



Cabinet

Monday 10 November 2014 at 2.00 pm

Patidar House, 22 London Road, Wembley, HA9 9EX

Membership:

Lead Member Councillors:

Portfolio

Butt (Chair)
Pavey (Vice-Chair)
Crane
Denselow
Hirani
Mashari
McLennan
Moher

Leader of the Council
Deputy Leader of the Council
Lead Member for Environment
Lead Member for Stronger Communities
Lead Member for Adults, Health and Well-being
Lead Member for Employment and Skills
Lead Member for Regeneration and Housing
Lead Member for Children and Young People

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**

1 Declarations of personal and prejudicial interests

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

2 Minutes of the previous meeting 1 - 10

3 Matters arising

Children and Young People reports

4 Authority to tender a contract for Independent Reviewing officer (IRO) Service for Looked After Children 11 - 18

This report requests approval to invite tenders in respect of the contract for the Brent IRO Service for Looked After Children as required by Contract Standing Order 88 and 89.

Ward Affected:
All Wards

Lead Member: Councillor Moher
Contact Officer: Sarah Alexander, Safeguard and Quality Assurance
Tel: 020 8937 3518
sarah.alexander@brent.gov.uk

5 Future Development of Children's Centres 19 - 30

This paper sets out proposals to consult with staff and service users on the development of a sustainable model for the borough's children's centres provision to be implemented from September 2015. The aim of this process would be to retain and current service levels, while improving outputs and outcomes for 0 to 5 year olds while delivering efficiency savings.

Ward Affected:
All Wards

Lead Member: Councillor Moher
Contact Officer: Sara Williams, Operational Director, Early Help and Education
Tel: 020 8937 3510 sara.williams@brent.gov.uk

Regeneration and Growth reports

6 Allocation Scheme Review 31 - 102

This report sets out proposals for alterations to the council's Allocation Scheme intended to align the scheme more effectively with strategic objectives, make best use of available resources and correct anomalies in the existing Allocation Scheme.

Ward Affected:
All Wards

Lead Member: Councillor McLennan
Contact Officer: Margaret Read, OD Customer Services
Tel: 020 8937 1521
margaret.read@brent.gov.uk

7 Housing Private Finance Initiative project agreement revisions 103 - 144

As a result of a number of external factors the Council's Housing Private Finance Initiative (PFI) project currently faces considerable financial challenges and a projected deficit which falls on the Local Authority. This report proposes a number of contractual revisions to provide the Council with flexibility in order to improve the financial performance of the project and substantially reduce the prospective deficit. These have been arrived at following a period of negotiation with the Council's PFI contract partner, Brent Co-Efficient (BCE) and following consultation with the Homes and Communities Agency (HCA) the Department for Communities and Local Government (DCLG).

Ward Affected:
Barnhill;
Brondesbury
Park; Kenton;
Stonebridge;
Wembley
Central;
Willesden
Green

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

8 Review of Revenues Collection post 2016 145 - 160

This report considers the options available to the council for the future provision of the Revenues and IT service beyond April 2016. Decisions about future provision need to be taken by November 2014 in order to either agree to an extension of the existing contract for 3 years or where this is not decided to ensure alternative options are implemented before the current contract expires in April 2016.

Ward Affected:
All Wards

Lead Member: Councillor Pavey
Contact Officer: Margaret Read, OD Customer

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

9 Authority to award Employment Services Provider Framework 161 -
168

This report seeks authority to appoint Providers onto the Brent Employment Services Framework, as required by Contract Standing Order 88. This report summarises the process undertaken in tendering this Framework and, following the completion of the evaluation of the tenders, recommends to whom the Framework should be awarded.

Ward Affected: All Wards
Lead Member: Councillor Mashari
Contact Officer: Shomsia Ali, Employment and Enterprise
Tel: 020 8937 5089 shomsia.ali@brent.gov.uk

10 Disposal of basement space at 48d Mapesbury Road, London NW2 4JE 169 -
176

This report seeks approval to proceed with the disposal of the Council owned basement space within the Housing Revenue Account (HRA) at flat 48d Mapesbury Road, London NW2 7JE for a capital receipt.

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

Central Reports

11 Annual report of the Director of Public Health for Brent 2014 177 -
202

The attached report considers the health of the people in Brent. It outlines the major causes of mortality and morbidity as well as describing health related behaviours in Brent. It contains a number of examples of how the Council and local people are responding to the health challenges in the borough. The published report will be professionally designed and include the addition of photographic images.

Ward Affected: All Wards
Lead Member: Councillor Hirani
Contact Officer: Melanie Smith, Director Public Health
Tel: 0208 937 6227 melanie.smith@brent.gov.uk

12 Award of Contracts for Gas and Electricity 203 -
240

This report requests authority to award contracts as required by Contract Standing Order No 88. This report summarises the process undertaken in procuring these contracts and recommends to whom the contracts should be awarded.

Ward Affected:

All Wards

Lead Member: Councillor Pavey

Contact Officer: Philippa Brewin, Procurement

Tel: 0208 937 1733

philippa.brewin@brent.gov.uk

13 2014/15 Mid-Year Treasury Report

241 -
246

This report updates Members on treasury activity during the 2014/15 financial year.

Ward Affected:

All Wards

Lead Member: Councillor Pavey

Contact Officer: Mick Bowden, Operational

Director, Finance

Tel: 020 8937 1460 mick.bowden@brent.gov.uk

14 Reference of item considered by Scrutiny Committee (if any)

Adult Social Care reports - none

Environment and Neighbourhoods reports - none

15 Exclusion of Press and Public

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

APPENDICES:

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

- **Housing Private Finance Initiative project agreement revisions**

“Information relating to the financial or business affairs of any particular person”

- **Review of Revenues Collection post 2016**
- **Disposal of basement space at 48d Mapesbury Road, London NW2 4JE**
- **Award of Contracts for Gas and Electricity**

16 Any other urgent business

Notice of items to be raised under this heading must be given in writing to

the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.

Date of the next meeting: Monday 15 December 2014



Please remember to set your mobile phone to silent during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.



LONDON BOROUGH OF BRENT

MINUTES OF THE CABINET Monday 13 October 2014 at 7.00 pm

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

Also present: Councillors Chohan, S Choudhary, A Choudry, Filson, Jones, Mahmood, Perrin and Tatler

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

None made.

2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 15 September 2014 be approved as an accurate record of the meeting.

3. **Matters arising**

None

4. **Deputation - School Place Planning Strategy 2014-2018**

With the consent of the Cabinet, Martin Francis (local resident, Brent Green Party) addressed the meeting in connection with the School Place Planning Strategy report. While acknowledging the thoroughness of the report, he questioned the advisability of relying on free schools and academies for the provision of school places given recent examples of schools not opening as originally scheduled or the possibility of a change of government and policy. He reminded the Cabinet that expansions and mergers had significant implications and were potentially stressful for the schools involved.

5. **School Place Planning Strategy 2014-18**

Councillor Moher (Lead Member, Children and Young People) introduced the report which sought approval of the final version of the School Place Planning Strategy 2014-18 following consultation. The draft version was approved by the council's Executive in March 2014 as a basis for consultation. The covering report also drew out a number of key issues for decision by the Cabinet which related to specific schools and sites. Councillor Moher referred to the council's obligations to improve

outcomes for children and drew attention to the proposals for expansion and amalgamation and the continued designation for education use of The Avenue site in Brondesbury. The costs were considered to be affordable in the current levels of secured funding however a further report would follow.

The Strategic Director Children and Young People responded to the concerns expressed earlier in the meeting by Martin Francis and assured that the council would be seeking to work with free schools and academies with a good or outstanding track record. The Free school model was the current policy but this would be kept under review and the principles were sufficiently robust to be able to withstand change. She also assured that the council was working with the Brent Schools Partnership to set up Federation to further cooperation between schools.

Members welcomed the report, agreed that the council had to take a long term approach, explain the advantages of larger schools and do all possible to have school places available given the demographic forecasts. It was noted that full consultation on the individual proposals would be carried out in the usual way and heard that the schools involved were broadly in support.

RESOLVED:

- (i) that the School Place Planning Strategy 2014-18 be approved, circulated to all schools and relevant stakeholders and made available on the council's website;
- (ii) that approval be given to progress development of the following schemes proposed for adoption within the council's school expansion programme as set out in paragraph 4.0, and that a subsequent report be submitted to Cabinet for approval of fully detailed and costed schemes:
 - Byron Court Primary School– 2 form of entry expansion
 - Leopold Primary School – 2 form of entry expansion using the Gwenneth Rickus Building
 - Oakington Manor Primary – 1 form of entry expansion

The subsequent report to include an updated cashflow position for the School Expansions Programme to take account of the strategy's approach to providing school places in Brent;
- (iii) that the following school amalgamations be agreed in principle, subject to formal agreement by governing bodies and formal consultation and decision-making processes as set out in paragraph 5.1 of the Director's report:
 - Lyon Park Infants and Juniors Schools
 - Carlton Vale Infants School and Kilburn Park Juniors School
 - Malorees Infants and Juniors Schools.
- (iv) that the council seek to retain the designation of The Avenue site for education purposes as set out in paragraph 6.1 of the Director's report.

6. **Event Day Parking and Vehicle removals (pilot)**

The Chair (Councillor Butt, Leader of the Council) reminded the Cabinet that in April 2014 the Council's Executive decided to make some alterations to the Council's methods for removing illegally parked vehicles and also relax Civil Enforcement Officer deployment on Wembley Stadium Event Days. The report from the Strategic Director, Environment and Neighbourhoods summarised the impact of the trial on the council's vehicle removal operations, and consequently made recommendations for future vehicle removal activity. The report also provided an update on the validity of Visitor Parking Scratch Cards, which were scheduled to be removed from circulation on 31 August 2014.

Councillor Perrin asked to speak and drew attention to reference in the report to pressures on the parking account, the proposals which would result in a further loss in income of £303k and questioned whether the timing of the decision was right in the financial climate. Councillor Butt responded that it was felt that the financial implications of towing away cars was disproportionate and there was a need for the council to be seen to be fair to residents.

The Strategic Director Environment and Neighbourhoods, Sue Harper, advised that there would be a focus on serious offences, for example parking on yellow lines, thereby causing traffic flow problems and then to issue a PCN instead of cars being towed on less serious events. Additionally, it was proposed that validity date of those remaining scratch cards in circulation since the decision in 2013 to cease sale be extended indefinitely.

Councillor Mashari (Lead Member, Employment and Skills) questioned whether there were any disability implications and Sue Harper responded that the number of cars towed away for obstructing pavements was relatively low but those that impede pedestrians may still be towed. The vehicles of repeat offenders would still be removed. Councillor Butt reminded the Cabinet that the aim of enforcement was to change behaviour.

RESOLVED:

- (i) that the findings of the Removal Pilot set out in paragraphs 3.5 to 3.11 of the report from the Strategic Director, Environment and Neighbourhoods, the changes made between the start and end of the trial, and also the financial implications as set out in paragraphs 5.1 to 5.8 be noted;
- (ii) that agreement be given to continue the use of the revised criteria for vehicle removal which have resulted from operating the trial, and also the implementation of proposed Customer Enhancements;
- (iii) that the authority be delegated to the Operational Director, Environment and Protection to make minor amendments to the criteria and arrangements, on a continuing basis in consultation with the Lead Member for Environment. Any such change(s) would be subject to the agreement of the Chief Finance Officer;
- (iv) that the validity of visitor parking scratch cards, already in circulation, be extended indefinitely.

7. Wembley Area Action Plan

Councillor McLennan (Lead Member, Regeneration and Housing) introduced the report from the Strategic Director, Regeneration and Growth which explained that the council had received the inspector's report into the Examination of the Wembley Area Action Plan Development Plan Document. The Plan, first adopted in 2004, had been updated and was now found to be sound subject to a few recommended changes. The Plan would go before Full Council for adoption.

Councillor Moher drew attention to the inspector's suggestion that urban greening was to be sought rather than required in new developments and she emphasised the need for the council to take a robust approach. Andrew Donald (Strategic Director Regeneration and Growth) confirmed the council would be pushing hard for urban greening and the Cabinet agreed to retain the requirement that urban greening must be sought. Additionally, Councillor Moher also asked whether any improvements could be made to the pedestrian crossing at Wembley Triangle over which there were safety concerns particularly on Event Days. Sue Harper responded that this linked to other measures in the Wembley Master Plan but the light phasing could be reviewed.

