Supporting Information and reconciliation disclosures

Key Judgements and Material Estimates.

In preparing the Statement of Accounts, the authority has had to make judgements, estimates and assumptions that affect the application of its policies and reported levels of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience, including the recovery of amounts due to the council, current trends and other relevant factors that are considered to be reasonable. These estimates and assumptions have been used to inform the basis for judgements about the carrying values of assets and liabilities, where these are not readily available from other sources. Future events may result in these estimates and assumptions being revised and could significantly change carrying balances in subsequent years Financial Statements.

Estimates and underlying assumptions are regularly reviewed. Changes in accounting estimates are adjustments of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Changes in accounting estimates result from new information or new developments, and accordingly are not correction of errors. Changes to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements made and key sources of estimation uncertainty which have a significant effect on the financial statements:

. Retirement Benefit Obligations – The authority recognises and discloses its retirement benefit obligation in accordance with the measurement and presentational requirements of IAS 19 “Employee Benefits”. The estimation of the net pension liability depends on a number of complex judgements and estimates relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the authority with expert advice about the assumptions to be applied. Changes in these assumptions can have a significant effect on the value of the authority’s retirement benefit obligation. The key assumptions made are set out in Note 36 - Defined Benefit Pension Schemes.

. Provisions – The authority is required to exercise judgement in assessing whether a potential liability should be accounted for as a provision or contingent liability in accordance with accounting policies. In calculating the level of provisions the authority also exercises some judgement; they are measured at the authority’s best estimate of the costs required to settle the obligation at the Balance Sheet date. The level of the authority’s provisions and details of its contingent liabilities are set out in Note 9 - Provisions and Note 20 - Contingent Liabilities respectively.

. Property, Plant and Equipment – Assets are depreciated over useful lives that are dependent on assumptions such as the level of repairs and maintenance that will be incurred in relation to individual type of asset, the expected length of service potential of the asset and the likelihood of the authority’s usage of the asset. The authority carries out an annual impairment review of its asset base which takes in to account such factors as the current economic climate.

Future Levels of Government Funding and Levels of Reserves – the future levels of funding for local authorities has a high degree of uncertainty. The authority has set aside amounts in provisions, working balances and reserves which it believes are appropriate based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions and the authority’s track record in financial management.

. Classification of Leases – The authority has entered into a number of lease arrangements in respect of property and other assets. The authority has exercised judgement in the classification of leases (i.e. operating or finance lease) using such factors as the length of the lease and rent levels and in reviewing contractual arrangements having the substance of a lease (e.g. contract values and length of contract). Details of the authority’s leases and lease type arrangements are set out in note 28.

. Treatment of PFI arrangements – The authority has entered into a number of PFI arrangements in respect of infrastructure. The authority has exercised judgement in the identification of service concessions and embedded leases within PFIs using such as arrangements that allow the council to control residual value of PFI assets without legal title. Initial assets and liabilities for the PFIs are calculated using financial model based upon the contractual terms and conditions and the operator’s financial model; subsequent changes in the authority’s PFI liabilities are estimated using the same model. Subsequent changes in the authority’s PFI funded assets are measured in the same way as other non current assets. Details of the PFI and service concession type arrangements are set out in note 29.

. Deposits with Icelandic banks – The authority has deposited £15m with Icelandic banks which are in administration. Based on the latest information from the administrators an impairment of £1.6m has been recognised to cover reasonably expected losses relating to Heritable Bank. Further information on deposits with Icelandic Banks is included in Note 31 - Nature and extent of risks arising from Financial Instruments

. The estimate of depreciation chargeable on dwellings within the Housing Revenue Account is based on the Government’s major repairs allowance. An external review of this has been undertaken to ensure this does not lead to a material misstatement in the accounts

. Bad Debt Provision – The anticipated recovery of outstanding amounts due to the authority is calculated based on the experience of recovery of debt over the previous twelve months, categorised according to the age profile of that debt

Assumption made about the future and other major sources of estimation uncertainty

The Council includes accounting estimates within the accounts; the significant accounting estimates relate to non current assets, impairment of financial assets. The Council’s accounting policies include details on the calculation of these accounting estimates.

The Council also carries out a review of all debtor balances, and uses past experience of debt collection rates across all categories to establish allowances for non-collection.

The appropriate level of non-earmarked reserves to be held by the Council is based on an assessment of financial risks facing the Council. These risks include future funding levels, delivery of planned savings and future demands on services.

Accounting Standards that have been issued but have not yet been adopted

There are a number of minor changes to accounting standards which will apply to future accounts beginning 1 April 2014:-

IFRS 10 Consolidated Financial Statements (May 2011)

IFRS 11 Joint Arrangements (May 2011)

IFRS 12 Disclosures of Interests in Other Entities (May 2011)

IAS 27 Separate Financial Statements (as amended in May 2011)

IAS 28 Investments in Associates and Joint Ventures (as amended in May 2011)

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (as amended in December 2011)

IAS 1 Presentation of Financial Statements— (as amended in May 2011)

There are no material impacts on Brent's accounts that require disclosure here.

Descriptions of Earmarked Reserves

Section 106 and CIL - Amounts received under Section 106 of the Town and Country Planning Act 1990 which are earmarked for particular purposes arising from the related developments and the Community Infrastructure Levy 2010.

Property and Civic Centre - Monies earmarked to be spent on repairs, maintenance and dilapidations to council freehold and leasehold buildings and costs associated with the move to the Civic Centre. This will support more efficient use of office accommodation and new ways of working.

Redundancy & Restructuring - Monies set aside to meet the future costs of restructuring.

Transformation - Reserve is to provide monies for financial, HR and IT transformation as well as for Spend to Save initiatives.

Welfare Reform – Monies identified centrally to help with the impact of the welfare reforms

Capital Financing -These are monies identified to smooth the impact of capital financing costs following the completion of the Civic Centre.

JFS School PFI - Grant relating to the setting up of JFS. (A secondary school in the Borough). The PFI agreement means that government funding exceeds contract payments in earlier years but tapers off in later years. The reserve was set up to take account of the funding profile.

Revenue Contribution to Capital – Monies to reduce the costs of the Authority's minimum revenue contribution in future years.

Collection Fund – This reserve is for any surpluses on the operation of the collection fund and represents the amounts shared between the Council and GLA in 2013/14.

Capital Funding - This represents revenue contributions set aside to meet commitments included in the capital programme. This only relates to the General Fund. There are no contributions from the HRA in this reserve.

Service Pressures - A centrally held fund created to meet service pressures

Insurance – Monies to meet the unknown insurance liabilities including the historic costs arising from MMI

Other Central – Various reserves held centrally less than £1m.

Other Corporate – Various reserves held by the corporate units of less than £1m.

Council Tax, Business Rates & Local Welfare - Various reserves relating to the costs of the Council's local taxation and benefits operation

Employment Initiatives - Monies set aside for employment schemes and initiatives.

Affordable Housing PFI - Monies set aside for affordable housing PFI.

Service Pressures Temporary Accommodation - Monies identified to mitigate the impact of the introduction of the overall benefit cap on the temporary accommodation budget.

Other Regeneration & Growth – Various reserves held by the service area of less than £1m.

Other Environment & Neighbourhoods – Various reserves held by the service area of less than £1m.

Willesden Sports Centre PFI - The new Willesden Sports Centre opened during 2006/07 is financed through a 25 year PFI agreement. This involves an arrangement whereby funds received from the Council's own budget and from Government PFI credits are used to cover payments to the contractor. At the start of the project surplus funds are paid into a reserve which will be utilised over the life of the project.

Brent NHS Trust Joint Venture- This reserve is used to fund joint initiatives between the Council and Brent NHS that are beneficial to the social care and health needs of the client base and is spent according to decisions by the joint board.

2Yr Old additional Funding - To fund 2 Year Old Places in Private & Voluntary Sector.

Other Adults & Children & Young People – Various reserves held by the service area of less than £1m.

Housing Revenue Account - Monies earmarked to spend on various Housing Revenue Account projects.

Reconciliation between Brent's management structure and the Comprehensive Income and Expenditure Statement

	Adult Social Services	Children & Families	Environment & Neighbourhood Services	Regeneration & Major Projects	Corporate Departments	Housing Revenue Account	Central Budgets	Non-current asset related Adjustments	Pension Related Adjustments	Employee Related Adjustments	Total
Comprehensive Income & Expenditure Statement											
Central services to the public	0	0	107	6,734	3,993	0	3,063	3,405	93	0	17,395
Cultural and related services	0	0	8,797	1,023	3,453	0	265	2,647	74	0	16,259
Environmental and regulatory services	0	0	26,778	703	2,088	0	628	2,870	87	0	33,154
Planning	0	0	0	1,561	421	0	78	1,934	30	0	4,024
Children's social care	0	32,100	0	1,141	3,384	0	782	3,705	134	0	41,246
Education and children's services	0	2,399	0	1,762	6,592	0	(864)	30,177	626	(481)	40,211
Highways and transport services	15,356	0	(758)	680	1,809	0	1,317	5,331	71	0	23,806
Local authority housing (HRA)	0	0	0	0	0	(11,293)	0	(68,952)	0	0	(80,245)
Other housing services	0	0	0	21,075	2,562	0	(1,923)	(3,086)	98	0	18,726
Adult social care	75,721	0	0	1,688	5,189	0	2,438	4,528	196	0	89,760
Corporate and democratic core	0	0	0	403	3,503	0	680	1,523	21	0	6,130
Non distributed costs	0	0	0	24	85	0	5,333	0	(4201)	(370)	871
Public Health	0	0	529	117	16,674	0	(18,146)	312	10	0	(504)
Cost of Services	91,077	34,499	35,453	36,911	49,753	(11,293)	(6,349)	(15,606)	(2,761)	(851)	210,833

Reconciliation between Brent's management structure and the Comprehensive Income and Expenditure Statement (continued)

	Adult Social Services	Children & Families	Environment & Neighbourhood Services	Regeneration & Major Projects	Corporate Departments	Housing Revenue Account	Central Budgets	Non-current asset related Adjustments	Pension Related Adjustments	Employee Related Adjustments	Total
Cost of Services	91,077	34,499	35,453	36,911	49,753	(11,293)	(6,349)	(15,606)	(2,761)	(851)	210,833
Other operating expenditure	0	0	0	0	0	0	3,361	(13,593)	0	0	(10,232)
Financing and investment income and expenditure	0	0	(140)	0	0	6,079	10,326	4,720	34,668	0	55,653
Taxation and non-specific grant income	129	43	47	62	54	0	(303,475)	(30,886)	1	0	(334,025)
(Surplus) or Deficit on Provision of Services	91,206	34,542	35,360	36,973	49,807	(5,214)	(296,137)	(55,365)	31,908	(851)	(77,771)
Additional lines from Movement in Reserves Statement											
Adjustments between accounting basis & funding basis under regulations	0	0	0	0	0	3,369	18,248	55,367	(31,906)	851	45,929
Transfers to/from earmarked reserves						3,482	29,927				33,409
Total	91,206	34,542	35,360	36,973	49,807	1,637	(247,962)	2	2	0	1,567

	Usable Reserves				Unusable Reserves			Total		
	General Fund + HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account		Accumulated Absences Account	Revaluation Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation and impairment of non-current assets and amortisation of intangible assets	(35,933)			33,142					2,791	0
Revaluation losses on Property Plant and Equipment	17,721			(17,721)						0
Movements in the market value of Investment Properties	484			(484)						0
Revenue expenditure funded from capital under statute	(7,279)			7,279						0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(49,495)			43,468					6,027	0
Statutory provision for the financing of capital investment	14,891			(14,891)						0
Capital expenditure charged against the General Fund and HRA balances	10,246			(10,246)						0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	39,549			(39,549)						0
Application of grants to capital financing transferred to the Capital Adjustment Account	18,507			16,864	(35,371)					0
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	23,198	(23,198)								0
Use of the Capital Receipts Reserve to finance new capital expenditure		22,038			(22,038)					0