Andrew Donald outlined the process for consultation and approval following which the report would go before Full Council for approval.

RESOLVED:

that Full Council be recommended to adopt the Wembley Area Action Plan Development Plan with the recommended changes, as set out in Appendix 1 of the report from the Strategic Director Regeneration and Growth with the inclusion of a requirement that urban greening should be 'sought' rather than required.

8. Sudbury Neighbourhood Plan

The report from the Strategic Director Regeneration and Growth provided an overview of the process which Sudbury Town Residents Association had followed to date in producing the draft Sudbury Town Neighbourhood Plan and a summary of its content. It recommended that the draft Plan be published on 23 October 2014 and made available for comment for six weeks. It was also recommended that it be submitted for examination subject to Full Council approval.

Councillor McLennan in introducing the report, acknowledged the contribution of the Localism Act in delegating plan making opportunities to neighbourhood level and paid tribute to the work of the Sudbury residents in giving the borough the opportunity to be one of the first to work with a Neighbourhood Plan. Councillor Denselow welcomed this positive aspect of the Localism Act and the Councillor Hirani sought assurances on how the plans would be sustained and residents engaged.

Strategic Director Regeneration and Growth, Andrew Donald, outlined the timetable for adopting the neighbourhood plans. Once council had confirmed that the Plan had been prepared in accordance with the statutory requirements, an Examiner would be appointed to determine it met requirements and was in line with strategic

policies. The Plan would then be put to a Referendum. This was the first plan to reach this stage and three more are expected to follow. It would be for officers to develop new ways of working and to proactively take plans forward with local communities. Councillor McLennan added that officers had found it rewarding to work with residents in this way. Councillor Butt added that funding would come from external initiatives such as the Community Infrastructure Levy.

RESOLVED:

- (i) that the draft Sudbury Town Neighbourhood Plan be agreed for publication and public consultation from 23 October 2014 for six weeks, and that Full Council be recommended to agree that the draft Plan be submitted for independent Examination;
- (ii) that the Head of Planning be given delegated authority to deal with any representations received during the statutory consultation period.

9. **Deputation - Customer Access Strategy**

Sujata Aurora addressed the Cabinet in relation to the Community Access Strategy and while welcoming some aspects of the proposals, expressed concern at the proposals to reconfigure space at the new Willesden Green Library Centre. She reminded the Cabinet that the expansion of the customer services had been the main argument in favour of the development, to be a hub in the south of the borough to mirror provision in the Civic Centre. She now considered the revised proposals to be second rate. Ms Aurora accepted that many residents did transactions on line however the proposals would remove all opportunity for face to face contact. The relatively low levels of residents accessing face to face facilities in the interim service at Harlesden could be because it was not well signposted and people did not know it was there. Ms Aurora felt that many high need customers lived in south of the borough with no access to the internet, and there was a correlation with old age, disabilities, hearing problems and more complex needs. The weekly surgery by appointment was limited.

The Cabinet also heard from Martin Redston who endorsed the views put forward earlier by Sujata Aurora. He felt that proposals for multi-purpose space and wider library space would diminish the profile of arts and degrade use of the library. There was a need for the focus to community based instead of commercial and the reinstatement of a bookshop was essential. A genuine community hub was required.

10. **Customer Access strategy and target operating model**

The report from the Strategic Director of Regeneration and Growth set out proposals for transforming the arrangements in place to enable residents to access information and services more easily and more efficiently. The aim of the new strategy was both to improve residents' experience when they did contact Brent and increase the efficiency of overall operating arrangements.

Councillor Butt (Chair, Leader of the Council) responded that the focus was on residents having access to council services whether by telephone or social media. The council would be working with partners to ensure that people were not

disadvantaged and were able to access services. Members welcomed the access strategy in particular the 'Tell Us Once' approach for residents' information to be shared with other services they require avoiding duplication. Councillor Denselow acknowledged that online contact was not suitable for everyone and encouraged attendance at the meeting scheduled for 27 October where the potential for the new Willesden centre would be discussed.

Councillor Mashari (Lead Member, Employment and Skills) referred to the need for the council to make £54m savings. Discussions would be taking place on how to involve other agencies but she assured that the services would still be community focussed. More information would be forthcoming on the provision of IT in the library and self service areas. Councillor Pavey (Lead Member, Resources) stated that digital service provision was becoming the norm, library staff would be able to assist with basic enquiries and most people were happy to use self service providing support was on hand. The Strategic Director, Regeneration and Growth assured that the council was aiming to provide improved services for those with complex needs.

Councillor Denselow (Lead Member, Stronger Communities) advised that group discussions would take place over the usage of space in the new centre based on both improving access for all residents and delivering savings.

RESOLVED:

that approval be given to the new Access Strategy and the planned implementation of this, as set out in Section 3 of the report from the Strategic Director of Regeneration and Growth.

11. **Budget strategy and financing update**

The report from the Chief Finance Officer gave an update on the council's funding forecasts for the next four years. It took account of anticipated spending pressures, whether driven by changes in legislation, demographic trends or local policy intentions and provided updated estimates of the financial impact of these. It also took account of updated information on financing from central government and other sources, where this was available.

The Lead Member Resources, Councillor Pavey, stated that the council was required by central government to identify an unprecedented level of budget cuts and he outlined some of the spending pressures that would also need to be managed as part of the budget process. Additionally, the capital programme was becoming more restrained as alternative funding sources diminished. Councillor Pavey drew attention to the London Council's report which expressed the view that the local government finance system was not sustainable in its current form and he described the impact on Brent as brutal.

Councillor Hirani commented on the change in legislation and the new requirement under the Care Act for local authorities to cap the fees payable by an individual for their care at £72,000 in their lifetime making costs more difficult to estimate. Social care support for children continued to be non-means tested.

The Chief Finance Officer summarised the budget strategy and financial position referring to demographic and policy changes and their likely impact, updated funding assumptions for 2015/16 to 2016/17, core funding projections and forecasts for 2017/18. The council would be required to save of the order of £100m over the next four years.

Members expressed grave concern over the projections, the seriousness of the challenges the council faced and referred to forums and Borough Plan meetings where residents could help shape the future of the borough.

RESOLVED:

that the latest forecasts for the council's financial position for 2015/16 to 2018/19 be noted.

12. **Financial report – August 2014**

The Cabinet considered the report from the Chief Finance Officer which set out the overall financial position of the Council for 2014/15 as at August 2014 and covered Budget monitoring summary, Council Tax and NNDR collection rates, debt analysis, capital programme summary and financial control. Councillor Pavey (Lead Member, Resources) emphasised the importance of financial control and urged lead members to take an interest in the audits taking place in their departments. The council was generally on track to deliver savings subject to a projected underspend on Public Health which would be revised through the year as progress on projects became clearer. The Chief Finance Officer drew attention to need for the Cabinet to endorse the amended budget for 2014/15 and approve the rephrasing exercise on the Medium Term Financial Plan.

RESOLVED:

- (i) that the Finance report be noted;
- (ii) that approval be given to the budget virements for the capital programme as set out in section 5 of the Financial Report appendix.

13. **Procurement of the Customer Services ACD Telephone System**

Councillor Pavey (Lead Member, Resources) introduced the report from the Chief Finance Officer which concerned the procurement of an Automated Call Distribution (ACD) system to replace the existing solution provided to the council by Interactive Intelligence. Approval was requested, as required by Contract Standing Orders 88 and 89, to invite tenders in respect of a solution to enable the council to manage and handle incoming telephone calls, customer emails, webchat and social media customer interaction. Councillor Pavey assured that officers would be working closely with IT to ensure the specification met requirements.

RESOLVED:

- (i) that approval be given to invite tenders for an Automated Call distribution (ACD) solution to enable the council to manage and handle incoming telephone calls, customer emails, webchat and social media customer

interaction on the basis of the considerations set out in paragraph 3.6 of the report from the Chief Finance Officer;

- (ii) that approval be given to the evaluation of the tenders referred to in (i) above on the basis of the evaluation criteria set out in paragraph 3.6(vi) of the report;
- (iii) that approval be given to a waiver from Contract Standing Orders for the requirement to seek written quotations and to give approval to the direct award of a short-term contract to Interactive Intelligence for a period of six months in the circumstances and for the reasons set out in paragraph 3.7 of the report.

14. Procurement of Housing and Revenues and Benefits systems

The report from the Chief Finance Officer, introduced by Councillor Pavey (Lead Member, Resources) requested authority to award a contract as required by Contract Standing Order No 88 and summarised the process undertaken in procuring the contract and recommended to whom the contract should be awarded.

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

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

RESOLVED:

that the contract for Revenues and Benefits and Housing Software be awarded to Northgate Information Solutions UK Limited (Northgate).

15. Reference of item considered by Scrutiny Committee - 9 September 2014: Parking Services update

The Cabinet received the recommendations from the Scrutiny Committee which met on 9 September 2014 and after having considered an update on Parking Services made recommendations to Cabinet.

The Chair (Councillor Butt, Leader of the Council) stated that the comments from the Scrutiny Committee had been noted and consideration was being given to how to address concerns starting with the removal of the deadline for use of the remaining scratch-cards visitor permits held by residents. The Chair also advised that a new Head of Parking was due to join the authority who would have full oversight. He thanked the Scrutiny Chair and members for their contribution.

RESOLVED:

that the recommendation from the Scrutiny Committee held on 9 September 2014 regarding the parking services update be noted.

16. **Any other urgent business**


Fly tipping

In response to a question from Councillor Mahmood on fly tipping surveillance vehicles, Councillor Mashari advised that two vehicles had been commissioned and were on the road.

The meeting ended at 8.35 pm

M BUTT
Chair

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 Brent	<p style="text-align: center;">Cabinet 10 November 2014</p> <p style="text-align: center;">Report from the Strategic Director of Children and Young People</p>
<p>Wards Affected: [ALL]</p>	
<p>Authority to tender a contract for Independent Reviewing Officer (IRO) service for Looked After Children</p>	

1.0 Summary

- 1.1 Brent's Independent Reviewing Officer team (IRO) for Looked After Children is part of the Brent Safeguarding and Quality Assurance service. The main function of the team is to chair Looked After Children Reviews, quality assure and scrutinize each child's care plan in line with legislation and statutory guidance. This ensures that the child's voice is central to decision making and planning while they are looked after by Brent.
- 1.2 This report requests approval to invite tenders in respect of the contract for the Brent IRO Service for Looked After Children as required by Contract Standing Order 88 and 89.
- 1.3 The IRO service currently consists of one permanent IRO, an IRO manager and eight IROs provided by Aid Hour, a not for profit organization.
- 1.4 Aid Hour is currently contracted by Brent Council to source and provide local independent IROs to enable the Local Authority to fulfill its statutory duty in this area of work.
- 1.5 A new contract was entered into with Aid Hour, following approval under exemption from tendering, set out in CSO86 (e) (i). This contract was awarded for the period 1 April 2012 to 31st of March 2014, with the option to extend for a further year which was duly utilized.

2.0 Recommendations

- 2.1 The Cabinet to approve inviting tenders for Brent Independent Reviewing Service for Looked After Children on the basis of the pre - tender considerations set out in paragraph (vi) of the report.
- 2.2 The tender is let for a term of two years with the option to extend for a further 12 months.
- 2.3 The Cabinet to give approval to officers to evaluate the tenders referred to in paragraph 2.1 on the basis of the evaluation criteria set out in paragraph (vi) of the report.

3.0 Detail

- 3.1 All looked after children have a care plan, which is a written document that sets out all the arrangements for their care whilst they are looked after by the local authority. This care plan has to be reviewed by an independent person (an IRO) in line with timescales as set out in the Care Planning, Placement and Case Review (England) Regulations 2010. This means a review should occur within 28 days of becoming first looked after, then at 3 months and then on a 6 monthly basis thereafter. The role of the IRO, who chairs these Looked After Children Reviews, is to quality assure and scrutinize each child's care plan in line with legislation and to ensure that the child's voice is central to decision making and planning while he/she remain looked after.
- 3.2 During the last financial year Brent had 348 looked after children and a total of 987 Looked After Children reviews were carried out.
- 3.3 Individual IROs complete 20-30 reviews each in any given month.
- 3.4 The service is managed by the Brent IRO manager who oversees and monitors the contract with Aid Hour, ensures that all reviews take place in a timely manner, and collates and disseminates any learning arising from the reviews. The post holder also has a key role in managing any difference of opinion between the IROs and the social work teams in relation to the care plan. In addition, the IRO manager undertakes a limited number of reviews.
- 3.5 Following a service review in 2013/14 structural change and quality assurance procedures have been successfully implemented. This has improved service delivery and provided a more consistent overall approach to the management of the service.
- 3.6 Officers consider that the best way forward for the Local Authority would be to let a further contract of up to three years. This would enable tenderers to retain good quality staff over the whole period as they are able to offer guaranteed work and more importantly provide Looked After Children with stability in terms of service provision and consistency of relationships with

their IRO.