2012/13 (restated)

2012/13 (restated)

	Usable Reserves				Unusable Reserves				Total	
	General Fund + HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account	Accumulated Absences Account		Revaluation Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	(37)	37								0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(943)	943								0
Reversal of Major Repairs Allowance credited to the HRA	10,743		(10,743)							0
Use of the Major Repairs Reserve to finance new capital expenditure			6,905		-6,905					0
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	5,137						(5,137)			0
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement)	(56,247)					56,247				0
Employer's pensions contributions and direct payments to pensioners payable in the year	32,857					(32,857)				0
Amount by which officer remuneration charges to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	419							(419)		0
Revaluation reserve written off to the capital adjustment account										0
Surplus or (deficit) on the provision of services	(56,121)									(56,121)

2012/13 (restated)

	Usable Reserves				Unusable Reserves				Deferred Capital Receipts Reserve Total £'000
	General Fund + HRA Balance £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Adjustment Account £'000	Pensions Reserve £'000	Financial Instruments Adjustment Account £'000	Accumulated Absences Account £'000	
Actuarial gains or losses on pensions assets and liabilities			90,399						90,399
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of service								(4,893)	(4,893)
Transfers to earmarked reserves	30,244		(2,518)						27,726
Total Adjustments	(2,059)	(180)	(6,356)	(22,685)	(23,767)	113,789	(419)	3,925	0
Opening Balance	(12,585)	(9,018)	(4,502)	(67,509)	(523,066)	658,501	28,501	(161,179)	(1,250)
Closing Balance	(14,644)	(9,198)	(10,858)	(90,194)	(546,833)	772,290	23,364	(157,254)	(1,250)

Unusable Reserves

Useable Reserves

	General Fund + HRA Balance		Useable Reserves				Unusable Reserves					
	£'000	£'000	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account	Accumulated Absences Account	Revaluation Reserve	Deferred Capital Receipts Reserve	Total
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	(37,223)	27,439				34,698				2,525		0
	(7,605)					(27,439)						0
	(45,026)					7,605						0
	15,690					39,084				5,942		0
	14,841					(15,690)						0
	17,203					(14,841)						0
	18,560					(17,203)						0
	59,693					20,330						1
	(262)					(38,890)						0
	(1,074)					(21,382)						0
	10,558											0

2013/14

Depreciation and impairment of non-current assets and amortisation of intangible assets

Revaluation losses on Property Plant and Equipment

Revenue expenditure funded from capital under statute

Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement

Statutory provision for the financing of capital investment

Capital expenditure charged against the General Fund and HRA balances

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement

Application of grants to capital financing transferred to the Capital Adjustment Account

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement

Use of the Capital Receipts Reserve to finance new capital expenditure

Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals

Contribution from the Capital Receipts Reserve to finance the apymnts to the Government capital receipts pool

Reversal of Major Repairs Allowance credited to the HRA

2013/14

	Useable Reserves					Unusable Reserves					
	General Fund + HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account	Accumulated Absences Account	Revaluation Reserve	Deferred Capital Receipts Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Use of the Major Repairs Reserve to finance new capital expenditure			12,197		(12,197)						0
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	4,189				(4,189)						0
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(66,812)					66,812					0
Employer's pensions contributions and direct payments to pensioners payable in the year	34,906					(34,906)					0
Amount by which officer remuneration charges to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	851						(851)				0
Revaluation reserve written off to the capital adjustment account					(255)				255		0
Surplus or (deficit) on the provision of services	(77,776)										(77,776)
Actuarial gains or losses on pensions assets and liabilities						(205,258)					(205,258)
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of service									(23,277)		(23,277)
Transfers to earmarked reserves	33,409		(3,494)								29,915
Total Adjustments	1,561	(36,975)	(1,855)	3,127	(49,307)	(173,352)	(4,189)	(851)	(14,555)	0	(276,395)
Opening Balance	(14,647)	(9,198)	(10,859)	(90,193)	(546,832)	772,290	23,365	5,922	(157,253)	(1,250)	(28,655)
Closing Balance	(13,086)	(46,173)	(12,714)	(87,066)	(596,139)	598,938	19,176	5,071	(171,808)	(1,250)	(305,050)

Explanation of Major Variances 2013/14

	(Under)/Overspending	
	£'000	£'000
Adult Social Services		
Learning & Disability - Increase in residential and day care placements	241	
Mental Health - Increase in residential care and supported living placements.	288	
Older Peoples Services - Costs of residential dementia placements	247	
Direct Services - Underspend on activity and transport budget for clients	(252)	
Directorate - underspend on training, IT and user engagement budgets	(302)	
Various underspends including continuing health care, advocacy, voluntary sector grants	(262)	
		(40)
Children & Young People		
School Improvement Services – savings on staffing costs	(363)	
SEN Transport Services – demand for services above the budget envelope	867	
Early Years – underspend on children’s centres	(234)	
Connexions – contract costs	(141)	
Directorate & Central Support – additional grant income	(495)	
		(356)
Environment & Neighbourhoods		
Parks and Cemeteries - additional income and contributions and reduced premises and transportation costs	(334)	
Sports Services - Savings from Vale Farm contract and other efficiency saving	(114)	
Directorate - savings on IT and other overheads and charges	(118)	
Transport - additional costs and reduced internal income	248	
Emergency Planning - overachievement of income from CCTV	(106)	
Business Support - savings on staffing and premises costs	(135)	
Registration & Nationality Service - overachievement of income on citizenship and nationality checking service	(235)	
Community Safety - staff vacancies and utilisation of grant monies	(119)	
Parking Control - underachievement of enforcement income	322	
Contribution to capital expenditure	500	
		(91)

Regeneration & Growth

Care Support, Travellers Site and other miscellaneous savings	(191)
Supporting People - reduced contract costs	(1,146)
Planning & Building control - Restructuring costs	173
Customer Services – staffing and vacant posts	(138)
	(1,302)

Corporate

Land charges - Overachievement of Income	(123)
Assistant Chief Executives - Staff vacancies and project underspends	(336)
IT - Overspend on telephony and printing costs	180
Finance - underspending on staff vacancies and running costs	(205)
Human Resources People Services - Additional costs of payroll contract offset by staff savings	305
Human Resources - learning development underspend on corporate training, vacant posts and running costs	(328)
Other	(88)
	(595)

Central Items

Capital Financing & Other Charges	(660)
Redundancy & Restructuring - provisional for actuarial strain in future years & restructuring costs	2,426
Transformation Fund - Additional Contribution	1,271
Inflation Provision	(604)
Other	(124)
	2,309
Total	(75)

HRA Variances

The Council originally budgeted for a surplus brought forward of £400k based on a forecast surplus balance brought forward from 2012/13 of £1.972m and a budget spend of £1.572m. The final surplus for 2012/13 was £2.586m a betterment of £614k. During 2013/14 the HRA spent £1.637m against its budget of £1,572m an overspend of £65k therefore giving a balance carried forward of £950k taking into account the improved surplus brought forward. The main reasons for the overspend of £65k against budget of £1.572m were loss of rent income from the decanting of dwellings at South Kilburn and Barham Park £719k, loss of income from leaseholder services such as health and safety works £368k, additional income from leaseholders for major works (£414k), costs associated with a major retender works £352k, other charges mainly insurance £349k, underspend on bad and doubtful debts provision (£670k), lower interest payable due to lower rates and no new borrowings (£623k).

Construction Contracts

The Council is required to disclose costs related to construction contracts where the Council is completing the work on behalf of other bodies.

At 31 March 2014 the Council had a single construction contract in progress, for the construction of the Crest Academies (previously known as the John Kelly Schools) on behalf of the Academy Partnership utilizing grant monies provided by the Department of Education. Upon completion of the scheme the buildings will be passed over to the Academy Partnership at nil consideration to the Council. The value of work completed at 31 March 2014 is as per the Council's Financial Information System as maintained by the scheme's Project Manager and based on consultants reports. The amount due from the Department of Education at 31 March 2014 is as follows:

CREST Academies	£'000
Costs Incurred to date	30,391
Revenue recognized:	
• Before 1 April 2013	19,800
• During 2013/14	11,300
Profit/(Loss)	0
Advances Received	709
Gross Amount Due	0

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Pension Fund Accounts

Pension Fund Accounts for 2013/14

Brent Pension Fund Account		2012/13	2013/14
	Notes	£'000	£'000
Dealings with members, employers and others directly involved in the fund			
Contributions	7	(43,782)	(44,103)
Transfers in from other pension funds	8	(1,361)	(1,895)
		(45,143)	(45,998)
Benefits	9	34,172	35,169
Payments to and on account of leavers	10	3,283	3,595
Administration expenses	11	954	908
		38,409	39,672
Net (additions)/withdrawals from dealings with members		(6,734)	(6,326)
Returns on investments			
Investment income	12	(3,450)	(2,392)
Taxes on income	13	0	569
(Profits) and losses on disposal of investments and changes in the market value of investments	15a	(45,240)	(31,046)
Investment management expenses	14	1,438	2,203
Net return on investments		(47,252)	(30,666)
Net (increase)/decrease in the net assets available for benefits during the year		(53,986)	(36,992)
Net Assets Statement			
		31 March 2013	31 March 2014
	Notes	£'000	£'000
Investment assets	15	538,297	565,843
		538,297	565,843
Current assets	20	8,660	19,357
Non current assets	21	1,357	158
Current liabilities	22	(431)	(483)
Net assets of the fund available to fund benefits at the period end		547,883	584,875

Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme and is administered by Brent Council. The Council is the reporting entity for this Pension Fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Brent Pension Fund Annual Report 2013/14 and the underlying statutory powers underpinning the scheme, namely the Superannuation Act 1972 and the Local Government Pension Scheme (LGPS) Regulations.

a) General

The Fund is governed by the Superannuation Act 1972. The Fund is administered in accordance with the following secondary legislation:

- the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- the LGPS (Administration) Regulations 2008 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2009.

It is a contributory defined pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies within the borough area. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Brent Pension Fund Sub-Committee, which is a committee of Brent Council.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 30 employer organisations with active members within the Brent Pension Fund at 31 March 2014, listed below:

Scheduled bodies

London Borough of Brent
Alperton High School
ARK Academy
ARK Franklin Academy
Brent Housing Partnership
Capital City Academy
Claremont High School
College of North West London
Convent of Jesus & Mary Language College
Crest Boys' Academy
Crest Girls' Academy
Islamia Primary School
Kingsbury High School
Preston Manor High School
Queens Park Community School
Sudbury Primary School
Wembley High Technology College

Admitted bodies

Brent MENCAP
Capita Business Services Limited
Europa Facility Services Limited
National Autistic Society
Local Employment Access Project (LEAP)
Sudbury Neighbourhood Centre
Wetton Cleaning Services (Estate Cleaning)
Wetton Cleaning Services (Estate Cleaning & North Grounds Maintenance)
Wetton Cleaning Services (South Grounds Maintenance)
Thames Reach
Conway Aecom Limited
Sanctuary Housing
Xerox (UK) Limited

Brent Pension Fund	31 March 2013	31 March 2014
Number of employers with active members	35	30
Number of employees in scheme		
Brent Council	3,793	3,970
Other employers	1,402	1,398
Total	5,195	5,368
Number of pensioners		
Brent Council	5,133	5,275
Other employers	636	720
Total	5,769	5,995
Deferred pensioners		
Brent Council	6,203	6,392
Other employers	995	1,073
Total	7,198	7,465

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2007 and range from 5.5% to 7.5% of pensionable pay for the financial year ending 31 March 2014. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2013. During 2013/14, the most commonly applied employer contribution rate within the Brent Pension Fund was 27.4% of pensionable pay.

d) Benefits

Pension benefits under the LGPS are based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details, please refer to the Brent Pension Fund's website: <https://www.mylgspension.co.uk/>

Benefits are index-linked in order to keep pace with inflation. In June 2010, the Government announced that the method of indexation would change from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI). This change took effect from 1 April 2011.