- 3.7 The Aid Hour IRO service contract is due to expire on the 31st March 2015 and a new arrangement is required to be in place by the end of February 2015. This will allow sufficient time for a handover period to a new supplier for the service should the incumbent provider not win the contract.
- 3.8 The value of the new revised contract would be £170,000 per annum, £510,000 over the full life of the contract if the 12 month option to extend is exercised. Under the Council's Contract Standing Orders, as a High Value Contract, a tender exercise needs to be conducted. Although the IRO service is a Part B service under the Public Contract Regulations 2006 and is therefore exempt from adhering to the normal EU procurement timescales, officers are proposing to follow broadly the EU timescales as set out below.
- 3.9 The proposed plan will lead to stability and consistency of the IRO service, an increase in support provided for Looked after children and improved outcomes and life chances of Brent's LAC population.
- 3.10 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	Response	
(i)	The nature of the service.	Looked After Children Independent Reviewing Service	
(ii)	The estimated value.	£170K. A total value £510K	
(iii)	The contract term.	<i>Two years with the option to extend for a further 12 months.</i>	
(iv)	The tender procedure to be adopted.	Part B service, one stage or open procedure to be followed.	
v)	The procurement timetable.	Indicative dates are:	
		Adverts placed/ITT issued on request	24th of November 2014
		Deadline for tender submissions	7th January 2015
		Tender evaluation	Commencing 8 th January-2015

Ref.	Requirement	Response	
		Panel evaluation/Moderation Exercise	22 January 2015
		Report recommending contract award circulated internally for comment	January /February 2015
		Cabinet approval	23 rd Feb 2015
		Cabinet 5 day call in period	From 24 th Feb 2015
		Contract Mobilisation	March 31
		Contract start date	1 st April 15
(vi)	The evaluation criteria and process.	<ol style="list-style-type: none"> 1. Although this is an open or one stage tender, bidders will be required to complete as part of the Invitation to Tender documentation a pre-qualification questionnaire which demonstrate they can meet the Council's financial standing requirements, technical capacity and technical expertise. This will be on a pass/fail basis. 2. Tenders will also be evaluated concurrently in line with best value principles to identify the most economically advantageous tender (MEAT) having regard to price and quality elements. The price, quality ratio will be a 60/40 split in favour of price. 3. Quality will be evaluated by analysis of method statements produced by tenders covering their proposed business model 4. Proposals for ensuring effective quality management of the service and maintenance of the quality standard including self monitoring and evaluation 5. Tenders approach to working in partnership with all key stakeholders including the Council, Health service, children/young people and parents. 6. Tender's proposals for adhering to child protection and safeguarding requirements and the IRO Hand book guidance. 7. Specific health and safety matters relevant to 	

Ref.	Requirement	Response
		the contract.
(vii)	Any business risks associated with entering the contract.	<i>There are no specific business risks associated with this tender.</i>
(viii)	The Council's Best Value duties.	The procurement process and on-going contractual requirements will ensure the Council's Best Value obligations are met.
(ix)	Consideration of Public Services (Social Value) Act 2012	This is a highly specialist market but officers will endeavour to ensure the requirements of the Act are taken into account as part of the procurement.
(x)	Any staffing implications, including TUPE and pensions.	See section 6.2 below.
(xi)	The relevant financial, legal and other considerations.	See sections 4 and 5 below.

3.11 The Executive 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 revised service over the period of the contract is £170,000 per annum, £510,000 over the 3 years of the contract including the option to extend for an additional 12 months. The cost of this contract will be funded from the current budget in the Children and Young People's service.

5.0 Legal Implications

5.1 The Children's Act 1989 and Children and Young Persons Act 2008 place duties on the Local Authority to ensure that every child and young person who is looked after has an IRO.

5.2 The estimated value of the contract for the IRO Service is in excess of the relevant threshold under the Public Contracts Regulations 2006 ("the EU Regulations") for Services contracts. The contract is however classed as a contract for a Part B Service under the EU Regulations and as such is not subject to the full requirements of the EU Regulations (save that there must be a technical specification contained in the contract documents and on award of contract the Council must issue a Contract Award Notice in the

OJEU within 48 days of award). The procurement of the contract for IRO Services is nonetheless subject to the overriding EU Treaty principles of equality of treatment, fairness and transparency in the award of contracts.

- 5.3 As the estimated value of the contract over the term of the contract (including the 12 month extension) is £510k, it is classed as a High Value Contract under the Council's Contract Standing Orders and Financial Regulations and the Cabinet must approve the pre-tender considerations set out in paragraph 3.8 above and the inviting of tenders
- 5.4 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.
- 5.5 Members are referred to section 7.0 below in relation to staffing issues.

6.0 Diversity Implications

- 6.1 A full EIA is being prepared in conjunction with the Equalities team and will be available at the time of the tender award report. An outline version of the EIA report is being prepared and will be presented to the meeting on 10 November 2014.
- 6.2 Staffing and Accommodation Issues.
This service is currently provided by an external contractor and there are no implications for Council staff arising from re-tendering the contract

7.0 Public Services (Social Value) Act 2012

- 7.1 The Council is 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 B Services over the threshold for application of the EU Regulations are subject to the requirements of the Public Services (Social Value) Act 2012.
- 7.2 The services being procured have as their primary aim improving the social and economic well being of some of the most vulnerable groups in Brent and are highly specialist with only a very limited number of suppliers who can meet the Council's requirements. Officers will endeavour to ensure the requirements of the Act are implemented as part of the procurement process.

8.0 Background Papers

8.1 N/A

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Strategic Director Children and Young People

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 Brent	<p style="text-align: center;">Cabinet 10 November 2014</p> <p style="text-align: center;">Report from the Strategic Director of Children and Young People</p>
<p>For Action Wards Affected: ALL</p>	
<p style="text-align: center;">Future Development of Children's Centres</p>	

1.0 Summary

- 1.1 This paper sets out proposals to consult with staff and service users on the development of a sustainable model for the borough's children's centres provision to be implemented from September 2015. The aim of this process would be to retain and current service levels, while improving outputs and outcomes for 0 to 5 year olds while delivering efficiency savings.

2.0 Recommendations

- 2.1 That Cabinet approves officers commencing a programme of consultation and engagement with service users, staff and other stakeholders, reporting back to Cabinet in January 2015 with proposals for a sustainable model of delivery for the children's centres.

3.0 Background

- 3.1 Brent's children's centres provide:
- Services that support school readiness, health and wellbeing and effective parenting outcomes for families with children aged 0-4, particularly those with greater levels of need.
 - Multi agency support with onsite delivery of health visiting, midwifery services, Job Centre Plus, adult education and CAB plus other voluntary sector providers.
 - Early intervention: using the Common Assessment Framework (CAF) to identify family concerns, promote safeguarding and link with social care.

3.2 Current service locations are as follows:

3.2.1 Harlesden locality

- Curzon Crescent (and Challenge satellite)
- Fawood
- Harmony
- St Raphael's

3.2.2 Kilburn locality

- Granville Plus
- Three Trees (and Hope satellite)

3.2.3 Kingsbury locality

- Church Lane (and Mt Stewart satellite)
- Willow including Willow Nursery

3.2.4 Wembley locality

- Alperton
- Welcome (and Barham Library satellite)
- Wembley Primary (and Preston Park satellite)

3.2.5 Willesden locality

- Treetops
- Wykeham

3.3 Over the last year, Ofsted has begun to inspect children's centres on a locality basis. For a 'good' service, they expect to find evidence that at least 80 per cent of families with children aged 0-4 are known to children's centres and at least 65 per cent of 'target group' households are engaged in outcomes based support. The target group comprises households where no adults are in paid work, families that have a CAF, or are assessed as a Child in Need, on a Child Protection Plan, Looked After or who qualify for the two year old free entitlement for Nursery Education Grant or children with disabilities/additional needs.

3.4 Ofsted also expects to see quality and impact of practice and services with evidence of the extent to which target group children and families are securing positive outcomes in relation to child development and school readiness; parenting aspirations, self-esteem and parenting skills; and child and family health and life chances. They also expect to see effective governance, leadership and management. Advisory boards and parents must be involved in supporting and challenging the CC's work and setting priorities for improvement. The Ofsted ratings of our children's centre localities are as follows, with the last three inspections having achieved 'good':

Willesden - Requires improvement, awaiting re-inspection

Kingsbury - Requires improvement, awaiting re-inspection

Wembley T1 - Good

Wembley T2 - Good

Harlesden T1 - Good

Harlesden T2 - Not yet inspected, inspection due

Kilburn - Not yet inspected, inspection due

- 3.5 In 2011/12 the change to a locality model of working created more consistent and efficient working whereby shared management and staff teams operate across multiple sites. This has also led to a significant increase in partner delivery of services in children's centres (especially health visiting, midwifery and Job Centre Plus). Central management was reduced substantially, refocused on Brent's statutory obligations for sufficiency of children's centres, performance management and ensuring integrated early childhood services.
- 3.6 This model of working is contributing to the centres achieving their targets in attracting the most disadvantaged families as well as delivering improved outcomes for children and families, with increasing numbers of children from target families being ready for school, increased number of families where a CAF has been in place who do not require Social Care intervention. The completion rates of accredited parenting programmes are good with impact on parenting for some of the most vulnerable families.

Statutory obligations – children's centres

- 3.7 The Childcare Act 2006 makes local authorities responsible for the provision of children's centres, working with partners in health and Job Centre Plus particularly to ensure integrated early childhood services from children's centres and to meet obligations about the inspection of children's centres.
- 3.8 The statutory guidance for children's centres (May 2012) and the Ofsted inspection framework for children's centres (April 2013) 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:
- 3.8.1 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.
- 3.8.2 children's centres conform with all safeguarding requirements and have links with Children's Social Care to address any safeguarding needs as quickly as possible.
- 3.8.3 integrated services that support school readiness, health wellbeing and effective parenting outcomes for families with children aged 0-4 years, particularly those with greater levels of need. This to be jointly with partners including Health and Job Centre Plus.
- 3.9 Under section 98C of the Childcare Act 2006, the local authority's obligations in relation to Ofsted framework of inspection for children's centres emphasises contact with at least 65 per cent of target families actively engaged in support available from children's centres as the minimum expectation for a 'good' children's centre.

Current budget situation and organisation

- 3.10 For 2014/15 the direct children's centre budget is £2.512m.
- 3.11 The service is led by the Head of Early Years and Family Support who also sits on all of the Advisory Boards to offer support and challenge, is required to be part of any Ofsted inspection and involved in drawing up subsequent action plans.
- 3.12 Children's centres receive support from the central Early Years Team in terms of training, quality and data/performance monitoring. They also receive central support for budget monitoring, management, HR support, and Health and Safety support with some centres receiving support from property and asset management.
- 3.13 Each locality has a Business Support Officer managed through the BIBS service but based in a children's centre. The budgets for these support services sit outside the current children's centres budget but could be impacted by the proposed changes described below.
- 3.14 There are a number of contracts covering services such as speech and language service in the centres and one with Citizens Advice Bureau to deliver a service in children's centres. These are essential to meet core outcomes and provide a high quality service. There are also various spot purchased, smaller contracts for other service delivery but children's centre staff and strategic partners (particularly health and JCP) deliver most of the services. The two main contracts cost approx. £600K and a new two year contract was agreed starting April 2014.
- 3.15 A provider is also commissioned centrally to deliver crèche facilities across the centres. This is an essential element to both deliver high quality experience for young children and to enable parents/carers to attend groups/trainings (parenting, adult education, preparation for work, etc) knowing their children are well cared for on site.

Current and proposed change programme

- 3.16 The change programme for children's centres to deliver savings and a sustainable service going forward is in three phases:
- 3.17 **Phase One** comprised the deletion of children's centre locality management from the organisational structure (one tier of middle management). The statutory functions for sufficiency, integrated early childhood service planning and performance management were incorporated into the central team of Early Years and Family Support Service. Consultation took place with three affected members of staff and the posts were deleted from the structure from 1 April 2014 with the full budget saving of £154k being achieved for 2014/15.
- 3.18 **Phase Two** comprises the reconfiguration of Barham Library Children's Centre, St Raphael's Intergenerational Centre and Treetops Children's Centre to provide children's centre nursery places via private and voluntary providers. This change was approved by Cabinet in July and the early years team is working with Property Services and Legal Services to develop suitable agreements and get the new provision in place.

- 3.19 **Phase Three proposal.** The proposed third phase of change is to develop a new model of delivery. It is proposed to consult service users, staff and other stakeholders on a proposal to tender the management and day to day governance of the children's centres to an experienced provider with that provider taking on the running of the buildings, the employment and management of staff and the responsibility for service delivery to meet the core offer requirements.
- 3.20 Under this model the selected provider will resource and develop the required universal services and the Local Authority will fund the targeted Early Intervention services for the most vulnerable families. Under this model the strategic role for the Early Years Service will be to secure good quality children's centres, challenge practice and performance management, supporting good Ofsted outcomes and focusing resources on the targeted households and other families with additional needs.
- 3.21 Essentially this model attempts to deliver a similar level of service to the current model (or potentially better) for a reduced level of resourcing from the local authority. It looks to future sustainability, since external service providers will have the ability to leverage in additional funds from their own contacts for example the National Lottery, European funding, etc which the current service, as a council service, cannot access.
- 3.22 The partnership delivery model proposed is one that has been put in place in other local authorities and there are several strong providers present in the market. The contract would specify outcomes from the centres and the council would fund the targeted work, while the contractor would be expected to provide universal services using volunteers and by raising funding from other sources. They would be given the use of the buildings such that they could diversify community use if it contributed to the essential aims of the children's centres and the core services were successfully delivered. This has the potential for wider community benefits.
- 3.23 The local authority would retain its statutory responsibilities around sufficiency, quality and data provision to whoever manages the service and any agreement will specifically address this and allow access and opportunity to fulfil the requirements.
- 3.24 This recommendation to consult excludes the children's centres managed by SLA by the Governing Body of Curzon and Fawood Maintained Nursery schools (Fawood, Curzon and Challenge House children's centres). This is because at these centres, the children's centre functions are fully integrated within the Fawood and Curzon Children's Centre Partnership with efficiency in terms of support and overheads as well as good outcomes. The Partnership Governing Body through an SLA has responsibility for three sites, including Challenge House.
- 3.25 The Curzon and Fawood Partnership SLA operates without any payment for overheads such as HR, ITU or business support. This Partnership also draws less on the central team, in terms of training, pre-post Ofsted support, etc since they operate with the autonomy of a school.
- 3.26 The physical integration of centre and nursery provision is complete in particular at Fawood where it was built as an integrated centre, so that to change or disaggregate this would be difficult and costly.

- 3.27 The Partnership has had successive successful children's centre Ofsted inspections; indeed the latest report highlights the quality of the work that could support others and the headteacher is currently seconded part time to lead the quality team in the local authority. The leadership of the Partnership has also been utilised to work and support other centres over time. It would not be appropriate to change this successful partnership arrangement and keeping this outside the proposed contract is not thought, at this stage, to affect the viability of the package.

Experience of other local authorities

- 3.28 Clearly children's centre cost savings are a live issue for the majority of local authorities. It appears from discussion with London DCSs that other London authorities are achieving cost savings by moving to a locality model and therefore reducing management and staff costs by having a team working across a group of centres. This saving has been banked already in Brent. Some local authorities have closed a large number of children's centres and diminished the service.
- 3.29 Information on other authorities' approach to savings is limited but Appendix One shows the experience of four local authorities in going down the partnership route

The process

- 3.30 If following consultation and further consideration by the Cabinet, the council embarks on a tender route, a detailed proposal for the procurement process would need to be approved by the Cabinet. Given the nature of the service, the council may need to follow a restricted procedure procurement route but adapted to include elements from a competitive dialogue or negotiated approach. The award criteria will reflect a focus on outcomes and the scope for developing provision as well as a focus on working with and involving local partners, especially the voluntary sector. Given the timing of the change, this is an opportunity to commission 0 to 5 year old public health outcomes as part of this process.
- 3.31 This change would involve transfer of existing children's centre staff and potentially other staff whose sole role is working at children's centres (for example administrative staff). Service users, staff, the Local Advisory Boards and partners would need to be consulted so that this could feed into the process of developing a procurement process and a detailed service specification. Consequences for assets and asset management would also need to be considered.
- 3.32 Experience from other local authorities shows that a change process of this kind would be a large scale project and would involve a wide range of council services including Legal, Procurement, HR, Finance, Property, Early Years.
- 3.33 The DfE has laid down strict requirements for formal consultation with service users, and potential users on changes to children's centres. This would take approximately three to four months to fulfil and also includes consultation with partners involved in delivery of services in the centre and local schools and PVI providers in each area. The Local Advisory Boards would be a key part of this consultation.

3.34 Proposed timeline

November 2014	Cabinet report to seek in principle approval to initial consultation process
November 2014	Commence consultation with service users and staff on the options for a new model of service delivery.
November 2014	Complete EIA for staff and for service users.
January 2015	Complete consultation and prepare report of results.
January 2015	Report to Cabinet seeking authority to tender*.
January 2015	Commence formal public and partner consultation
February 2015	Commence tender process to seek a suitable provider*.
April 2015	Complete public and partner consultation and prepare report findings.
May 2015	Complete tender process and Cabinet report on award of contract to commence in September 2015*

*These stages will only be appropriate if, following consultation, tendering appears an appropriate option,

4.0 Financial implications

- 4.1 The total children centres budget for 2014/15 is £2.512m and supports the centres.
- 4.2 The proposal to develop a new model of delivery will need to take into consideration the Council's financial situation and savings that may be achievable if a provider was to deliver the service with reduced resources from the local authority. Following the consultation process, the financial implications of a new model of delivery will be reported to Cabinet in January 2015.

5.0 Legal implications

- 5.1 Legislation about children's centres is contained in the Childcare Act 2006 and subsequent Statutory Guidance issued by the Department for Education, which local authorities must have regard to when exercising their functions under the Childcare Act 2006.
- 5.2 Under section 5D of the Childcare Act 2006 the council must consult before making any changes to the services provided through existing children's centres.
- 5.3 In undertaking the consultation, the council has a duty to factor in the four underlying obligations that the council is required to follow in undertaking any consultation. These obligations are that:

- a) Consultation must be at a time when proposals are at a formative stage;
- b) The proposer must give sufficient reasons for its proposals to allow consultees to understand them and respond to them properly;
- c) Consulters must give sufficient time for responses to be made and considered; and
- d) Responses must be conscientiously taken into account in finalising the decision.

5.4 The statutory guidance makes reference to the effect that local authorities should consider involving organisations that have a track record of supporting families and should be aware of the option to set up and transfer children's centres into a public service staff mutual in line with employees' 'Right to Provide' provision.

5.5 Subject to consultation and further consideration by the Cabinet, any outsourcing of the management of the identified children's centres, as stated within the body of the report, would be undertaken in the form of a procurement exercise to procure the management services of a suitable provider. Currently, the Public Contract Regulations 2006 (as amended) would govern the proposed procurement, in addition to officers adhering to the council's own Contract Standing Orders and Financial Regulations.

6.0 Diversity implications

6.1 Full EIAs will be carried out for both staff impact and for service user impact as part of this project. Clearly children's centres are established to tackle disadvantage and promote equality of opportunity. Work is carried out to target particular groups, eg Somali community, eastern European families, Traveller families to address disadvantage.

7.0 Staffing implications

7.1 Subject to consultation and further consideration by the Cabinet, any outsourcing of the management of the identified children's centres would have significant staffing and accommodation implications. TUPE will apply to council staff working in the centres and any new provider will be required to meet obligations under the legislation. The procurement process will require that all prospective providers must operate consistently with Brent TUPE processes to protect the rights and benefits of Brent employees.

7.2 Accommodation implications include ensuring that the partner is able to maximise use of the children's centre buildings for the benefit of children and the wider community.

Background Papers

Appendix One: Experience of other local authorities in redesign of children's centres

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Strategic Director Children and Young People

Appendix One

Experience of other local authorities in redesign of children's centres

1. Department for Education claw-back

Local authorities are required to notify the department of any changes to any asset funded by the Sure Start grant, including children's centres. The Department for Education reported in August 2013 that 200 changes relating to children's centres had so far been notified to the department and the potential claw-back implications of each of these changes have been considered.

To date no claw-back had been applied to any children's centre as local authorities have been able to show that even after the changes to the children's centres, they continue to deliver predominantly early years services by way of nursery provision or the two year old offer for example, which is a condition of the original grant.

The key lesson to apply here is about ensuring that so long as premises that have been supported through capital grants by the Department for Education continue to deliver predominantly early years services, these will not attract claw-back. The Brent proposals for primarily delivering early education through existing children's centres are consistent with this requirement.

2. Other local authorities

2.1. London Borough of Croydon

In light of national cuts in local authority funding, the council reduced its overall budget for Children's Centres from £4.6M to £3.5M from 2013 with reductions being required during 2012. This reduction, along with the need to refocus funding on deprived families and services towards more vulnerable families, necessitated changes either to the centres (in terms of staffing, management and opening times) and to the services that are delivered.

Wide ranging consultation took place with families in line with statutory requirements about consulting on substantial changes to the way children's centres are configured. This included questionnaires with families with children aged under five who used children's centres and staff and other stakeholders, focus groups with families with children aged under five who used children's centres and staff and other stakeholders and targeted engagement with families with children aged under five who either did not use children's centres or were amongst populations at greater likelihood of not engaging such as deaf parents, young parents and parents with children with complex medical or health needs. In total, more than 2,000 parents offered perspectives as part of the consultation together with more than 250 multidisciplinary staff and managers.

Consequent to this consultation exploring four alternative models and the status quo, the council re-designed children's centres into locality based collaborations with a single strategic manager responsible for three to five centres in five collaborations, driving a more targeted

approach to the most vulnerable families through these settings using evidence-based methodologies, with Family Engagement Partnerships with Health being implemented to deliver an integrated service for 0-5 year-olds.

Croydon reduced the number of children's centres and contracted the management of children's centres to the voluntary sector, albeit avoiding capital claw-back through making centres available for alternative but highly valued children's service provision e.g. a base for children with disabilities and early help services (however continuing to provide some children's centre services through outreach) and having single children's centre teams operate across multiple children's centres.

2.2. London Borough of Westminster

Westminster undertook a substantial reorganisation of their children's centres in 2012/13 moving to a locality model of three 'hub' children's centres with the remaining nine children's centre sites offering 'satellite' services including enhanced two year old places and nursery provision. This approach delivered substantial savings primarily as a consequence of management and administration consolidation. Given that the nine satellite sites offer early years services, together with other Early Help and voluntary sector provision, the reorganisation did not trigger any DfE claw-back requirements. Consultation with Westminster parents and with children's centre and partner agency staff took place.

A mixed model for managing children's centres is operational in Westminster, where two hubs are led by statutory nursery schools working with other providers and the other hub is led by the local authority. Children's centre delivery groups come together within each of the hubs to jointly plan services offered through children's centres and more broadly in partnership with health services, voluntary and community sector agencies, early years providers and schools.

While there is no direct management of children's centres by voluntary sector providers, these providers are extremely engaged in the governance of all three hubs and the local authority wide advisory board, as well as the Children's Trust. Voluntary sector providers are also contracted to deliver wide-ranging services through children's centres and this includes family support work as part of Early Help delivered through children's centres. To build voluntary sector participation and reduce transaction costs associated with small contracts generally, voluntary sector agencies come together now as a consortium to bid for work. As part of the close partnership with voluntary agencies in Westminster, the council has funded accreditation of voluntary sector trainers to deliver parenting programmes and in exchange these trainers deliver parenting programmes without charge, for example

2.3. Hampshire County Council

The county council reduced its overall budget for children's centres from approximately £16m to £11m. This occurred in 2012/13 and resulted in a move from 81 standalone children's centres to 54 children's centres operating in 15 clusters (with three to five children's centres per cluster).