LGPS 2014

A reformed Local Government Pension Scheme (LGPS) will be introduced from April 2014. The main elements of the new scheme are:

- a pension scheme design based on career average;
- 1/49th accrual rate with revaluation of active members' benefits based on Consumer Prices Index (CPI);
- scheme normal pension age to be equal to the state pension age for both active members and deferred members;
- the earliest point at which retirement benefits can be taken is age 55;
- contributions based on actual pay (including part time employees) with an average member contribution yield of 6.5%, as now, with tiered contributions. Higher earners paying a higher proportion of their earnings in contributions than lower earning colleagues;
- a low cost option allowing members to pay 50% contributions for half the main benefits;
- all accrued rights are protected and benefits built up to April 2014 will be linked to final salary when members leave the scheme;

- vesting period when members can get a refund on their contributions if they leave the scheme will be increased from three months to two years.

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2013/14 financial year and its position at year-end as at 31 March 2014. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section n below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Administration expenses

All administration expenses are accounted for on an accruals basis. All staff costs of the pension administration team are charged direct to the Fund. Management, accommodation and other overheads are apportioned to the Fund in accordance with Council policy.

g) Investment management expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

The cost of obtaining investment advice from external consultants is included in investment management charges.

Net Assets Statement

h) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) Market-quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities

Fixed interest securities are recorded at net market value based on their current yields.

iii) Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:

- Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
- Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.

- Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
 - Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
 - Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association.
- iv) Limited partnerships
Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.
- v) Pooled investment vehicles
Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

i) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

j) Derivatives

The Fund does not use derivative financial instruments to manage its exposure to specific risks arising from its investment activities in its own name. Neither does it hold derivatives for speculative purposes.

k) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

l) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

m) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with section 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009/3093) but are disclosed as a note only (Note 23).

4. Critical judgements in applying accounting policies

Unquoted private equity/infrastructure investments

It is important to recognise the highly subjective nature of determining the fair value of private equity investments. They are inherently based on forward-looking estimates and judgements involving many factors. Unquoted private equities and infrastructure investments are valued by the investment managers using guidelines set out by the British Venture Capital Association. The value of unquoted private equities and infrastructure investments at 31 March 2014 was £116m (£100m at 31 March 2013).

Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 18. This estimate is subject to significant variances based on changes to the underlying assumptions.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Net Assets Statement at 31 March 2014 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of approximately £89m. A 0.25% increase in assumed earnings inflation would increase the value of liabilities by approximately £12m, and a one-year increase in assumed life expectancy would increase the liability by approximately £30m.

Item	Uncertainties	Effect if actual results differ from assumptions
Private equity/infrastructure	Private equity/infrastructure investments are valued at fair value in accordance with British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure investments in the financial statements are £116m. There is a risk that this investment may be under- or overstated in the accounts.

6. Events after the Balance Sheet date

There have been no events since 31 March 2014, and up to the date when these accounts were authorised that require any adjustments to these accounts.

7. Contributions receivable

By category

	2012/13 £'000	2013/14 £'000
Employers	36,278	36,411
Members	7,504	7,692
Total	43,782	44,103

By authority

	2012/13 £'000	2013/14 £'000
Scheduled bodies	42,626	42,946
Admitted bodies	1,156	1,157
Total	43,782	44,103

8. Transfers in from other pension funds

	2012/13 £'000	2013/14 £'000
Individual transfers	1,361	1,895
Total	1,361	1,895

9. Benefits payable

By category

	2012/13 £'000	2013/14 £'000
Pensions	28,183	29,273
Commutation and lump sum retirement benefits	5,590	5,447
Lump sum death benefits	399	449
Total	34,172	35,169

By authority

	2012/13 £'000	2013/14 £'000
Scheduled bodies	32,941	33,328
Admitted bodies	1,231	1,841
Total	34,172	35,169

10. Payments to and on account of leavers

	2012/13 £'000	2013/14 £'000
Refunds to members leaving service	14	14
Payments for members joining state scheme	(2)	(1)
Individual transfers	3,271	3,582
Total	3,283	3,595

11. Administration expenses

	2012/13 £'000	2013/14 £'000
Pension administration costs	899	825
External audit fees	25	15
Actuarial fees	30	68
Total	954	908

12. Investment income

	2012/13 £'000	2013/14 £'000
Fixed interest securities	21	27
Equity dividends	1,179	0
Pooled property investments	1,798	1,924
Interest on cash deposits	31	13
Private equity/infrastructure	421	410
Miscellaneous expenses	0	19
Total	3,450	2,392

13. Taxes on income

	2012/13 £'000	2013/14 £'000
Withholding tax - equities	0	569
Total	0	569

14. Investment management expenses

	2012/13 £'000	2013/14 £'000
Management fees	1,383	2,132
Performance monitoring service	20	22
Other advisory fees	35	49
Total	1,438	2,203

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments.

15. Investments

	Market value 31 March 2013 £'000	Market value 31 March 2014 £'000
Investment assets		
Pooled investments	405,064	414,508
Pooled property investments	33,320	34,944
Private equity/infrastructure	99,913	116,391
Total investments	538,297	565,843

a) Reconciliation of movements in investments

	Market value 1 April 2013 £'000	Purchases during the year £'000	Sales during the year £'000	Change in market value during the year £'000	Market value 31 March 2014 £'000
Pooled investments	405,064	15,027	26,736	21,153	414,508
Pooled property investments	33,320	0	983	2,607	34,944
Private equity/infrastructure	99,913	29,673	20,481	7,286	116,391
Net investment assets	538,297	44,700	48,200	31,046	565,843

	Market value 1 April 2012	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2013
	£'000	£'000	£'000	£'000	£'000
Fixed interest securities	77,040	0	-77,040	0	0
Equities	86,491	0	-86,491	0	0
Pooled investments	205,281	275,238	-118,020	42,565	405,064
Pooled property investments	34,739	0	0	-1,419	33,320
Private equity/infrastructure	80,729	25,306	-10,216	4,094	99,913
	484,280	300,544	-291,767	45,240	538,297
Other investment balances:					
Investment income due	544				0
Net investment assets	484,824				538,297

Transaction costs are included in the cost of purchases and in sale proceeds. These include costs charged directly to the Fund, such as commissions, stamp duty and other fees.

b) Analysis of investments

	31 March 2013 £'000	31 March 2014 £'000
Fixed interest securities		
UK		
Public sector quoted	0	0
Corporate quoted	0	0
Overseas		
Public sector quoted	0	0
	0	0
Equities		
UK		
Quoted	0	0
	0	0
Pooled funds – additional analysis		
UK		
Fixed income unit trust	82,898	84,058
Unit trusts	99,392	111,992
Fund of hedge funds	27,231	0
Diversified growth funds	33,953	44,865
Overseas		
Unit trusts	161,590	173,593
	405,064	414,508
Pooled property investments	33,320	34,944
Private equity/infrastructure	99,913	116,391
	133,233	151,335
	538,297	565,843

Investments analysed by fund manager

	Market value 31 March 2013		Market value 31 March 2014	
	£'000	%	£'000	%
Legal & General	202,617	37.6	220,614	39.0
Henderson	105,243	19.5	112,417	19.9
Capital Dynamics	81,199	15.1	92,308	16.3
Yorkshire Fund Managers	1,144	0.2	1,090	0.2
Fauchier	27,231	5.1	0	0.0
Baillie Gifford	33,953	6.3	44,865	7.9
Aviva	33,320	6.2	34,944	6.2
Dimensional	36,945	6.9	37,941	6.7
Alinda	16,645	3.1	21,664	3.8
Total	538,297	100.0	565,843	100.0

All the above companies are registered in the United Kingdom.

Concentration of investments

During the year, no individual investment exceeded 5% of the total value of the Fund's net assets.

c) Stock lending

The Brent Pension Fund does not operate a Stock Lending programme.

16. Financial instruments

a) Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2013			31 March 2014		
Fair value through profit and loss	Loans and receivables	Financial liabilities at amortised cost	Fair value through profit and loss	Loans and receivables	Financial liabilities at amortised cost
£000	£000	£000	£000	£000	£000
Financial assets					
405,064			414,508		
33,320			34,944		
99,913			116,391		
	5,534			18,265	
	4,483			1,158	
538,297	10,017	0	565,843	19,423	0
Financial Liabilities					
		(431)			(483)
538,297	10,017	(431)	565,843	19,423	(483)
Totals			Totals		

b) Net gains and losses on financial instruments

31 March 2013			31 March 2014	
£'000			£'000	
		Financial assets		
45,240		Fair value through profit and loss		31,046
45,240	Total			31,046

c) Fair value of financial instruments and liabilities

The following table summarises the carrying values of the financial assets and financial liabilities by class of instrument compared with their fair values.

31 March 2013			31 March 2014	
Carrying value	Fair value		Carrying value	Fair value
£'000	£'000		£'000	£'000
		Financial assets		
538,297	538,297	Fair value through profit and loss	565,843	565,843
10,017	10,017	Loans and receivables	19,423	19,423
548,314	548,314	Total financial assets	585,266	585,266
		Financial liabilities		
(431)	(431)	Financial liabilities at amortised cost	(483)	(483)
(431)	(431)	Total financial liabilities	(483)	(483)

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

d) Valuation of financial instruments carried at fair value

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

The values of the investment in hedge funds are based on the net asset value provided by the fund manager. Assurances over the valuation are gained from the independent audit of the value.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
Values at 31 March 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	£'000
Financial assets				
Financial assets at fair value through profit and loss	449,452		116,391	565,843
Loans and receivables	20,515			20,515
Total financial assets	469,967	0	116,391	586,358
Financial liabilities				
Financial liabilities at amortised cost	(483)			(483)
Total financial liabilities	(483)	0	0	(483)
Net financial assets	469,484	0	116,391	585,875

	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
Values at 31 March 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	£'000
Financial assets				
Financial assets at fair value through profit and loss	411,153		127,144	538,297
Loans and receivables	10,017			10,017
Total financial assets	421,170	0	127,144	548,314
Financial liabilities				
Financial liabilities at amortised cost	(431)			(431)
Total financial liabilities	(431)	0	0	(431)
Net financial assets	420,739	0	127,144	547,883

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

2) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with WM Company plc, the Pension Fund has determined that the following movements in market price risk are reasonably possible for the 2014/15 reporting period:

Asset type	Potential market movements (+/-)
Fixed interest	2.1%
UK equities	11.4%
Overseas equities	12.4%
Property	2.3%
Alternative investments	6.1%
Cash	0.0%

The potential price changes disclosed above are broadly consistent with a one standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisers' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below):

Asset type	Value at 31 March 2014	Percentage change	Value on increase	Value on decrease
	£'000	%	£'000	£'000
Cash and cash equivalents	18,265	0.0	18,265	18,265
Investment portfolio assets:				
Fixed interest	84,058	2.1	85,823	82,293
UK equities	111,992	11.4	124,759	99,225
Overseas equities	173,593	12.4	195,119	152,067
Property	34,944	2.3	35,748	34,140
Alternative investments	161,256	6.1	171,093	151,419
Total	584,108		630,806	537,410

Asset type	Value at 31 March 2013	Percentage change	Value on increase	Value on decrease
	£'000	%	£'000	£'000
Cash and cash equivalents	5,534	0.0	5,534	5,534
Investment portfolio assets:				
Fixed interest	82,898	2.1	84,639	81,157
UK equities	99,392	11.4	110,723	88,061
Overseas equities	161,590	12.4	181,627	141,553
Property	33,320	2.3	34,086	32,554
Alternative investments	161,097	6.1	170,924	151,270
Total	543,831		587,533	500,129

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2014 and 31 March 2013 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	31 March 2013 £'000	31 March 2014 £'000
Cash balances	5,534	18,265
Fixed interest securities	82,898	84,058
Total	88,432	102,323

Interest rate risk sensitivity analysis

The Pension Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. Experience suggests that long-term average rates are expected to move less than 100 basis points from one year to the next.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates:

Asset type	Carrying amount as at 31 March 2014 £'000	Change in year in the net assets available to pay benefits	
		+100 BPS £'000	-100 BPS £'000
Cash balances	18,265	183	-183
Fixed interest securities	84,058	840	-840
Total change in assets available	102,323	1,023	-1,023
Asset type	Carrying amount as at 31 March 2013 £'000	Change in year in the net assets available to pay benefits	
		+100 BPS £'000	-100 BPS £'000
Cash balances	5,534	55	-55
Fixed interest securities	82,898	829	-829
Total change in assets available	88,432	884	-884

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2014 and as at the previous period end:

Currency exposure – asset type	Asset value at 31	Asset value at 31
	March 2013	March 2014
	£'000	£'000
Overseas unit trusts	161,590	173,593
Overseas pooled property investments	5,487	5,022
Overseas private equity/infrastructure	99,913	116,391
Total overseas assets	266,990	295,006

Currency risk – sensitivity analysis

Following analysis of historical data in consultation with WM Company plc, the Pension Fund considers the likely volatility associated with foreign exchange rate movements to be 8%.