As part of this reorganisation, Hampshire contracted out the management of all children's centres to voluntary organisations with TUPE transfer of staff across to the new organisations. Thirteen clusters are managed by Action for Children and two clusters are managed by 4Children working with several nursery schools (which incorporate on-site children's centres and would neither have been appropriate or straightforward to disentangle from the school's management). Previously, approximately one third of children's centres were managed directly by the local authority, one third by schools and one third by voluntary organisations.

Hampshire has retained, however, a team of three children's centre support officers within the local authority who are responsible for local authority challenge, quality assurance and ensuring that children's centres effectively implement the Performance Management Framework. In discussions with the local authority lead officer, Janet Hoff, she strongly recommends the value of these types of roles for local authorities that undertake substantial partnering with voluntary organisations in the management of children's centres; noting that the revised Ofsted framework for inspection of children's centres has made this even more valuable.


In moving to a cluster model and reducing the number of children's centres, smaller centres continue to be used as part of an early years offer. This includes provision of increased nursery places for two, three and four year olds and for delivery of satellite services for families with young children. This has ensured that no claw-back provisions with DfE have been triggered through the changes to how the sites are being used.

Hampshire is currently implementing its Early Help agenda and children's centres are central to the delivery of this work. The contracts with voluntary sector organisations provide sufficient flexibility to accommodate these organisations actively contributing to the implementation. This includes, for example, staff having caseloads of work with families allocated through Early Help and centres being used for the delivery of Early Help services.

The local authority lead officer, Janet Hoff, identified benefit in outsourcing arrangements that set out a resource envelope to incentivise lower cost proposals than a total budget approach (although being mindful of quality considerations) and the added value of voluntary sector expertise in managing children's centres and early years services and in drawing in additional resources. The latter can present challenge, however, when the organisation/s succeed in attracting resources for their own cluster or clusters and this competes with other borough wide initiatives. This has occurred recently in relation to Parent Champions work where an organisation succeeded in attracting funding for participation in a national programme simultaneously with a borough wide programme for implementing Parent Champions.

2.4. Tameside Council

Tameside have reviewed the children's centre offer within the context of a new early years delivery model and service reform to assist in the provision of a broader integration agenda and community offer. Tameside will move from 17 designated children's centres in the borough to a seven centre option within the borough which will be supplemented by a targeted outreach offer through the Early Intervention Service and the New Early Years Model. At the same time as developing the new model, the service area is required to make savings of £300,000 across 2013/14 to 2014/15.

 Brent	<p>Cabinet 10 November 2014</p> <p>Report from the Director of Regeneration and Growth</p>
For Action	Wards affected: ALL
<p>Allocation Scheme Review</p>	

1.0 Summary

1.1 This report sets out proposals for alterations to the council's Allocation Scheme intended to align the scheme more effectively with strategic objectives, make best use of available resources and correct anomalies in the existing Allocation Scheme.

2.0 Recommendations

2.1 Cabinet is asked to note the responses provided in the consultation process as summarised in Sections 4 and 5 of this report (and as set out in more detail in Appendix 3 to this report / and set out in the Equality Impact Assessment in Appendix 1 to this report);

2.2 Cabinet is asked to note and take into account the content of the Equality Impact Assessment as set out in Appendix 1 to this report;

2.3 Cabinet is asked to approve the proposed changes to the Council's Allocation Scheme as set out in paragraphs 5.1 to 5.8 of this report and summarised as follows:

- (a) In specified circumstances, the Allocation Scheme will allow bids to be placed automatically through Locata where a household fails to bid.
- (b) Band C priority should be restored for homeless households accepting a Qualifying Offer.
- (c) The Allocation Scheme should allow direct offers to be made at the council's discretion rather than limited to exceptional circumstances.

- (d) Adult children should not be allocated a separate bedroom if they are able to share with a same-sex sibling of any age.
 - (e) Parents who have only one child residing with them will be able to bid for one-bedroom properties where they choose to do so.
 - (f) Where the applicant is an under-occupier, adult children may be included as part of the household if the move is to a smaller home.
 - (g) Households who were not employed at the time of application should be able to request the award of additional waiting time once they enter employment through submission of a change of circumstances form.
 - (h) Residence criteria should apply to homeless households as they do to other applicants.
 - (i) Overcrowding cases should move from Band B to Band C for all tenures.
 - (j) The omission of the Voluntary Sector Quota from the current Allocation Scheme should be corrected.
- 2.4 Cabinet is asked to note that a report on the impact of the changes based on the first six months following implementation will be presented to the Policy Coordination Group in July 2015.

3.0 Background

- 3.1 The Housing Act 1996 requires local authorities to publish an Allocation Scheme setting out how priority for housing will be determined and the process through which allocations will be made. The current Allocation Scheme was approved by the Executive in April 2013 and was implemented on a phased basis between October 2013 and February 2014. A revised scheme was needed to comply with the requirements of the Localism Act 2011 and to ensure consistency with the council's Tenancy Strategy, which was approved in July 2012.
- 3.2 In the intervening period a need for further changes has been identified, with the aim of ensuring best use is being made of available resources. The relevant paragraphs below consider the particular indications of a need for change in relation to the individual proposals, while this section provides an overview of the wider factors involved.
- 3.3 The Council's Housing Strategy, approved in July 2014, sets out the context in which the Allocation Scheme operates. The housing market has seen significant change over the past few years, notably a significant shift in the tenure balance in Brent, driven by a significant rise in private renting, accompanied by rising house prices and rents in the private sector. Coupled with the impact of welfare reform, house purchase and private renting have become increasingly inaccessible to many Brent households, especially those who are unemployed or on low incomes and reliant on Housing Benefit. Homelessness has risen across London, particularly as a result of eviction

from private rented housing and the consequent increase in demand for social housing has not been met by an equivalent rise in new supply. At the same time, competing demand for and the rising cost of private renting have made it increasingly difficult for the council to secure private rented housing within the borough on a temporary or permanent basis. These factors, coupled with the changes to tenure and rents introduced by the Localism Act, have required the changed approach set out in the Tenancy Strategy and the current Allocation Scheme.

- 3.4 The Council's Housing Strategy recognises that demand pressure, particularly as a consequence of homelessness, leads to significant financial pressure through demand for temporary accommodation. The Strategy therefore sets clear targets to reduce temporary accommodation use and to increase the focus on homelessness prevention. At the same time, the Strategy emphasises the importance of employment, both for individual households and for the health of the local economy, seeking to identify ways in which employment can be supported and rewarded and identifying the strong links between the council's housing policies and its approach to employment, skills and enterprise.
- 3.5 In this context, it is essential that the available stock of social and affordable housing should be used in the most effective way to meet need. The changes proposed in this report seek to ensure that households do not stay longer than necessary in temporary accommodation and that every effort is made to ensure that households can remain in the borough through provision of affordable accommodation, minimising the number of temporary or permanent placements in other areas. In addition, it is important that the new homes provided through the Mayor's Affordable Housing Programme in this and future years are used most effectively to accommodate those households most at risk from the impact of welfare reform and other pressures.
- 3.6 The proposed changes also seek to address anomalies in the current Allocation Scheme and to ensure that the system addresses different needs in an appropriate and fair way. It is also intended that the Scheme should be transparent and explicit about the available options, so that applicants have a realistic picture of their position and their expectations for rehousing.

4. Consultation

- 4.1 The legislation requires consultation with Registered Providers; however, as with the earlier consultation on the current Scheme, consultation was also undertaken with households on the Housing Register, in acknowledgement of the significance of the changes for them. A summary of the consultation responses in relation to each proposed change is given at the relevant points in the report and in the Equality Assessment.
- 4.2 There was a good level of response to the consultation with 384 responses received electronically, the majority coming from households on the Housing Register. All references in the following paragraphs to the percentage of consultation responses for or against a proposal refer to the total of 384 responses received. Responses were also received from providers,

principally through discussion of the proposals with representatives of BHP and housing associations. Although the majority of households (76%) on the register have been accepted as homeless it is not possible to infer that they also make up the majority of respondents.

- 4.3 Consultation indicated clear support for the majority of the proposed changes, with two main exceptions, both relating to the proposals on bedroom allocation set out in section 5.4 below (although it should be stressed that, in both cases, providers were in favour). Changes have been made to these and some other proposals in response and details are given at the relevant points in this report.

5. Proposed Changes

5.1 Automated Bidding

- 5.1.1 Through the Brent choice-based lettings scheme, Locata, available properties are advertised on line each week. Applicants are able to bid for these properties and the Allocation Scheme determines how bids are prioritised. Priority is given to households in the highest band and within each band priority is given to households on the basis of the date their application was placed in that band.

- 5.1.2 In theory, this ensures that those who have the highest priority and have been waiting longest will be at the head of the queue to secure a property. However, some households have remained in temporary accommodation significantly longer than the average waiting time for rehousing without placing any bids. There are many possible reasons for this; in particular, given that it can take several years to acquire sufficient priority to bid, households may choose to remain in temporary accommodation that they have become accustomed to. Officers are concerned that applicants who could move on are not taking action themselves and it is therefore proposed that, in specified circumstances, bids should be placed automatically where a household fails to act.

- 5.1.3 Although it should be stressed that the Housing Register changes constantly as households join or leave it, at the time of writing there are 4509 applications in Band A-C, of which 3443 (76%) are homeless households in temporary accommodation. 404 of the latter have not made a bid in this financial year. The current scheme provides for bidding by proxy "in certain circumstances" (Section 6.5.7), but it is proposed that an amendment should allow automatic placement of bids through Locata once a household falls into the 5% of accepted homeless cases who have been waiting longest for the relevant property size. Bids would only be placed on appropriately sized properties and would take account of any medical or mobility recommendations in terms of property type and location.

- 5.1.4 Consultation indicated strong support for this change, with 52% agreeing or agreeing strongly while 31% disagreed or strongly disagreed. Responses indicated concerns about the way the change will be communicated and the potential barriers faced by vulnerable applicants. Each case will be

considered on its merits and appropriate support will be provided where it is needed, for example where physical or learning disability is a barrier. Consultation responses also suggested that the reasons for failure to bid might include reluctance to move to areas not close to children's schools or areas that are unpopular for various reasons. Given the pressures noted above and the uneven distribution of social and affordable housing in the borough, there is a need to communicate more effectively over what is deliverable in terms of the location of potential offers and the accessibility of housing to schools and other services.

5.2 Band C for Homeless Households Accepting a Qualifying Offer

- 5.2.1 Since the implementation of the relevant parts of the Localism Act on 9th November 2012, local authorities have been able to discharge their homelessness duties through an offer of accommodation in the private sector in appropriate cases and the council has elected to use this power. However, the power does not apply to households whose homelessness application was accepted before that date. In such cases, the household may voluntarily accept an offer of appropriate accommodation in the private sector and acknowledge that the council has discharged its duty through a "Qualifying Offer".
- 5.2.2 The previous Allocation Scheme (which was in force during 2007 to 2012) allowed homeless households who accepted a Qualifying Offer to retain Band C priority on Locata, thus providing some incentive for households to participate in addition to the ability to move on from temporary accommodation more quickly. This provision has been overlooked in the revised scheme although there was never any intention to remove it and it was therefore not included in consultation on the revised scheme. Officers' view is that the award of Band C priority remains a valuable incentive and, since it was removed in error and without consultation, the provision should be reinstated. Affected households would therefore retain Band C priority, effective from the date of the original acceptance of a homelessness duty by the council, subject to the annual re-registration exercise.
- 5.2.3 Consultation indicated strong support, with 63% agreeing or agreeing strongly, while 18% were opposed. The consultation also asked whether any time limit should be applied to the retention of Band C status. The majority (53%) felt there should be no limit, although a significant minority (35%) supported a two-year limit, with smaller numbers suggesting five or seven years. Given the general support for no time limit, it is proposed that applications should be subject to review in the usual way as part of the annual re-registration exercise as noted above. This will ensure that applicants who wish to remain on the register have the opportunity to confirm their application. Consultation also indicated some concerns about what applicants need to do when their circumstances change and some misunderstanding of what a Qualifying Offer entails. It is recognised that there is a need for improved communication and information around these issues.

5.3 Direct Offers

- 5.3.1 Alongside the Locata choice-based system, the council retains the ability to make an offer of accommodation direct to an applicant. Although it is required that priority be given to households falling into one or more of the reasonable preference categories, the legislation allows a proportion of allocations to be made outside the usual terms of any scheme (although the size of this proportion is not defined). Direct offers are used most often to ensure that an applicant can be rehoused quickly, since the outcome of bidding through Locata cannot be guaranteed. For example, a direct offer might be made to meet urgent medical needs. A full list of the reasonable preference categories and the circumstances in which direct offers might be made is set out at Appendix 2.
- 5.3.2 In addition to urgent cases, wider use of direct offers could assist in meeting other priorities. During 2014/15 the Mayor's Affordable Housing Development Programme will deliver additional homes to Brent and the council needs to take full advantage of the additional lets and be confident about the number of applicants who can be rehoused. In particular, consideration needs to be given to households posing a financial risk to the Council if they are not rehoused. In the current financial year, this relates to those impacted by the Overall Benefit Cap, who are only able to sustain their accommodation with significant financial support unless they are able to move into social rented housing. Further changes to the welfare system could require consideration of different groups in the future.
- 5.3.3 The current Scheme (Section 6.10) allows for Direct Offers to be made only in 'exceptional circumstances' in any year and the current list of defined circumstances reflects this approach. To provide scope to meet lettings priorities more effectively, it is proposed that the Scheme be worded to allow direct offers to be made at the council's discretion rather than limited to exceptional circumstances. The number of such offers would need to be proportionate with regard to the need to allocate on the basis of reasonable preference as noted above.
- 5.3.4 81% of consultation responses supported this change, with 49% agreeing strongly. The consultation also asked whether any additions needed to be made to the circumstances in which direct offers can be made, as set out in Appendix 2. A number of suggestions were made, all of which were already included in our scheme.

5.4 Bedroom allocation

- 5.4.1 In the current scheme, a separate bedroom is assigned to:
- Each married, civil partnership or co-habiting couple
 - Any other person aged 21 or over
 - Each pair of children or young people aged between 10 and 20 and of the same sex.
 - Each pair of children under 10, regardless of their gender

- Any unpaired person aged between 10-20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10
- Adult siblings (under 21) of the same sex living as part of a larger household will be expected to share.

- 5.4.2 The bedroom requirements in the current scheme limit flexibility and mean that households face longer waiting times. Change is proposed in two sets of circumstances to address this.
- 5.4.3 First, adult children (aged 21 or over) are counted as part of a homeless household and many larger households have adult children. Given the significant shortage of larger properties, the requirement to allocate each adult child a separate bedroom means that households will face a much longer wait than would be the case if adult children were, like younger children, expected to share a bedroom. It is therefore proposed that adult children will not be allocated a separate bedroom if they are able to share with a same-sex sibling of any age. Adult children would not be asked to share with other adult relatives.
- 5.4.4 With regard to the proposal that adult children should share a bedroom, consultation indicated strong opposition, with 64% disagreeing and 24% in favour, although providers took a different view and supported the proposal. However, the severe lack of larger homes, the pressure of demand and the need to make the most effective use of the available stock require that the change should be implemented. This is especially the case for larger homes, where applicants face very long waits for properties that are very scarce or, in the most extreme cases, are not available. It should be stressed that the Allocations Panel will be able, as with other aspects of the Scheme, to consider exceptions. These would include, for example, cases in which a disabled or sick person requires their own room.
- 5.4.5 Conversely, there was also some questioning of the inclusion of adult children in any application, on the assumption that they should be moving on into independent accommodation. This is not the intention of the proposal. Comments did not suggest any viable alternative approaches.
- 5.4.6 Secondly, parents with only one child residing with them (including households where a mother is pregnant with the first child) have only been able to place bids for two-bedroom homes. This is the largest demand category on the waiting list and the waiting time is seven years on average. In contrast, the current waiting time for a one-bedroom property is three years. Where households assessed as needing two bedrooms request a one bedroom property to speed up rehousing, the current scheme provides discretion but this option has not been well-publicised and many applicants are unaware of it. The original proposal as set out in the consultation paper would enable the Council to enforce an offer of a 1-bedroom property to this client group, to provide some stability for the household for a fixed term of five

years, as opposed to continuing long waits in temporary accommodation and frequent moves between temporary accommodation provision, often outside the borough.

- 5.4.7 Consultation indicated significant opposition (56%) to this change and in response it is proposed that placing bids on 1-bed properties should remain a matter of choice, without any element of compulsion. Minimum space standards would apply in such cases to ensure that there is no risk of statutory overcrowding. Since, in the majority of cases, households would still be lacking a bedroom, it is proposed that they should retain their Band C status and that their previous waiting time will also be carried forward.
- 5.4.8 A number of households have requested rehousing into one bedroom homes and anecdotal evidence from other authorities allowing this approach suggest that take-up of the option has been high.
- 5.4.9 The consultation also asked whether an age limit for children of the household should be applied but since the option will now be based on choice, it is not proposed to apply any age limit. Comments made in consultation referred to parents sharing bedrooms with children. This is not the intention and may indicate some ambiguity in or misunderstanding of the proposal and may have contributed to the high level of opposition.

5.5 Under-Occupation

- 5.5.1 Large properties (three bedrooms or more) are in particularly short supply and the council encourages under-occupiers to move, including through provision of an incentive scheme. Currently, adult children over 21 are not considered part of a household when a transfer application is made, unless they are formally recognised as requiring or providing care. However, this policy has discouraged some older applicants who would like to downsize from following up applications, in particular where they are reliant on some level of support from their adult child or children which falls below the threshold of formal care.
- 5.5.2 It is therefore proposed that, where the applicant is an under-occupier (i.e. has one or more spare bedrooms), adult children may be included as part of the household if the move is to a smaller home; for example, from a three bedroom property to one with two bedrooms.
- 5.5.3 53% supported this proposal with only 10% disagreeing. As with the previous change, some comments questioned the principle that adult children should be allowed to live with applicants. While this may be an understandable concern, it is considered that the support, even at relatively low levels, offered by adult children to parents outweighs any other factors.

5.6 Incentive and Reward for Employment

- 5.6.1 The Housing Strategy and the Allocation Scheme aim to support employment and economic growth. The current Allocation Scheme offers increased priority to applicants who are working but on incomes that make it difficult for them to access private market options or low cost home ownership. This is achieved by granting additional waiting time of five years for those working at the time of their application for housing, effectively moving them to a higher position within their band on Locata. However, the Scheme is worded in a way that effectively excludes households who start and sustain employment after their first approach, application and acceptance onto the housing register.
- 5.6.2 It is therefore proposed that the Scheme should be amended to correct this anomaly by allowing households to request the award of the additional waiting time through submission of a change of circumstances form. For example, this would apply to a household that was not working when accepted as homeless but has since started and sustained work for the required amount of time.
- 5.6.3 50% were in favour of this change, with 27% opposed. There were no significant comments or suggestions either in favour of or against the proposal although many respondents were pleased that the Scheme will continue to reward employment.

5.7 Residence Criteria and Accepted Homeless Cases

- 5.7.1 Section 3.5.3 of the current Scheme states that (subject to certain exceptions required by legislation and regulation): *“All applicants must currently be living in the London Borough of Brent and have continuously lived here for the period of five years or more prior to joining the housing register.”* However, a specific exception is made for homeless applicants to whom the council has accepted a full housing duty.
- 5.7.2 It is proposed that this exception should be removed to place homeless households on the same footing as other applicants and reflect more accurately the rehousing options and waiting times in the borough. Households would receive their acceptance date as normal, but would only be able to bid for properties on Locata after five years residency has been achieved. Any residence prior to the acceptance date would be counted and a household would therefore only face a full five-year wait in exceptional circumstances. It should also be noted that the award of additional waiting time for households who are working would only apply five years after the acceptance date. In practice, given average waiting times, the impact on ability to bid will be limited and the change will remove a distinction between homeless and other households that can be perceived as placing the former at an advantage.
- 5.7.3 It is also recognised that average waiting times for rehousing may sometimes be less than five years; for example, the current average wait for a one-bedroom property is three years. It is therefore proposed that, while the five

year residence requirement should remain as a benchmark, households should be eligible to bid once their residence has exceeded the average waiting time for the relevant bedroom category, or five years if that is a shorter period.

- 5.7.4 It should be stressed that there may be cases in which the application of this change would not be appropriate, for example a household fleeing an immediate threat of violence.
- 5.7.5 64% of responses supported this change, with 15% against. Comments frequently reflected the view noted at 5.7.2, suggesting that long-term residents should have more priority over homeless households. This may reflect the fact that responses to consultation have come mainly from Housing Register applicants, many of whom have already faced long waits before being able to bid successfully.

5.8 Overcrowding

- 5.8.1 Overcrowded households (lacking two bedrooms) are currently awarded Band B priority, the award given for urgent housing need. In general, a Band B applicant should expect to be rehoused within a year of their application but the large number of households that have applied as overcrowded in Brent distorts the position and gives a misleading picture to overcrowded applicants. In particular, homeless households in temporary accommodation are placed in Band C and this proposal seeks to give equal priority to households without a social home and those that already have a social home, albeit of an unsuitable size.
- 5.8.2 It is proposed that such cases should move from Band B to Band C to reflect more accurately the waiting period applicants will face. This would apply to applicants in all tenures. While social housing cannot be provided for all overcrowded households, the council can provide support for them to find alternative accommodation that better suits their needs rather than waiting in unsuitable accommodation.
- 5.8.3 Consultation responses were split fairly evenly on this point. 30% felt that overcrowding should attract higher priority than homelessness, 44% felt that the priority should be the same and 26% that it should be lower. This may well reflect the status of individual respondents and whether they are homeless or overcrowded. Comments also stressed the importance of having regard to any special needs or vulnerability. In this, as with other elements of the Scheme, the council retains the ability to consider cases through the Allocations Panel and to make exceptions where appropriate.

5.9 Voluntary Sector Quota

- 5.9.1 A further anomaly arising from the transition from the previous Allocation Scheme to the current one is the omission of a quota allowing voluntary sector agencies to nominate a set number of households for social housing each year. The quota is used to free up bedspaces in supported accommodation and support those who have acquired the necessary living skills to live

independently in the community. Households – primarily single people with mental health issues or physical disabilities – are identified through discussions between the START Plus team and voluntary sector agencies. Accepted households receive Band B priority and, since they will be seeking bedsit or one bed homes, can usually expect to be rehoused reasonably quickly.

- 5.9.2 There has been discussion of a possible change to this arrangement, replacing the fixed quota with the ability to put forward an unlimited number of cases for consideration by the Allocations Panel. However, there has been no consultation on this option as yet and no analysis of the possible impact of changing the current process. It is therefore proposed that the existing quota should be reinstated in the Allocation Scheme and that the relevant voluntary sector agencies should be advised of this. As noted below and in the Equality Assessment, the temporary removal of the quota has had a negative impact for this group, which will be corrected by its reinstatement.

6.0 Financial Implications

- 6.1 The Allocations Policy supports the Housing Strategy agreed by Cabinet in July 2014 and as such there are no immediate and direct financial implications resulting from the recommendations of this report.
- 6.2 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, particularly in respect of Housing Benefit Subsidy supporting people in Temporary Accommodation, are also supported from Central Government funds in respect of Housing related benefits and in the form of grants.
- 6.3 The Allocations Policy will assist in the delivery of the Housing Strategy which will need to be undertaken within the limited resources available to the Council. Officers will continue to review and monitor expenditure and income in order to minimise the impact of costs of Temporary Accommodation and to make the most efficient use of available funds to support the strategy in line with Corporate priorities.

7.0 Legal Implications

Allocation Scheme

- 7.1 The requirements regarding allocation schemes are set out in section 166A of the Housing Act 1996 ("the 1996 Act"), which has been inserted by section 147 of the Localism Act 2011.
- 7.2 Under section 166A(1) of the 1996 Act, every local housing authority (which includes Brent Council) shall have a scheme for determining priorities and as to the procedure to be followed in allocating housing accommodation. The allocations scheme must also include the authority's statement on offering choice of accommodation or how people are offered the opportunity to express their choice.