This analysis assumes that all other variables, in particular interest rates, remain constant.

An 8% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

	Asset value as at 31 March	Change to net assets available to pay	
	2014	+8%	-8%
	£'000	£'000	£'000
Overseas unit trusts	173,593	187,480	159,706
Overseas pooled property investments	5,022	5,424	4,620
Overseas private equity/infrastructure	116,391	125,702	107,080
Total change in assets available	295,006	318,606	271,406

	Asset value as at 31 March	Change to net assets available to pay	
	2013	+8%	-8%
	£'000	£'000	£'000
Overseas unit trusts	161,590	174,517	148,663
Overseas pooled property investments	5,487	5,926	5,048
Overseas private equity/infrastructure	99,913	107,906	91,920
Total change in assets available	266,990	288,349	245,631

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria. Given the relatively low level of cash held by the Pension Fund at any one time, it is not considered necessary to place deposits with other banks and financial institutions to provide diversification.

The Pension Fund believes it has managed its exposure to credit risk, and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2014 was £18.265m (31 March 2013: £5.534m). This was held with the following institutions:

	Rating	Balances as at 31 March 2013 £'000	Balances as at 31 March 2014 £'000
Bank deposit accounts			
NatWest	A-	5,534	18,265
Total		5,534	18,265

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. At 31 March 2014 the value of illiquid assets was £151.3m, which represented 27% of the total fund assets (31 March 2013: £160.5m, which represented 30% of the total fund assets).

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2014 are due within one year.

Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS (Administration) Regulations 2008, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2013.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 22 years from 1 April 2013, and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2013 actuarial valuation, the Fund was assessed as 56% funded (61% at the March 2010 valuation). This corresponded to a deficit of £442m (2010 valuation: £294m) at that time.

Contribution increases were phased in over the three-year period ending 31 March 2017 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2014/15	28.4%
2015/16	29.4%
2016/17	30.0%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2013 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

The main actuarial assumptions used for the March 2013 actuarial valuation were as follows:

Discount rate	4.6% p.a.
Price inflation	3.3% p.a.
Pay increases	4.1% p.a.
Pension increases	2.5% p.a.

Mortality assumptions

Future life expectancy based on the Actuary's fund-specific mortality review was:

Mortality assumption at age 65	Male	Female
Current pensioners	22.0 years	24.3 years

Commutation assumption

It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits for service to 1 April 2008 and 75% for service from 1 April 2008.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

The actuarial present value of promised retirement benefits at 31 March 2014 was £1,168m (31 March 2013: £1,587m). The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future.

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2013 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	2.8%
Salary increase rate	4.4%
Discount rate	4.3%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.0 years	24.3 years
Future pensioners*	24.4 years	26.8 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

20. Current assets

	31 March 2013 £'000	31 March 2014 £'000
Debtors:		
- Contributions due – employees	146	188
- Contributions due – employers	2,596	812
- Sundry debtors	384	92
Cash balances	5,534	18,265
Total	8,660	19,357

Analysis of debtors

	31 March 2013 £'000	31 March 2014 £'000
Central government bodies	245	0
Other local authorities	2,742	999
Other entities and individuals	139	93
Total	3,126	1,092

21. Non current assets

	31 March 2013 £'000	31 March 2014 £'000
Non current assets	1,357	158
Total	1,357	158

Non current assets comprises of contributions due from employers, repayable later than a year of the Balance Sheet date.

22. Current liabilities

	31 March 2013 £'000	31 March 2014 £'000
Sundry creditors	431	483
Total	431	483

Analysis of creditors

	31 March 2013 £'000	31 March 2014 £'000
Central government bodies	5	3
Other entities and individuals	426	480
Total	431	483

23. Additional voluntary contributions

	Market value 31 March 2013 £'000	Market value 31 March 2014 £'000
Clerical Medical	1,190	1,145
Equitable Life	172	169
Total	1,362	1,314

AVC contributions of £38,282 were paid to Clerical Medical during the year (2012/13: £79,000). The Pension Fund's former provider, Equitable Life, no longer accepts AVC contributions from Scheme members.

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

24. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.880m (2012/13: £0.987m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £31.390m to the Fund in 2013/14 (2012/13: £31.576m). All monies owing to and due from the Fund were paid in year.

Governance

There are no members of the Pension Fund Sub-Committee who are either in receipt of pension benefits from or active members of the Brent Pension Fund.

Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting.

Key management personnel

Paragraph of the *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* (the Code) exempts local authorities from the key management personnel disclosure requirements of IAS 24, on the basis that the disclosure requirements for officer remuneration and members' allowances detailed in section 3.4 of the Code (which are derived from the requirements of Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations 2011) satisfy the key management personnel disclosure requirements of paragraph 16 of IAS 24. This applies in equal measure to the accounts of the Brent Pension Fund.

The disclosures required by Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations can be found in the main accounts of Brent Council.

25. Contingent liabilities

The Fund had no contingent liabilities at 31 March 2014.

26. Contractual commitments

Outstanding capital commitments (investments) at 31 March 2014 totalled £41.537m (31 March 2013: £64.979m).

	31 March 2013 £'000	31 March 2014 £'000
Capital Dynamics	54,077	38,061
Alinda	10,636	3,416
Yorkshire Fund Managers	266	60
Total	64,979	41,537

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

27. Contingent assets

Seven non-associated admitted body employers in the Brent Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default.

	31 March 2013 £'000	31 March 2014 £'000
Wettons (Estate Cleaning & North Grounds Maintenance)	158	158
Wettons (South Grounds Maintenance)	145	145
Europa	0	136
Capita Business Services Limited	123	123
Conway Aecom	0	113
Willow Housing & Care Limited	45	0
Xerox (UK) Limited	29	29
ThamesReach	0	5
Total	500	709

28. Impairment losses

The Fund had no impairment losses at 31 March 2014.

Glossary

ACCRUALS

Amounts charged to the accounts for goods and services received during the year for which payments have not been made.

CAPITAL EXPENDITURE

Expenditure on the acquisition of assets to be of value to the Council beyond the end of the financial year, e.g. purchase of land and buildings, construction of roads etc or revenue expenditure which the Government may exceptionally permit the Council to capitalise e.g. redundancy payments.

CAPITAL RECEIPTS

Money received from the sale of land, buildings and plant. A prescribed portion of receipts received for HRA dwellings must be “pooled” and paid to central government.

COMMUNITY ASSETS

A classification of fixed assets that the Council intends to hold in perpetuity that may have restrictions on their disposal. Examples of such assets are parks, historic buildings and works of art.

CONSISTENCY

The principle that the accounting treatment of like items should be treated the same from one period to the next.

CORPORATE AND DEMOCRATIC CORE

This comprises all activities which local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a single purpose body managing the same service. There is no logical basis for apportioning these costs to services. It comprises of Democratic Representation and Management and Corporate Management.

CORPORATE MANAGEMENT

Those activities which relate to the general running of the Council. These provide the infrastructure that allows services to be provided whether by the Council or not and the information required for public accountability. Activities relating to the provision of services, even indirectly, are overheads on those services, not a charge to corporate management.

CREDITORS

Amounts owed by the Council at 31 March for goods received or services rendered but not yet paid for.

DEBTORS

Amounts owed to the Council which are collectable or outstanding at 31 March.

GLOSSARY (Continued)

DEMOCRATIC REPRESENTATION AND MANAGEMENT

This concerns corporate policy making and all other member-based activities. It includes the costs of officer time spent on appropriate advice and support activities plus subscriptions to local authority associations.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of an asset to the lessee (the Council) and at the end of the lease term substantially all the asset value and interest payments have been made.

FIXED ASSETS

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

GOING CONCERN

The concept that the Council will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS - SPECIFIC

Assistance by Government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the Council in return for past or future compliance with certain conditions relating to the activities of the Council.

INFRASTRUCTURE ASSETS

A classification of fixed assets, whose life is of indefinite length and which are not usually capable of being sold, e.g. highways, street lighting and footpaths.

LONG TERM INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments which do not meet the above criteria should be classified as current assets.

LEVIES

These are payments to London-wide bodies whose costs are borne by local authorities in the area concerned.

GLOSSARY (Continued)

LONG-TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION

The minimum amount the Council must charge to the revenue accounts each year to repay loans as defined by Government regulation.

NATIONAL NON DOMESTIC RATE (NNDR)

A flat rate in the pound set by the Central Government and levied on all non-residential premises according to their rateable value collected by the Council.

OPERATING LEASES

The lessor is paid rental for the hire of an asset for a period, which is substantially less than the useful economic life of an asset. The lessor is taking a risk on the residual value at the end of the lease.

OPERATIONAL ASSETS/NON OPERATIONAL ASSETS

- Fixed assets held and occupied, used or consumed by the Council in the direct delivery of services for which it has either a statutory or discretionary responsibility.
- Non-operational assets, not directly occupied or surplus to requirements pending sale or development.

PRECEPTS

A charge made by another authority on the Council to finance its net expenditure. This Council has a charge on the collection fund by the Greater London Authority.

PRIOR YEAR ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PRUDENCE


The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

REVENUE SUPPORT GRANT

A general grant paid to local councils from national taxation.

ABBREVIATIONS

ALMO	Arms Length Management Organisation
AVC	Additional Voluntary Contribution
BHP	Brent Housing Partnership
CIPFA	Chartered Institute of Public Finance and Accountancy
CLG	Communities and Local Government
CIES	Comprehensive Income and Expenditure Statement
DfE	Department for Education
FTE	Full Time Equivalent
GLA	Greater London Authority
HRA	Housing Revenue Account
IFRS	International Financial Reporting Standards
LGPS	Local Government Pension Scheme
LPFA	London Pensions Fund Authority
MRA	Major Repairs Allowance
MRP	Minimum Revenue Provision
NNDR	National Non Domestic Rates (also called Business Rates)
PFI	Private Finance Initiative
PPP	Public Private Partnership
PWLB	Public Works Loans Board

 Brent	Cabinet 21 July 2014 Report from the Chief Finance Officer
FINANCIAL REPORT – MAY 2014	

1.0 Purpose

1.1 This report highlights the overall financial position of the Council as at May 2014. The report will cover the following topics:

- Budget Monitoring summary
- Council Tax & NNDR collection rates
- Debt analysis
- Capital Programme summary
- Financial Control

2.0 Budget Monitoring Summary

2.1 The council's general fund budget is forecast to be underspent by £1.0m at the year-end. The position by department is as set out below.

Department	Gross Expenditure Budget	Gross Income Budget	Net Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m	£m
Children & Young People	59.1	(17.6)	41.5	42.4	0.9
Adult Social Care	113.1	(22.1)	91.0	91.4	0.4
Regeneration & Growth *	85.1	(54.8)	30.3	29.5	(0.8)
Environment & Neighbourhoods	72.6	(40.3)	32.3	32.3	0.0
Central Departments	35.8	(5.1)	30.7	30.7	0.0

Public Health	18.8	0.0	18.8	17.3	(1.5)
Total	384.5	(139.9)	244.6	243.6	(1.0)

The following budgets are ring fenced and are forecast to breakeven at the financial year end.

Ring-Fenced budgets	Gross Expenditure Budget	Gross Income Budget	Net Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m	£m
Dedicated Schools' Grant	242.50	242.5	0.0	0.0	0.0
Housing Revenue Account	55.3	(55.2)	0.1	0.1	0
Total	297.80	187.30	0.10	0.10	0.0

The key issues underpinning these forecasts are as follows:

2.2 **Children & Young People**

The overall Children & Young People forecast is an overspend of £0.9m. This is made up of £0.9m overspend in Early Help and Education and a breakeven position in Children's Social Care.

The overspend is primarily attributable to Special Educational Needs (SEN) Transport. There was a similar overspend of £0.9m in 2013/14, which was offset by underspends against other departmental budgets. A further £0.2m of savings have been applied to this budget in 2014/15, which is at risk of not being delivered. A number of actions are being taken to deliver the saving, including a reassessment of all transport eligible SEN pupils, a review of the types of transport used as part of a One Council Programme transport project and a proposal to charge Post-16 SEN pupils, as this element of the service is discretionary.

2.3 **Adult Social Care**

The overall forecast is for an overspend of £0.4m. This variance is mainly due to continued pressure in Mental Health Services with a forecast overspend of £0.6m.

Mental Health Residential Care is the main contributor to this position with a forecast overspend of £0.6m. Brent Mental Health Services have an overall savings target of £1.0m for 2014/15 over and above the inherent overspend carried forward from 2013/14. The savings target includes a target reduction of £0.6m from Residential care costs. To date £0.3m of these savings have been achieved with a further £0.3m to be achieved within the year.

This overspend is partially offset by a forecast underspend in the Commissioning team of £0.2m. The service recently completed a restructure and is completing recruitment to the

new teams. Holding some vacancies open during this period has led to the forecast overspend.

2.4 **Regeneration & Growth**

The department is reporting an underspend of £0.8m, which is primarily due to the Supporting People budget where there have been savings from an on-going review of the various Supporting People contracts.

The Civic Centre income target for 2014/15 is set at £1.8m with only £0.8m likely to be realised. A reserve exists to cover this shortfall in 2014/15 but at this rate will be fully utilised by mid 2015/16. The planned commercial letting of part of the building will reduce the underlying shortfall into 2015/16, but not eliminate it. Therefore it is imperative that a strategy is adopted to deal with this issue before the end of the financial year.

Temporary Accommodation is a complex budget, with the financial results being highly sensitive to the numbers of households placed, the mix of accommodation into which they are placed, the impact of the Council's strategies to reduce unit costs and the impact of the housing benefit system.

Currently, a breakeven position is forecast. This assumes that the target reduction to 2,500 households will be achieved by 31 March 2015. However, to date numbers in temporary accommodation have risen slightly in 2014/15. If this trend continues then this forecast will need to be revised.

2.5 **Environment & Neighbourhoods**

Environment & Neighbourhoods are currently forecasting a breakeven position. This is made up of small overspends and underspends across the department. There is a £0.1m overspend within Recycling & Waste, due to higher than anticipated waste tonnage levies from West London Waste Authority. This forecast overspend is partly offset by a £0.1m forecast underspend within Parking resulting from overachievement of enforcement income particularly in the month of May 2014.

The Public Realm contract began in April this year, with the Grounds Maintenance, Burials and Parks services to begin from September 2014. This is a high profile contract worth approximately £15.8m per annum and is due to run for a minimum of 9 years. As at May 2014 contractual payments are on target with no significant defaults or performance issues recorded such as would impact on the contract cost.

2.6 **Central Departments**

The Assistant Chief Executive's, Legal & Procurement, Human Resources and Finance & IT departments are all forecast to spend to their budgets.

Public Health is currently forecast to underspend by £1.5m. As at May 2014, there are commitments of £15.4m against the £18.8m ring fenced grant, leaving £3.4m to be committed to new projects. At present there a number of new projects in development and the forecast takes account of part year expected spend.

2.7 Ring Fenced Budgets

Dedicated Schools' Grant

The Department for Education has announced the DSG settlement figure for all local authorities. The provisional amount for Brent has been set at £206.1m after recoupment of academies and direct funding for High Needs places. This is however subject to change throughout the year as academy conversions materialise during 2014/15.

At the end of 2013/14, seven of the 69 maintained schools in Brent (excluding academies and free schools) were in a deficit position. These schools are required to provide the Council with deficit recovery plans, which are currently being reviewed to ensure they are robust.

Housing Revenue Account

The Housing Revenue account is currently forecast to budget, with no major variances identified.

3.0 Savings

3.1 The table below summarises the 2014/15 savings by service area and a forecast as at May 2014. Out of £17.8m of committed savings, £17.3m (97.2%) are forecast to be delivered.

Service Area	2014/15 Savings	Percentage of 2013/14 budget	Forecast Savings	Forecast Variance
	£m		£m	£m
Children & Young People	3.2	7.1%	3.0	0.2
Adult Social Care	4.5	4.8%	4.2	0.3
Regeneration & Growth	2.7	7.6%	2.7	0.0
Environment & Neighbourhoods	3.4	9.6%	3.4	0.0
Central Departments	4.1	11.6%	4.1	0.0
Total	17.8		17.3	0.5

3.2 Children and Young People are forecasting a shortfall against their savings target. As described in paragraph 2.2 above this relates to SEN Transport, in particular savings due to efficiencies in routing (£0.1m) and savings arising from new eligibility criteria (£0.1m). Whilst new eligibility criteria has seen a 2.5% reduction in SEN pupils receiving transport, the total number of reductions has not been enough to deliver the savings committed.

3.3 Adult Social Care are forecasting a shortfall against their savings target. As described in paragraph 2.3 above Mental Health Services have a savings target of £1.0m, of which £0.3m has yet to be achieved in terms of a reduction in Mental Health residential care placements.

4.0 Debt & Income Collection Analysis

4.1 The Council collects income from individuals and businesses for a range of reasons. The main types of income are:

- Charges for Social Care Services
- Council Tax
- Business Rates (National Non-Domestic Rates)
- Parking Fines

We also collect a wide range of fees and charges for everything from Land Registry Searches to Planning Applications and Licenses.

4.2 Oracle debt includes invoices raised by service areas and is collected by the Finance Service Centre. The table below shows the balances for 2014/15.

	Apr £m	May £m
Opening balance	7.3	7.4
Invoices Raised	2.1	0.8
Collected	2.0	2.0
Total Balance	7.4	6.2

Of the outstanding debt of £6.2m, nearly half is current but overdue. There are also long-term arrears of nearly £3m, around a third of which is secured against assets.

4.3 The ABACUS system records debt relating to Social care fees and charges for council run services including residential care, day care, home care, adaptations, equipment etc. The table below shows the balances for 2014/15.

	Apr £m	May £m
Unsecured client debt	7.9	7.8
Secured (against Property) client debt	2.5	2.4
Total ASC Debt	10.4	10.3

The level of unsecured ASC debt is a large proportion of the overall debt (76%). A cross council project has been established to address this issue in terms of financial assessments for contributions to social care costs. It also ensures that the Council takes account of the impact of the implementation of the Care Bill from April 2015.

4.4 In terms of Council Tax, the total amount collectable for 2014/15 is £83.9m (excludes GLA share) and the collection rate target is 95.9%. Council Tax collection for 2014/15 was 22.2% at the end of May 2014. This is marginally ahead of the comparable figure in May 2013 of 22.0%.

- 4.5 The Council introduced Council Tax Support in April 2013 (due to government legislation), whereby a large number of residents paid a proportion of their bills, instead of receiving full Council Tax Benefit. For 2014/15 there has been a significant reduction in the total of Council Tax Support granted, largely due to falling unemployment. The total granted for 2013/14 was £28.7m, compared to £27.1m in 2014/15. Therefore, it is anticipated that the total cash collectable will be £1.0m higher as a result (after allowing for the GLA share and anticipated collection rates).
- 4.6 For NNDR, the total amount collectable is £110.0m (where Brent retains a 30% share as a result of legislative changes to Business Rates) and the collection rate target is 97.7%. As at May 2014, the collection rate was 19.2%. This is below the equivalent rate of 20.6% in May 2013, but this is due to payees that are now able to pay in 12 monthly instalments (as a result of government legislation) as opposed to 10 instalments in 2013/14. Therefore, it is early in the year to make a meaningful comparison between years.
- 4.7 Parking debt is analysed by measuring the total number of Parking Control Notifications (PCNs) issued against the expected yield of the total debt raised, as shown below:

Month	Debt Raised £m	Issued PCN	Income Recovered £m	Forecast £m	Forecast variance £m
Apr-14	1.1	14,079	0.7	0.7	0.0
May-14	1.2	15,660	0.8	0.7	0.1

- 4.8 The table above shows an increase in the actual enforcement income received over projected for both April and May 2014 by 7% and 13% respectively. This can be attributed to the high number of parking contraventions leading to an increase in the number of PCNs issued in both months.
- 4.9 In comparison to 2013/14, the number of issued PCNs rose by approximately by 9% and 24% in April and May respectively. Whilst the start of this financial year has shown continued growth in volume of issued PCNs, the level of revenue forecast remains the same as 2013/14, representing around 65% of actual debt raised. If valid PCNs continue to be issued at this level then these forecasts will be revised.
- 4.10 The brought forward enforcement debt relating to prior financial years is £3.4m (£1.7m from 2012/13 and £1.7m from 2013/14). A full bad debt provision was created for this debt, based on an expected recovery rate. It is anticipated that all of the outstanding debt relating to 2013/14 will be recovered in 2014/15.

5.0 Capital

5.1 The following table sets out the 2014/15 Capital budget and forecast as at May 2014.

Service Area	2014/15 Original Capital Budget	Proposed Rephasing	Total Proposed Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m	£m
Adult Social Care	2.6	0.0	2.6	2.6	0.0
Children and Young People	0.0	0.6	0.6	0.6	0.0
Environment & Neighbourhoods	8.6	4.3	12.9	11.5	(1.4)
Central departments	0.4	0.0	0.4	0.4	0.0
Regeneration & Growth	108.2	64.5	172.7	172.7	0.0
Regeneration & Growth (HRA)	17.5	6.2	23.7	23.7	0.0
Total	137.3	75.6	212.9	211.5	(1.4)


- 5.2 There are currently no forecast overspends in the capital programme. Environment & Neighbourhoods expects to receive an additional £0.2m in grants in 2014/15 (not yet included in the capital programme) and is forecasting slippage of £1.6m to 2015/16. Together these make the variance of £1.4m reported in the table above.
- 5.3 All other service areas are forecasting that their budgets will be fully spent over the three years of the capital programme, without overspends.
- 5.4 The proposed rephasing column shows proposed rephasing of unspent budgets for multi-year projects from 2013/14. As part of this rephasing exercise section 106 estimates have been replaced with the value of actual commissioned projects.
- 5.5 A challenge for the council is to budget more accurately for spending year to year on these schemes, as budgeting too much spend in the earlier years of a scheme frequently results in the council over estimating required borrowing, and budgeting for more revenue expenditure than it needs to repay this borrowing.
- 5.5 The table below illustrates this effect by comparing the 2013/14 quarter 2 forecasts and actual outturn. Overall, despite a forecast outturn of £161.7m the actual outturn was £88.8m, resulting in an underspend of £72.9m.