- 7.3 Under section 166A(14) of the 1996 Act, a local housing authority shall not allocate housing accommodation except in accordance with their allocation scheme. In other words, if a Council pursues allocation policies that are outside its allocation scheme, then they will be deemed to be unlawful.
- 7.4 Under section 166A(12) of the 1996 Act, a local housing authority must, in preparing or modifying their allocation scheme, have regard to: (a) its current homelessness strategy under section 1 of the Homelessness Act 2002, (b) its current tenancy strategy under section 150 of the Localism Act 2011, and (c) as Brent Council is a London Borough, the London housing strategy prepared by the Mayor of London. The content of these strategies have been considered in the formulation of the proposals set out in section 2 of this report.
- 7.5 Section 166A(13) of the 1996 Act states that before adopting an allocation scheme, or making an alteration to their scheme reflecting a major change of policy, the Council must -
- (a) send a copy of the draft scheme, or proposed alteration, to every private registered provider of social housing and registered social landlord with which they have nomination arrangements (see section 159(4)), and
 - (b) afford those persons a reasonable opportunity to comment on the proposals.
- These consultation requirements have been carried out.
- 7.6 Section 166A(3) outlines priorities to which the Allocation Scheme must give reasonable preference. As for what is a reasonable preference is a matter for the Council's Cabinet to determine in approving and amending the Allocation Scheme. These categories are outlined in detail within the scheme, but in summary they are;
- Homeless households
 - Homeless households in temporary accommodation
 - People living in overcrowded or unsatisfactory housing
 - People who need to move on medical or welfare grounds (including any ground relating to a disability)
 - People who need to move to a particular locality within the district where to not move them would cause hardship (to themselves or others).
- Additional preference may be given to any particular category where there is urgent housing need.
- 7.7 Subject to the content of section 166A(3) of the 1996 Act as set out in the previous paragraph, the allocations scheme may contain provision about the allocation of particular housing accommodation: (a) to a person who makes a specific application for that accommodation; (b) to persons of a particular description (whether or not they are within the categories set out in the previous paragraph). The Secretary of State has the power to make regulations to specify factors which a local housing authority in England must not take into account in allocating housing accommodation.
- 7.8 The Department for Communities and Local Government has issued statutory guidance in June 2012 and is entitled: "Allocation of accommodation:

guidance for local housing authorities in England”. The content of this statutory guidance has been considered in the formulation of the proposals set out in section 2 of this report.

Equalities – Public Sector Equality Duty

- 7.9 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.
- 7.10 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.
- 7.11 Having “due regard” to the need to “advance equality of opportunity” between those who share a protected characteristic and those who do not includes having due regard to the need to remove or 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.
- 7.12 The Council’s duty under section 149 of the Equality Act 2010 is to have “due regard” to the matters set out in relation to equalities when considering and making decisions on the provision of localised council tax support for the area of Brent. 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 and an equality impact assessment is set out in Appendix 1 to this report.
- 7.13 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 detail and statistics from the Council’s Housing Register.
- 7.14 Where it is apparent from the analysis of the information that the policy would have an adverse effect on equality, then adjustments should be made to avoid that effect and this is known as “mitigation”.

7.15 The public sector equality duty is not to achieve the objectives or take the steps set out in section 149 of the Equality Act 2010. The duty on the Council is bring these important objectives relating to discrimination into consideration when carrying out its public functions. The phrase “due regard” means the regard that is appropriate in all the particular circumstances in which the Council is carrying out its functions. There must be a proper regard for the goals set out in section 149 of the 2010 Act. At the same time, when the Members of the Executive make their decision on the content of amending its allocations, they must also pay regard to countervailing factors which it is proper and reasonable for them to consider. Budgetary pressures and economic and practical factors will often be important. The amount of weight to be placed on the countervailing factors in the decision making process will be for Members of the Cabinet to decide when it makes its final decision.

8.0 Diversity Implications

8.1 An initial Equality Assessment has been undertaken and is attached as Appendix 1 to this report. A summary of initial findings for each of the proposed changes is set out below. It should be noted that analysis revealed a lack of relevant data in some areas, in particular in relation to the revised set of protected characteristics. In part, this reflects the fact that information has been provided by households at the point of their initial application, which in many cases was several years ago. Further work is planned to address gaps as detailed in the Assessment. The impact of the changes will be monitored and all aspects of the Allocation Scheme are subject to periodic review. A report assessing the impact of the changes in the first six months will be presented to the Policy Coordination Group in July 2015. Consultation responses reflected the broad ethnic, age and gender profile of households on the Housing Register, as detailed in the Equality Assessment.

8.2 Automatic Bidding

8.2.1 Initial analysis indicates that households affected by this proposal are predominantly headed by women, many of whom are lone parents, and are more likely to be from BAME groups, notably Black African and Black Caribbean households, reflecting the similar protected characteristics of households accepted as homeless. Auto-bidding will ensure that households are able to move on into appropriate permanent accommodation and the impact is therefore expected to be positive. It should be stressed that allocations will still be based mainly on choice and households with high priority – Bands A and B – will be largely unaffected. Consultation responses indicated strong support for the proposal.

8.3 Band C Priority for Households Accepting a Qualifying Offer

8.3.1 Initial analysis suggests that the number of households affected will be small (20 a year) and is likely to reflect the wider profile of homeless households in terms of protected characteristics as noted above. The impact of this proposal is considered to be positive for this group in that they will retain some priority on the Housing Register. Consultation responses indicated strong support for

the proposal and some further adjustments have been made to reflect responses.

8.4 Direct Offers

8.4.1 Again, initial analysis indicates that the profile of households affected by this proposal will be similar to the profile identified above, with disproportionate numbers of female heads of household and households from Black African and Black Caribbean groups. As for automatic bidding, allocation will remain primarily choice-based and households with high priority – Bands A and B – will be largely unaffected. It should also be stressed that properties allocated through Direct Offers will go to the same group they would have gone to through choice-based lettings. Since the proposal will lead to offers of appropriate social accommodation, the impact is expected to be positive and consultation responses indicated strong support.

8.5 Bedroom allocation

8.5.1 Analysis of households with adult children by ethnicity indicates that two broad groups are over-represented: Asian (including Asian Indian and Asian Pakistani) households and Black African households. The significant shortage of larger homes and the consequent long waits for suitable homes to become available requires a change in approach but it is acknowledged that negative impacts could arise where adults are required to share bedrooms and consultation responses indicated opposition to this proposal from households on the Register, although responses from providers were supportive. Consideration will need to be given to measures to mitigate this impact, which also needs to be balanced against the desirability of households moving to secure and permanent accommodation. In addition, the way in which exceptions – for example where a disabled household member needs their own bedroom – will be dealt with has been clarified.

8.5.2 With regard to the second element of the proposal, analysis indicates that around 541 applications are from lone parent households, which are more likely to be headed by a woman, and adding couples with one child would bring the total up to approximately 1000. Around 209 one-bed lettings are expected and although not all would be made to this group, it may be possible to meet up to 10% of need in this way. In terms of ethnicity, the profile is likely to match to overall homelessness profile.

8.5.3 As noted above, a number of applicants have requested this option, suggesting that for them the option of an early move into secure accommodation is a more important factor than property size. Since applicants will be able to choose to follow this route, the impact is expected to be positive for those that do so. Nevertheless, it is acknowledged that there is a risk that a household choosing this option may be obliged to remain in the home for the long term. The continuing award of Band C priority and waiting time is intended to mitigate any negative impact arising from this.

8.6 Under Occupation

- 8.6.1 Analysis indicates that under-occupiers are predominantly older, white female applicants with either no child remaining at home or fewer than appropriate to the number of bedrooms. However, it is worth noting that there are only eighteen current applications to which this proposal could apply, most of whom are between 45 and 60, probably reflecting the impact of the bedroom tax, while there is a broadly equal split between White, Black and Asian applicants. Overall, the information suggests that there is a real disincentive to applications at present. However, it should be stressed that it is difficult to provide a complete analysis since adult children over 21 are currently excluded and therefore do not appear in the data.
- 8.6.2 This proposal aims to encourage under-occupiers to move by offering a more generous bedroom allocation and including household members who are currently not considered. The impact will therefore be positive, especially for disabled households or others where the support that can be provided by another household member will assist the tenant and enable them to maintain their independence. Consultation indicated strong support for the change.

8.7 Incentive and Reward for Employment

- 8.7.2 The active caseload on the housing register is currently 5,100 households, including homeless households (75% of the register). Typically, employment figures are low for homeless households although with the implementation of the Overall Benefit Cap employment figures have increased. It would still be difficult to estimate how many applicants would qualify for the additional waiting time.
- 8.7.3 Black African and Black Caribbean and households headed by women are over-represented among homeless households. Evidence also indicates that the same groups face additional barriers to employment. However, the impact for those who do find work will be positive and work underway or planned through the emerging Employment, Skills and Enterprise Strategy is intended to improve opportunities for all Brent residents and for hard-to-reach groups in particular. Consultation indicated strong support for this proposal.

8.8 Applying the Residency Criteria to Accepted Homeless Cases

- 8.8.1 Data on the numbers affected is limited, as is data on protected characteristics. However, it may be assumed that the profile will broadly match that indicated for proposals discussed above with the additional likelihood that new migrants to the borough (both in-country and international) may be particularly affected. In the absence of data to confirm the numbers impacted, best estimates indicate that no more than 150 households would be affected.
- 8.8.2 Consultation indicated firm support for the change, but the original proposal has also been adjusted to reflect actual average waiting times, which in some bedroom categories may be less than five years. To avoid imposing additional waiting time unreasonably, the residence criterion will be matched

to the average waiting time as set out in paragraph 5.7.3 of this report. It should also be stressed that the proposal will not apply to cases where there is an urgent need to move, for example where a household is fleeing violence or where a disability or health issue requires an urgent move.

8.9 Overcrowding

8.9.1 Initial analysis indicates that some BAME households, particularly Black African households, and households headed by women are over-represented. In principle, there is the potential for negative impact since lower priority would be awarded but in practice, as noted above, the award of higher priority has little meaning where demand outstrips supply so markedly. Mitigation will include support to secure alternative accommodation in the private sector. Responses to consultation indicated mixed views, although a clear majority favoured treating overcrowded and homeless households equally, as the proposal seeks to do.

8.10 Voluntary Sector Quota

8.10.1 Initial analysis indicates that removal of the quota has had a negative impact for a vulnerable group, principally with regard to disability and specifically through delaying moves out of supported housing for individuals identified as able to live independently. Reinstatement of the quota will address this impact, with the intention of ensuring that those who would have moved between suspension in February and reinstatement will be able to move by the end of the year.

9.0 Staffing/Accommodation Implications (if appropriate)

9.1 There are no immediate staffing or accommodation issues arising from this report.

Background Papers

Brent Allocation Scheme: http://brent.gov.uk/media/7938099/Brent-Housing-Allocations-Policy-2013.pdf?_ga=1.128739595.684162897.1340792805

Tenancy Strategy

Housing Strategy

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APPENDIX 1: EQUALITY ANALYSIS

1. Roles and Responsibilities:	
<p>Directorate: Regeneration and Growth</p> <p>Service Area: Housing and Employment</p>	<p>Person Responsible:</p> <p>Name: Tony Hirsch Title: Head of Policy, Housing Contact No: 020 8937 2336 Signed:</p>
<p>Name of policy: Allocation Scheme</p>	<p>Date analysis started: July 2014</p> <p>Completion date: October 2014</p> <p>Review date: November 2015</p>
<p>Is the policy:</p> <p>New <input checked="" type="checkbox"/> Old <input type="checkbox"/></p>	<p>Auditing Details:</p> <p>Name: Arleen Brown Title: Equality Officer Date: 27th October 2014 Contact No: 020 8937 1190 Signed:</p>
<p>Signing Off Manager: responsible for review and monitoring</p> <p>Name: Jon Lloyd-Owen Title: Operational Director, Housing and Employment</p> <p>Date: October 2014</p> <p>Contact No: 07867169854 Signed:</p>	<p>Decision Maker:</p> <p>Name individual /group/meeting/ committee:</p> <p>Cabinet</p> <p>Date: 10th November 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 aim of Brent's Allocation Scheme is to:

- Meet housing need through provision of appropriate housing and give reasonable preference to the groups identified in legislation and guidance.
- Make best use of the existing social stock across all providers
- Make best use of the private rented sector, intermediate and sub-market renting and shared ownership.
- Promote economic and social regeneration and social mobility, particularly through employment
- Meet housing need through its approach to prioritisation and letting and the use of additional priority and qualification criteria
- Be transparent, fair and easy to understand
- Promote a consistent approach to the letting and management of social housing in the borough.