Service Area	2013/14 Quarter 2 Forecast	2013/14 Actual Outturn	Variance
	£m	£m	£m
Adult Social Care	1.9	0.0	1.9
Children and Young People	0.9	0.3	0.6
Environment & Neighbourhoods	12.3	11.7	0.6
Regeneration & Growth	123.4	58.4	65.0
Regeneration & Growth (HRA)	21.0	16.0	5.0
Central Departments	2.2	2.4	(0.2)
Total	161.7	88.8	72.9

6.0 Financial control

- 6.1 Financial control is essential to the operation of any large organisation. The council operates many standard processes, such as budgetary control, risk management and internal audit to ensure that controls operate as intended, and where exceptions are identified these are reported to senior officers and Members in order that corrective action can be taken. The particular issues that should be highlighted at this stage are set out below.
- 6.2 In 2013/14 43% of all internal audit reports showed a limited assurance level for the services in question. The Audit Committee is monitoring the situation closely in 2014/15, including scrutinising recent reports where controls were considered less than satisfactory. At this stage in 2014/15 the internal audit programme has not completed, and had not planned to complete, significant elements of its systems assurance work, although many projects are well underway. Progress against these will be monitored at the Audit Committee and reported on to Cabinet if the levels of assurance do not improve on 2013/14.
- 6.3 The other key metric that officers are tracking is the management of purchase orders. These are a key control, as this is the means by which officers obtain proper authority to commit expenditure. Key 'housekeeping' and exception measures are being developed, to track, for example, when purchase orders are raised but then not applied and where there is evidence that financial controls may be at risk of possible compromise. By streamlining the data at this stage, prior to the planned systems upgrade, officers will be able to report effectively on these measures in future months.

CONDRAD HALL
Chief Finance Officer

 Brent	<p style="text-align: center;">Cabinet 21 July 2014</p> <p style="text-align: center;">Report from the Chief Finance Officer</p>
<p style="text-align: right;">Wards Affected: [ALL]</p>	
<p>Authority to tender Contract Housing and Revenues and Benefits Software</p>	

1.0 Summary

- 1.1 This report concerns the procurement of Housing and Revenue and Benefits Software to replace existing software provided to the council by Northgate Information Solutions. This report requests approval to invite tenders in respect of software to enable the council to administer and manage its Housing service and our Revenue and Benefits services as required by Contract Standing Orders 88 and 89.

2.0 Recommendations

- 2.1 The Cabinet to give approval to Officers inviting tenders for software for the administration and management of our Housing and Revenues and Benefits Services on the basis of the pre - tender considerations set out in paragraph 3.6 of the report.
- 2.2 The Cabinet to give approval to Officers to evaluate the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.6 of the report.

3.0 Detail

- 3.1 The Purpose of this report is get agreement from the Cabinet to proceed with the process or procuring new software for our Housing Services and Revenue and Benefits Services.

- 3.2 The current supplier of these services is Northgate Information Solutions. The software allows the council to administer and manage the provision of Housing and Revenue and Benefits services to its customers. In common with many IT support contracts, the costs of changing from one supplier to another can be significant.
- 3.3 However, on the basis of soft market testing carried out earlier this year it appears likely that the costs of changes (migration, consultancy, licences and training), would be outweighed by the reduced annual costs likely to be achieved by procuring new software for the services described above. Officers provisionally expect the payback to be achieved within around three years after a new contract is put in place.
- 3.4 Although a change to these systems is likely to be disruptive, it can also be seen as an opportunity for improvement in processes since the systems will be re-implemented and also in terms of functionality as some of the competitive products have been developed more recently than our current systems and are feature rich in terms of integrations, automation and online public access services.
- 3.5 Officers' recommendation is therefore to proceed with a tendering exercise for software that supports both our Housing and Revenue and Benefits Services.
- 3.6 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement		
(i)	The nature of the service.	Software for the administration and management of our Housing and Revenue and Benefits Services	
(ii)	The estimated value.	£500K-£600K	
(iii)	The contract term.	5 Year + 2 year optional extension	
(iv)	The tender procedure to be adopted.	Restricted Procedure	
v)	The procurement timetable.	Indicative dates are:	Dates
		Adverts placed	27/08/14
		Expressions of interest returned	26/09/14

Ref.	Requirement		
		Shortlist drawn up in accordance with the Council's approved criteria	26/09/14 – 09/10/14
		Invite to tender	10/10/14
		Deadline for tender submissions	21/11/14
		Panel evaluation and shortlist for interview	24/11/14 – 5/12/14
		Interviews and contract decision	12/12/14
		Report recommending Contract award circulated internally for comment	22/12/14
		Cabinet approval	26/01/15
		Minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers (as this contract is covered by the full EU Regulations)	09/02/15
		Contract Mobilisation	10/02/15
		Contract start date	01/05/15
(vi)	The evaluation criteria and process.	<p>At selection (pre-qualification stage) shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>At tender evaluation stage, the panel will evaluate the tenders against the following criteria:</p>	

Ref.	Requirement	
		<ul style="list-style-type: none"> • Quality criteria consisting of: <ul style="list-style-type: none"> ▪ Fitness for purpose including quality ▪ Delivery • Price criterion consisting of: <ul style="list-style-type: none"> ▪ Total Lifecycle costs <p>The criteria will be a 40/60 Quality to Price % weighting for the tender assessment.</p>
(vii)	Any business risks associated with entering the contract.	<p>The main risk in entering a new contract for these software services is business disruption during the service transition to a new supplier. This risk will be mitigated through the planning, setting up a dedicated project team, effective communication and training of all staff impacted by these changes.</p> <p>Any software maintenance savings from procuring a new software contract has not taken account of any potential costs and disruption to service caused during the data migration and implementation. Whilst the data migration can be managed largely by the use of software tools there is normally some post implementation data cleansing and a loss of productivity as staff get familiar after training with any new system. It would be difficult to estimate these costs until get into any serious procurement discussions with Suppliers and understand their implementation methodology and plan.</p>
(viii)	The Council's Best Value duties.	<p>The council has a duty to make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This procurement will assist the council in fulfilling this duty.</p>
(ix)	Consideration of Public Services (Social Value) Act 2012	See Section 8 below.
(x)	Any staffing implications, including TUPE and pensions.	See section 7.0 below.
(xi)	The relevant financial, legal and other considerations.	See sections 4.0 and 5.0 below.

3.7 The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

4.0 Financial Implications

4.1 The estimated value of this software and services contract is a range of £500k - £600k for a period of 5 years plus an optional 2 years extension.

4.2 It is anticipated that the cost of this contract will be funded on an invest to save basis with total capital and revenue expenditure being covered by current revenue budgets over a 2 to 3 year period. It is anticipated that subsequent ongoing revenue savings will accrue from the review of this contract.

4.3 Initial Capital investment resources will need to be identified from within the Authority's overall Capital Programme for 2015/16 and cash flow projections undertaken to ensure affordability and relevant funding options.

4.4 It is anticipated that the funding of this project will be on an invest-to-save basis. The current budget for the maintenance of the Northgate contract is £235,908 per annum.

5.0 Legal Implications

5.1 The proposed contract is for software and its maintenance. The contract is classified as a services contract under the Public Contracts Regulations 2006 (the "EU Regulations") due to the maintenance element of the contract and given the estimated value of the contract is over the EU threshold for services of £172,514, it is subject to the full requirements of the EU Regulations. The contract is also classified as a High Value Contract under the Council's contract Standing Orders and Financial Regulations.

5.2 For High Value Contracts, the Cabinet must approve the pre-tender considerations set out in paragraph 3.6 above (Standing Order 89) and the inviting of tenders (Standing Order 88).

5.3 Once the tendering process is undertaken Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

5.4 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar standstill period imposed by the EU Regulations before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period

provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

5.5 For staffing implications see section 7.0 below.

6.0 Diversity Implications

6.1 As part of the tender process Officers would ensure that any diversity implications relating to service delivery are considered and addressed in any proposed solution.

7.0 Staffing/Accommodation Implications

7.1 The Revenues and Benefits system is managed by an external provider and there are no implications for council staff arising from retendering the contract.

7.2 The Housing system is managed by the council's IT department. The estimated project cost includes a provision for retraining IT staff for the support of the new system.

7.3 In view of the nature of the service delivery model with contractors able to provide a service from any location, it is not considered appropriate to require the London Living Wage as part of the contract terms. In any event, salaries and wages within the IT industry are generally above the level of the LLW.

8.0 Public Services (Social Value) Act 2012

8.1 Since 31 January 2013, the council, in common with all public authorities subject to the EU Regulations, has been under duty pursuant to the Public Services (Social Value) Act 2012 to consider how the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract as Part A Services over the threshold for application of the EU Regulations are subject to the requirements of the Public Services (Social Value) Act 2012.

8.2 There is a limited market for the delivery of these services; however, officers will endeavour to describe the scope of service in such a way as to further meet the requirements of the Act during the procurement process as well as ensuring that contractors responses address issues of social value.

9.0 Background Papers


9.1 None Applicable

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CONRAD HALL
Chief Finance Officer

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 <p>Brent</p>	<p style="text-align: center;">Cabinet 21 July 2014</p> <p style="text-align: center;">Report from Assistant Chief Executive</p>
For Action	Wards Affected: ALL
<p style="text-align: center;">Performance Review, Quarter 4, 2013-14 and April – May 2014/15</p>	

1.0 Introduction

The Borough Plan for 2013 - 2014 was agreed by Full Council in June 2013. It sets out our priorities for Brent as follows:

- Building a Strong Community
- Promoting Jobs, Growth and Fair Pay
- Making Brent Safer, Cleaner and Greener
- Improving Health & Wellbeing
- Better Lives for Children and Families
- Developing Better Ways of Working

The Borough Plan is an overarching plan which sets out our vision for the borough. It is part of a suite of plans which, together with the council's Corporate Plan, departmental plans, and individual targets and appraisals, establish the golden thread for all council activity.

The purpose of this report is to provide Members with a corporate overview of performance information, to support informed decision-making, and to manage performance effectively.

Benchmarking information is also provided where available from the London Councils' benchmarking club (LAPS). Benchmarking will only be available for those indicators that a number of other councils also wish to monitor.

Where available, performance information covering the period April and May 2014 has also been included, to provide Members with further performance trend data. Commentary is also provided to explain the performance of those measures which are rated as high risk (red).

This is the last time that the performance information will be presented in this format. A revised format will be introduced for 2014/15 Quarter 1, including a refreshed suite of performance measures.





2.0 Recommendations

The Cabinet is asked to:

- a. Note the performance information contained in this report and agree remedial actions as necessary.
- b. Consider the current and future strategic risks associated with the information provided and agree remedial actions as appropriate.
- c. Challenge progress with responsible officers as necessary.

3.0 Executive Summary – Quarter 4 Performance

34% of performance indicators are on target (green), 18% are just below target (amber) and 16% are well below target (red). The rest are considered indicative only and do not have targets set, the majority of these relate to complaints.

Overall Council Performance						
						Total
	Low	Med	High	IO	MD	Total
Adult Social Care	5	2	1	0	0	8
Children & Young People	3	4	3	0	0	10
Environment & Neighbourhoods	10	4	3	0	0	17
Regeneration & Growth	3	1	3	4	0	11
Complaints	0	0	0	16	0	16
Total	21	11	10	20	0	62
Percentage	34	18	16	32	0	100

3.1 Adult Social Care

Mental health contacts which reach assessment within 4 weeks

Q4 Performance	46%	2013/14 Target	86%	Good is?	High
<u><i>Explanation and actions to improve performance</i></u>					
<p>The target is a social care target delivered by a multi-agency team which delivers a holistic health and social care service - in some cases the completion of the social care assessment is delayed because of this approach. The team risk assesses all referrals and prioritise action based on that risk assessment. This may mean that health tasks may be prioritised over social care assessments. The team is not focused on this performance measure, they are focused on ensuring people are safe, therefore, it is not a good measure of the effectiveness of the access and brief treatment team.</p> <p>Workstream 2 in Phase 2 of the mental health project is focused on reviewing and potentially redesigning the service to ensure that job roles and resources are aligned to better meet the needs of Brent's community. This process will take place over the first six months of 2014/15. In the mean time, management actions will be in place to ensure all referrals are risk assessed and dealt with appropriately. This workstream will also tackle the mis-match between the way the team is set up and this performance metric.</p>					

3.2 Children & Young People

Number of secondary schools that are judged as inadequate by Ofsted

Q4 Performance	3	2013/14 Target	0	Good is?	Low
<u><i>Explanation and actions to improve performance</i></u>					
<p>This number was consistently at the level of 2-3 schools throughout the 13/14 reporting period. 2 of the 3 are sponsored academies. The third is Copland which will become a sponsored academy from 1st September. A fourth secondary school (sponsored academy) has been judged inadequate for this reporting period.</p> <p>Support and challenge are being offered to those schools which are sponsored academies. Academies also access support for their improvement through other routes, such as their sponsor organisations. If Her Majesty's Inspectors (HMI) monitoring visits show that progress is not satisfactory, the Local Authority will address this with sponsors and the school.</p>					

Stability of placements for Looked After Children (LAC): 3 or more placement moves

Q4 Performance	14.9%	2013/14 Target	13%	Good is?	Low
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Explanation and actions to improve performance

The reasons for the performance level are:

(1) a consequence of lower numbers of looked after children is that those who are looked after are more challenging with more complex needs. (2) Difficulties of managing siblings group. (3) Young people moved due to risk of gangs/child sexual exploitation. (4) Poor matching in initial placement search.

The actions to improve performance are:

(1) Take a more pro-active approach to preventing placement breakdown by reviewing placements at risk of breakdown earlier. (2) Increase the number of foster carers who have the skills/ability to support challenging young people/siblings group. (3) Improving the support available to foster carers (eg Child and Adolescent Mental Health Services) when placements are at risk of breakdown. (4) Continuing to improve placement choice and the subsequent matching of placements for young people. (5) Working with Independent Reviewing Officers to identify placements under pressure and at risk of breakdown.

Number of Troubled Families where Payment by Results (PbR) outcomes have been achieved

Q4 Performance	289	2013/14 Target	350	Good is?	High
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Explanation and actions to improve performance

There has been some positive progress in achieving good numbers into employment as a result of co-location of a Job Centre Plus worker in the Family Solutions team. Progress in turning around families has improved but is still slow with too few referrals from partner agencies and a lack of success in securing wider engagement for the lead professional role.

To improve performance additional staff have joined the Family Solutions team in order to work with more families at the highest level of need, data collection and analysis have been improved and a partnership plan is being implemented to ensure that partners are both referring in families and where appropriate taking a lead role and submitting data on outcomes. The Strategic Board has been relaunched to ensure senior level engagement from partners.

3.3 Environment & Neighbourhoods

Percentage of household waste sent for re-use, recycling and composting

Q4 Performance	41.4%	2013/14 Target	50%	Good is?	High
<u><i>Explanation and actions to improve performance</i></u>					
<p>The Q4 data is an improvement of 4.5% compared to Q4 in 2012/13. 2013/14 full year rate is 41%. Although tonnes to landfill were higher this year, there was an increase in kerbside dry recycling tonnages and kerbside organic tonnages to balance this.</p> <p>The new Public Realm contract will be focusing on improving overall waste management and is specifically engineered to focus on reducing waste and re-use, prioritising this over recycling and landfill. Veolia's commitment is therefore to reduce the total waste the council must dispose of, which they intend to achieve by removing non-household waste from the council's handling, through better enforcement and by signing up dubious businesses to their commercial waste service.</p>					

Tonnes of waste sent to landfill

Q4 Performance	65,764	2013/14 Target	56,618	Good is?	Low
<u><i>Explanation and actions to improve performance</i></u>					
<p>There is a 3% reduction in waste to landfill for 2013/14 compared to 2012/13. However, it should be noted that in 2012/13 this figure included non-household waste and for 2013/14 it does not.</p> <p>Residual waste disposal is a Public Realm contract target. Veolia intend to meet this target by removing non-household waste from the council's handling, through better enforcement and by signing up dubious businesses to their commercial waste service. Veolia will pay the full West London Waste Authority (WLWA) costs for every tonne of residual waste above target. If Veolia exceeds their contract target, the council will share the saving in relation to the treatment of this waste with them.</p>					

Number of large reported flytips

Q4 Performance	4,939	2013/14 Target	4,300	Good is?	Low
<u>Explanation and actions to improve performance</u>					
<p>8% increase in large flytips in 2013/14 compared to 2012/13. Total flytips (small and large) increased by 3% in 2013/14.</p> <p>Apr/May 2014/15 update: Flytip reporting is more comprehensive under the Public Realm contract, with emphasis shifting from resident to cleansing operative reporting. Thus a higher volume of flytips are being reported by cleansing operatives (rather than just cleared as was often the case in the previous contract). It also likely means that flytip classifications are more accurate, however data over a longer period will better inform this. The new Cleaner Brent mobile app has provided an additional reporting channel for the public which has also impacted on the number of incidents being reported to the council.</p> <p>As part of the new Public Realm contract, Veolia have committed to gathering evidence from fly-tips where possible and referring this to the waste enforcement team to investigate and take appropriate enforcement action.</p>					

3.4 Regeneration & Growth

Percentage of major planning applications processed within 13 weeks

Q4 Performance	62.5%	2013/14 Target	70%	Good is?	High
<u>Explanation and actions to improve performance</u>					
<p>The National target has been set at 60%. The Business Plan for 2014/15 has a target of 65%. The performance on this indicator can vary by quarter with the main driver being external parties' ability to conclude S106 agreements within agreed timetables.</p> <p>We aim to complete Planning Performance Agreements wherever possible to extend the reported target time. However, the ability of applicants to complete legal agreements within agreed timescales is a significant factor behind not meeting agreed targets.</p>					

Percentage of minor planning applications processed within 8 weeks

Q4 Performance	67.2%	2013/14 Target	80%	Good is?	High
<u>Explanation and actions to improve performance</u>					
<p>The National target has been set at 65%. The 2014/15 Business Plan target is 70%. The key factors affecting performance are the ability to recruit/retain appropriately experienced staff in the context of significantly increased numbers of planning applications - including new Prior Approvals which do not attract a fee.</p> <p>The major restructure of the planning function envisages a staffing level focused on anticipated statutory planning demands in terms of both the validation and assessment of planning applications. However, these will not be in place until at least half way through 2014/15. The planning function has also been reviewed to pursue scope for further improvement.</p>					

Percentage of other planning applications processed within 8 weeks

Q4 Performance	69.7%	2013/14 Target	90%	Good is?	High
<u>Explanation and actions to improve performance</u>					
<p>The National target has been set at 80% and this is reflected in the 2014/15 Business Plan. The key factors affecting performance and actions are as in the explanation for Percentage of minor planning applications processed within 8 weeks.</p>					

4.0 Financial implications

None.

5.0 Legal implications

- 5.1 Under section 4 of the Local Government Act 2000, every local authority in England must prepare a sustainable communities strategy for promoting or improving the economic, social and environmental well-being of their area and contributing to the achievement of sustainable development in the United Kingdom. A local authority may modify its sustainable communities strategy from time to time. When preparing or modifying its strategy, a local authority must consult with and seek the participation of "each partner authority" it considers appropriate, and any other person the local authority considers appropriate. The council's Borough Plan 2013-14 is the council's current strategy pursuant to section 4 of the Local Government Act 2000.

- 5.2 In table 3 of part 4 of the council's constitution, it states that the Executive is responsible for formulating and preparing the sustainable communities strategy and then submitting the same to Full Council for consideration and adoption or approval. The sustainable communities strategy constitutes part of the policy framework. The council's Borough Plan 2013-14 was approved by Full Council in 2013.

6.0 Diversity implications

- 6.1 One of the reasons that we monitor performance is to ensure that we are meeting our diversity objectives.

7.0 Contact officers

Ben Spinks, Assistant Chief Executive, Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ 020 8937 6677

Mark Fairchild, Performance Team Leader, Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ 020 8937 5300

BEN SPINKS
Assistant Chief Executive



Brent

Performance Appendix 2013-14 Quarter 4 and 2014-15 Quarter 1 to May





This appendix is designed to supplement the covering Performance report. It summarizes the council's key performance indicators for the current reporting period.

Produced by: Assistant Chief Executive

How to interpret this report









The indicators contained in this report are those which are considered essential at the current time, given the pressures which the Council faces.

Performance information is assessed using the following “Alert” symbols:










	If performance is below the level of expected performance and is outside the set tolerance of the target.
	If performance is below the level of expected performance but is within the set tolerance of the target.
	If performance is as expected and the target has been met or exceeded.
	If performance cannot be fairly measured against a target because it is difficult to set a target or influence performance due to external factors then the indicator is marked as indicative only.


The LAPS Benchmark figures– are London only average benchmark figures taken from London Council’s Local Authority Performance Solution (LAPS) data for the same quarter the previous year.

ADULT SOCIAL CARE










Ref	Performance Indicator	12-13 Year End	LAPS Bench mark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
ASS NI 150	Adults in contact with secondary mental health services in employment.	9%	8.1%	9.3%	8%	8.2%		Bigger is better. Measures the percentage of adults in contact with secondary mental health services in employment.
ASS NI 130	Social Care clients offered self-directed support in the community.	-	-	100%	93%	N/A		Cumulative. Bigger is better. Measures the percentage of clients offered self-directed support per 100,000 of population in the community.
ASS NI 132	Mental Health contacts which reach assessment within 4 weeks	54%	-	42%	86%	N/A		Cumulative. Bigger is better. Measures the percentage of adult Mental Health assessments completed within 4 weeks.
ASS LPI1	Proportion of clients receiving a service (Homecare and Direct Payments)	83%	-	86%	88%	N/A		Bigger is better. Proportion of Customers receiving a community based service as a proportion of all Customers receiving a service.
ASS CA5	Number of Fair Access to Care Service screenings deemed eligible.	3,108	-	2,548	3,200	474		Cumulative. Smaller is better. Measures the number of eligible fair access to care service screenings.
ASS Local	Domiciliary care Customer numbers	1,184	-	1,295	1,250	1308		Bigger is better. Number of Domiciliary care Customers - Personal Care, Domestic support and Independent Living.
ASS LPI11	Number of customers in residential care who suffer from dementia	308	-	310	350	N/A		Latest. Smaller is better. Gives a snapshot of the number of residential care clients who also have dementia.
ASS LPI13	Number of clients in nursing and residential care.	985	-	973	960	N/A		Latest. Smaller is better. Gives a snapshot of social care clients in nursing and residential care in the borough.









CHILDREN & YOUNG PEOPLE

Ref	Performance Indicator	12-13 Year End	LAPS Bench mark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
C&F EDC 05	Number of Primary Schools that are judged as good or outstanding by Ofsted	43	-	47	50	46		Bigger is better. Measures the number of Primary Schools that are judged as good or outstanding
C&F EDC 06	Number of Secondary Schools that are judged as good or outstanding by Ofsted	11	-	12	12	11		Bigger is better. Measures the number of Secondary Schools that are judged as good or outstanding
C&F EDC 07	Number of Primary Schools that are judged as inadequate by Ofsted	-	-	1	0	2		Smaller is better. Measures the number of Primary Schools that are judged as inadequate
C&F EDC 08	Number of Secondary Schools that are judged as inadequate by Ofsted	1	-	3	0	4		Smaller is better. Measures the number of Secondary Schools that are judged as inadequate
C&F NI 148	Percentage of care leavers in employment, education or training	63%	64.3%	68.6%	70%	N/A		Bigger is better. Measures the percentage of care leavers who are in Education, Employment or Training.
C&F NI 062	Stability of placements for looked after children (LACs): 3 or more placement moves.	15%	-	14.9%	13%	0.6%		Cumulative: Smaller is better. Measures the rate of looked after children (as part of Brent LAC total) who have had 3 or more different placements.
C&F CSC MT 66	Number of LACs placed with in-house (Brent) foster carers.	127	-	130	130	124		Bigger is better. Measures the number of looked after children placed with local foster carers in Brent.
C&F CSC MT 65	Number of LACs placed with Independent Fostering Agencies.	90	-	97	88	98		Smaller is better. Measures the number of looked after children placed with independent fostering agencies.
CSC ADOPT 07	Average time between a child entering care and moving in with its adoptive foster family, for children who have been adopted (days)	565	-	383	530	N/A		Smaller is better. Average time between a child entering care and moving in with its foster family, for children who have been adopted by their foster parents (days)











Ref	Performance Indicator	12-13 Year End	LAPS Benchmark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
CSC TF 11	Number of 'troubled families' where Payment by Results (PbR) outcomes have been achieved	-	-	289	350	N/A		Bigger is better. Number of 'troubled families' where outcomes have been achieved and a claim has been made. Outcomes refer to employment (adults), crime and ASB (adults and children) and education (children).


ENVIRONMENT & NEIGHBOURHOODS

Ref	Performance Indicator	12-13 Year End	LAPS Bench mark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
EN LIB07	Number of library visits per 1000 population	4,814	2,532	5,306	5,063	1,170		Cumulative. Bigger is better. Measures the number of visits to Brent libraries.
EN LIB08	Active library users (as a % of population)	20.3%	-	20%	22%	N/A		Bigger is better. Measures the proportion of people to borrow books from the libraries.
EN LIB11	Number of online and automated phone interactions with the library service	224,025	-	246,942	226,300	N/A		Bigger is better. Measures online and automated phone interactions with the library service, including transactional data for online reservations and online renewals.
EN SP10	Total number of sports visits to council sports centres.	1,274,678	-	1,411,352	1,286,548	251,553		Bigger is better. Cumulative. Measures the number of adults to visit sports centres to actively partake in sport.
EN CST08	Total number of incidents of burglary	3,706	-	2,848	3,520	190 (Apr only)		Cumulative. Smaller is better. Measures the number of residential and non – residential burglaries
EN CST07	Total number of incidents of robbery	1,454	-	1,127	1,488	67 (Apr only)		Cumulative. Smaller is better. Measures the number of personal and business robberies
EN CST06	Total number of incidents of violence with injury	2,294	-	2,382	2,180	226 (Apr only)		Cumulative. Smaller is better. Measures the number incidents of violence with injury
C&F NI 019	Rate of proven re-offending by young offenders in Brent.	35%	-	37%	37%	N/A		Smaller is better. Measures the percentage of young offenders who go on to re-offend.
EN NI 192	Percentage of household waste sent for re-use, recycling and composting	42.4%	35.4%	41.4%	50%	39.9%		Bigger is better. Measures the percentage of household waste which arises and is sent by the Authority for reuse, recycling, composting or treatment by anaerobic digestion

Ref	Performance Indicator	12-13 Year End	LAPS Bench mark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
EN NI 191	Residual household waste	470	419	505	476	95		Smaller is better. Measures the number of kilograms of household waste collected, that is not sent for reuse, recycling, or is not composted or anaerobic digestion per head of population
EN NI 195a	Percentage of Streets Below Standard for Litter	13%	13%	10%	12%	8%		Smaller is better. Measures the percentage of streets below standard for litter. The Borough is inspected every 4 months with all land classes being included in the sample in each survey period.
EN EP RW 05	Tonnes of waste sent to landfill.	67,560	-	65,764	56,618	12,022		Smaller is better. Measures the volume of waste sent to landfill sites.
EN EP SS 03	Number of small reported flytips	2,203	-	2,072	2,260	1,835		Latest. Smaller is better. Measures the number of small fly tipping incidents reported
EN EP SS 04	Number of large reported flytips	4,591	-	4,939	4,300	44		Latest. Smaller is better. Measures the number of large fly tipping incidents reported
EN EP SS 05	Flytipping Enforcement: No of Inspections and Investigations	1,560	-	8,061	1,600	349		Latest. Bigger is better. Measures the number of inspections and investigations relating to fly tipping incidents
EN EP SS 06	Flytipping Enforcement: No of Enforcement Actions Taken	219	-	866	400	224		Latest. Bigger is better. Measures the number of enforcement actions taken relating to fly tipping incidents
EN NI 184	Food premises broadly compliant	84%	-	82%	85%	80%		Bigger is better. Measures the percentage of food establishments within Brent which are broadly compliant with food law.

REGENERATION & GROWTH

Ref	Performance Indicator	12-13 Year End	LAPS Bench mark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
R&G NI 157a	Percentage of major Planning applications processed within 13 weeks.	41%	55.3%	62.5%	70%	50%		Bigger is better. Measures the efficiency of the Planning applications process.
R&G NI 157b	Percentage of minor Planning applications processed within 8 weeks.	80%	68.9%	67.2%	80%	62.7%		Bigger is better. Measures the efficiency of the Planning applications process.
R&G NI 157c	Percentage of other Planning applications processed within 8 weeks.	84%	80.7%	69.7%	90%	82.4%		Bigger is better. Measures the efficiency of the Planning applications process.
R&G HE 16	Percentage of empty commercial properties in the borough	12.6%	-	12.8%	Indicative only	12.8%		A snapshot of the level of empty commercial properties in the borough expressed as a percentage.
R&G HE 02	Percentage of working age residents in employment	64.3%	-	67.6%	Indicative only	N/A		Measures the percentage of eligible age residents who are currently employed.
R&G HE 15	Proportion of residents with no qualifications	1.9%	-	-0.1%	Indicative only	N/A		Highlights the difference between the proportion of working age residents in Brent with no formal qualifications against the rest of London
R&G BHP02	Percentage of repairs completed on first visit	97.3%	-	96.9%	95%	97.3%		Bigger is better. Measures the efficiency of the Housing Repairs system.
R&G NI154	Net additional homes provided	1,065	-	220	915	N/A		Reported Annually. Bigger is better. Measures the number of annual additional homes provided.
R&G HE 36 (NI156)	Number of households living in Temporary Accommodation.	3,249	1,257	3,341	3,600	3,404		Cumulative. Smaller is better. Measures the number of households in temporary accommodation provided under Homelessness legislation.
RB02	Council Tax collection rates.	95.9%	96.4%	95.7%	93.9%	22.2%		Cumulative. Percentage. Measures Council Tax collected as an amount against the net debit raised at the start of the financial year.





Ref	Performance Indicator	12-13 Year End	LAPS Bench mark 12-13 Q4	13-14 Year End	13-14 Target	14-15 Apr/May	Alert	Definition
RB01	Time taken to process all new Benefit claims.	8.47	-	9.17	8.50	7.02		Measures the average number of days taken to process all new Housing Benefit claims and change events.

COMPLAINTS

Reference	Performance Indicator	LAPS Bench mark 2012-13 Q1 (Brent)	2013-14 Outturn	Apr-May 2014	2013-14 Current YTD Target	Alert	Definition
Complaints: Assistant Chief Executive							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	2	0	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	0	0	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)
Complaints: Chief Finance Officer							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	124	0	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	11	2	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)
Complaints: Adult Social Care							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	110	2	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	7	0	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)
Complaints: Childrens Social Care							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	111	3	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	5	3	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)

Reference	Performance Indicator	LAPS Bench mark 2012-13 Q1 (Brent)	2013-14 Outturn	Apr-May 2014	2013-14 Current YTD Target	Alert	Definition
Complaints: Early Help and Education							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	43	0	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	9	1	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)
Complaints: Environment and Neighbourhoods							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	818	155	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	37	9	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)
Complaints: Regeneration and Growth							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	633	74	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1) – Excl. BHP
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	71	9	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2) – Excl. BHP
Complaints: Brent Housing Partnership							
CMP 01	Total number of Local Resolution complaints received (stage 1).	-	455	68	Indicative only	●	Cumulative. Measures the total number of complaints received at Local Resolution stage (stage 1)
CMP 02	Total number of complaints escalated to Final Review (stage 2)	-	28	6	Indicative only	●	Cumulative. Measures the number of Local Resolution (stage 1) complaints escalated to Final Review stage (stage 2)

One Council Programme Quarterly Snapshot Position

PROJECT NAME	PROJECT SPONSOR	PROJECT STAGE	RAG STATUS
Projects in Delivery and Reporting into the OC Programme (4)			
1. Brent One Oracle (formerly called Project Athena: E-business suite)	Andy Donald	Delivery	
2. Managing the Public Realm	Jenny Isaac	Delivery	
3. Supporting People Phase 1	Steven Forbes	Delivery	
4. Working with Families Phase3	Ben Spinks	Delivery	
Other Projects (not reporting directly into the OC Programme) (0)			
-	-	-	-
Planned Projects (at the pre-Delivery stage) (0)			
-	-	-	-
Completed Projects (36)			
1. Finance Modernisation Project	Clive Heaphy	Closed	N/a - closed
2. Income Maximisation	Clive Heaphy	Closed	N/a - closed
3. Staffing & Structure Review Wave 1	Gareth Daniel	Closed	N/a - closed
4. Staffing & Structure Review Wave 2	Gareth Daniel	Closed	N/a - closed
5. Temporary Labour Project	Fiona Ledden	Closed	N/a - closed
6. Strategic Procurement Review	Fiona Ledden	Closed	N/a - closed
7. Future Customer Service	Toni McConville	Closed	N/a - closed
8. Procurement (Training and Practice / E-Procurement / Additional Operational Savings from Procurement Activities)	Fiona Ledden	Closed	N/a - closed
9. Web Enhancement	Toni McConville	Closed	N/a - closed
10. Digital Post Room	Margaret Read	Closed	N/a - closed
11. Customer & Visitor Management (CC Operations)	Margaret Read	Closed	N/a - closed
12. Review of Employee Benefits	Fiona Ledden	Closed	N/a - closed
13. Civic Centre (including Move to the Civic Centre)	Andy Donald	Closed	N/a - closed
14. Realigning Corporate and Business Support	Christine Gilbert	Closed	N/a - closed
15. Streamlining Management & Corporate Services	Christine Gilbert	Closed	N/a - closed
16. Transitions into Adult Life	Alison Elliott	Closed	N/a - closed
17. Services for Young People (Phase 1)	Cathy Tyson	Closed	N/a - closed
18. SEN Review Phase 1	Krutika Pau	Closed	N/a - closed
19. Children's Social Care Transformation	Krutika Pau	Closed	N/a - closed
20. Children with Disabilities	Graham Genoni	Closed	N/a - closed
21. Special Educational Needs (SEN) Review: Phase 2	Sara Williams	Closed	N/a - closed
22. Review of School Improvement Service	Sara Williams	Closed	N/a - closed
23. Alternative Education Behaviour & Attendance	Sara Williams	Closed	N/a - closed

PROJECT NAME	PROJECT SPONSOR	PROJECT STAGE	RAG STATUS
24. Waste & Street Cleansing Review	Sue Harper	Closed	N/a - closed
25. Libraries Transformation	Jenny Isaac	Closed	N/a - closed
26. Highways	Jenny Isaac	Closed	N/a - closed
27. Parking Enforcement Review	Michael Read	Closed	N/a - closed
28. Improving Waste Management	Jenny Isaac	Closed	N/a - closed
29. Adult Social Care: Customer Journey	Alison Elliott	Closed	N/a - closed
30. Adult Social Care Commissioning	Alison Elliott	Closed	N/a - closed
31. Adult Social Care - Direct Services (Learning Disabilities)	Alison Elliott	Closed	N/a - closed
32. ASC Mental Health Review	Phil Porter	Closed	N/a - closed
33. Housing Needs Transformation	Andy Donald	Closed	N/a - closed
34. Developing a Model for Public Health in Brent	Phil Newby	Closed	N/a - closed
35. Working with Families Phase1	Phil Newby	Closed	N/a - closed
36. Working with Families Phase 2	Fiona Ledden	Closed	N/a - closed

PMO Note – Snapshot taken from OC Programme Board meeting – 20/05/14

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