The proposals recommend changes to the existing Scheme, which was adopted following a report to Executive in April 2013. The changes are proposed for a number of reasons, which differ with reference to each element. In summary these are:

- The need to correct errors and anomalies within the current scheme
- The need to ensure compliance with strategic objectives set out in the Housing and Tenancy Strategies
- The need to ensure a level playing field for all applicants
- The need to ensure that best use is made of available lettings, in particular the additional lettings that will be available during 2014/15 as a result of the Mayor's Affordable Housing Programme
- The need to mitigate financial risks to the council and housing applicants, in particular those arising from the impact of welfare reform

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

The proposals have the potential to impact on all protected groups to the extent that they are represented on the Housing Register, but particular impacts have been identified for some groups, while for others there is limited data on which to make an assessment and this has been identified as a priority for further action. Since around 80% of households on the Housing Register at any one time have applied under homelessness legislation, the proposals are particularly relevant to this cohort. The following paragraphs set out the key points in relation to each of the proposed changes, since potential impacts vary for each element of the proposals.

Housing management systems currently collect information on gender reassignment and Civil partnership in addition to the other protected characteristics, but due to the recent introduction of the data fields, these fields are not populated sufficiently for analysis to be conducted. In some of the analysis, the last two years of data has been used to provide an indication of the demand groups.

It should be noted that numbers on the Register vary as households join or leave it. Figures for the total on the Register (in Bands A-C, which represent the active section) may therefore also vary in the tables and elsewhere below, depending on the point at which the data was collected.

3.1 Characteristics of Homeless Households

Some proposals affect parts of the homeless population, and in assessing the impact of the measures, we have considered a) the characteristics of the homeless population but also b) whether the proposed measure disproportionately affects a group within the homeless population.

The overall characteristics of households on the Register are summarised below and provide the basis for identifying any deviation from this profile with regard to each proposal.

Ethnic Origin - General	
Asian	20%
Black	44%
MIXED	3%
No Data	12%
Other	7%
White	15%
WOC	0%
Total	100%

Ethnic Origin - Detailed	Total
Asian Bangladeshi	1%
Asian Chinese	0%
Asian Indian	4%
Asian Other	11%
Asian Pakistan	4%
Black African	23%
Black African - Somali	6%
Black African Ghanaian	1%
Black African Nigerian	1%
Black African Other	1%

Black Caribbean	15%
Black Other	4%
Kurdish	0%
Mixed Other	1%
Mixed White/Asian	0%
Mixed White/Black African	1%
Mixed White/Black Caribbean	1%
No Data	4%
Other	5%
Other Afghan	1%
Other Iraqi	1%
White European	2%
White Irish	1%
White Other	6%
White Other Albanian	0%
White Other Bosnian	0%
White Other Polish	1%
White Other Portuguese	1%
White Other Serbian	0%
White UK	5%
Grand Total	100%

Gender	
F	72.96%
M	27.00%
(blank)	0.03%
Total	100.00%
Household type	
Couple with Dependant Children	45%
Other	13%
Single Parent Female	36%
Single Parent Male	1%
Single Person Female	2%
Single Person Male	3%
Total	100%

There are currently 16 pregnant women in households accepted as homeless. The average wait for a home for homeless applicants is between 4 years (1-bed) and 12 Years (4 bed), and therefore actual lettings to pregnant households occur by chance rather than as a result of policy. This also applies to maternity - there are 140 children under 1 year old, and it is estimated that half would be have been born within the last 6 months, totalling 70 children under the age of 6 months. Pregnancy and Maternity are temporary states within a household, and it is therefore difficult to project the impact of these proposals.

3.2 AUTOMATIC BIDDING

The proposal will affect homeless households in the top 5% by waiting time for each property size if they are not exercising their right to bid. Households will still be able to place their own bids and will be encouraged to do so; auto-bidding will only apply where this is not being done.

Initial analysis indicates that households affected are predominantly headed by women and are more likely to be from some BAME groups, in particular Black African and Black Caribbean households, reflecting the similar profile of all households accepted as homeless. However, it should also be stressed that impacts may be affected by the date at which a household first applied. In the case of this proposal, the main impact will be on households who have been on the Register for a significant period and, in particular, for longer than the average waiting time for the required bedroom category. Given the significant population churn in Brent, the profile of applicants from, for example, 1996 will differ from more recent years. One example is Somali households, reflecting the large numbers accepted as homeless during the period of increased migration from that country. More recently, the effect is apparent for households from eastern Europe, evidenced by the recent increase in the White Other category. Due to their more recent application dates, the latter group is less likely to be affected.

The proposal targets households who are high priority within their band due to the effective date of their application but who are not bidding for properties through the Locata system. No detailed analysis is available of the reasons why households may fail to bid and, clearly, reasons are likely to differ for individual applicants. While the principle of choice is embedded in the system, it is important that applicants should actively exercise their right to bid. Failure to bid distorts the prioritisation of applications and results in households remaining in unsuitable or temporary accommodation, while also preventing the temporary accommodation they occupy being made available to other households that need it. The table below indicates households failing to bid in the current financial year, in relation to their year of first application.

Year of first application	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
1994		1	1				2
1995			3				3
1996			1		1		2
1997		1	3	4	1		9
1998		1	5	6	1		13
1999	2	3	5	3	4		17
2000		5	12	9			26
2001	3	7	13	9		3	35
2002	2	11	25				38
2003	2	16	16			6	40
2004	2	22	16			4	44
2005	4	18				1	23
2006	8	28				3	39
2007	7	34				1	42
2008	7	25				3	35
2009	5					2	7
2010	10						10
2011	19						19
Total	71	172	100	31	7	23	404

It should be emphasised that, where there are barriers such as language, disability, learning disability or other factors, assistance is available and these and similar

issues should not prevent any household from using the system effectively. These and other factors would be taken into account when deciding whether to use auto-bidding for any household.

Since auto-bidding will ensure that households are able to move on into appropriate permanent accommodation the impact is expected to be positive for all groups. However, it may be that some households will take the view that their right to exercise choice has been curtailed and it is likely that these households will fall into the protected groups noted earlier. In the majority of such cases, it is considered likely that households will have refrained from bidding either because they are settled in their temporary accommodation or because they have very specific ambitions for the type of property they wish to move to. Since any property identified through auto-bidding will be suitable for the household's needs, it is not considered that these are acceptable reasons for a household to elect to remain in temporary accommodation. It should also be noted that a review of applications from households who have been waiting longest will be carried out, since it is anticipated that in a number of cases their circumstances will have changed significantly or they may no longer wish to pursue their application.

Consultation indicated strong support for this proposal, with a number of respondents expressing frustration that some households are failing to bid.

Age

Given the age profile of the Housing Register, which has a relatively low number of older applicants, who will often be seeking smaller homes or specialised accommodation such as Extra Care sheltered housing, the number of older people affected is likely to be very small. Similar factors apply to the impact on young people. Figures in the table below and other tables in this section refer to the 404 households identified above.

Age	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
Under 45	34	105	52	9	1	14	215 (53%)
Between 45 and 49	7	29	18	11		6	71 (18%)
Between 50 and 54	5	19	14	6	3	1	48 (12%)
Between 55 and 59	5	6	6	2	1	1	21 (5%)
Between 60 and 64	7	6	6	1	1	1	22 (5%)
65 and over	13	7	4	2	1		27 (7%)
Grand Total	71	172	100	31	7	23	404

No negative impact has been identified in connection with age specifically.

Disability

Households with a disability are generally awarded a higher Band where it is recognised that their current housing is unsuitable or has a detrimental effect. As noted above, where a disability is a barrier to bidding, assistance is available. In cases where disability is a factor in priority or in the type of housing required – for example wheelchair accessible housing – analysis suggests that few if any households in this group would be affected by the proposal although it should be noted that it is not known whether any households have a claim for disability benefits

and further work will be needed to clarify this.

One indication of disability is a need for property suitable for individuals with various levels of restricted mobility. Properties are graded as follows:

- Mobility Group 1 - Suitable for wheelchair user indoors and outdoors
- Mobility Group 2 - Suitable for people who cannot manage steps or stairs and may use a wheelchair some of the day
- Mobility Group 3 - Suitable for people only able to manage 1 or 2 steps or stairs

There are 85 relevant applications, as detailed below:

Level 1	5
Level 2	3
Level 3	77
Total	85

No negative impact has been identified at this stage. Because auto-bidding will require validation of relevant applications, it is anticipated that this may lead to more accurate identification of need in relation to disability, which should have a positive impact.

Gender Reassignment

Current data is not sufficient to assess any particular impact for this group. Future monitoring arrangements will provide better information and it is worth noting that, among those responding to the consultation overall, nine households indicated that their gender is not the one assigned to them at birth. This represents 2.8% of respondents; a higher figure for gender reassignment than in the general population although it is probably unwise to draw conclusions from a relatively small sample and some allowance needs to be made for error in completing the equalities part of the questionnaire.

Marriage and Civil Partnership

No specific impacts have been identified in relation to this group. Note that, in relation to gender, 69% of households have a female head. This does not mean that these households are all single parents, but it may be inferred that a significant proportion of them may be. Further work is needed to clarify the position.

Pregnancy and Maternity

No specific impacts have been identified in relation to this group beyond the points noted in relation to gender and race. The number of households who have indicated either pregnancy or a child under one is very low and, as noted earlier, this is only a snapshot of the current position, which will alter over time. The value of the data here may be in providing some indication of the general trend or average levels of pregnancy and maternity that might be expected for this group.

Is a member of the household pregnant?	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
No	2	6	2				10
No response	69	166	98	31	7	23	394
Total	71	172	100	31	7	23	404

Number of children under 1	2 bed	3 bed	Unknown	Total
0	1		1	2
1		2		2
Total	1	2	1	4

Race

As noted above, Black African and Black Caribbean households and households with a female head are over-represented among homeless households, who make up the majority of the Housing Register. However, the impact of the proposal is considered to be positive, other than with regard to the potential for negative perceptions around the question of choice noted above. The high level of support for the proposal suggests that this is not considered to be a significant issue by the majority of housing applicants.

Ethnicity	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
A White - British	3	7	12	3		1	26 (6.44%)
B White - Irish	1		2				3 (0.74%)
C White - other	1	15	6	5		2	29 (7.18%)
D Mixed - White and Black Caribbean	2	1					3 (0.74%)
E Mixed - White and Black African		1	1				2 (0.50%)
G Mixed - other		1					1 (0.25%)
H Asian or Asian British - Indian		11	3	3		1	17 (4.21%)
J Asian or Asian British - Pakistani	1	6	3	1	1		12 (2.97%)
K Asian or Asian British - Bangladeshi		1	1				2 (0.50%)
L Asian or Asian British - Other	2	11	11	5	1	2	32 (7.92%)
M Black or Black British - Caribbean	9	34	9	1		2	55 (13.6%)
N Black or Black British - African	5	33	24	12	4	4	82 (20.3%)
P Black or Black British - other	4	9	7		1		21 (5.20%)
R Chinese		1					1 (0.25%)
S Other	43	39	21	2		11	116 (28.7%)
(blank)		2					2 (0.50%)
Total	71	172	100	31	7	23	404 (100%)

Information held on these households is incomplete and further work will be undertaken to clarify the position. The ethnic breakdown of the non-bidding population broadly represents the breakdown on the homeless population, with no group disproportionately affected, without knowing more detail about the 28% categorised as 'Other'.

Religion or Belief

Current data is not sufficient to assess any impact for this group beyond the general positive impacts noted above. In part this reflects the fact that this data was not collected at the time the household applied. Future monitoring arrangements will provide better information about this group and it is worth noting that most of those responding to the questionnaire provided information about their faith, indicating that an improved picture of this factor should be obtainable in future.

Religion	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
Christian	3	2					5 (1%)
Muslim	2	2	3				7 (2%)
No Religion		1					1 (0%)
Not stated		2					2 (0%)
(blank)	66	165	97	31	7	23	389 (96%)
Grand Total	71	172	100	31	7	23	404

Sex

As noted above, households with a female head are over-represented among homeless households, who make up the majority of the Housing Register but the impact of the proposal is considered to be positive since it will result in an offer of suitable accommodation. Having said this, the number of male applicants in this group is higher than in the overall homeless population. It has not been possible to establish any clear reason for this.

Sex	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
Female	27	126	78	25	7	16	279 (69%)
Male	44	46	22	6		4	122 (30%)
(blank)						3	3 (1%)
Grand Total	71	172	100	31	7	23	404

Sexual Orientation

Current data is not sufficient to assess any impact for this group. Again, this is partly due to the fact that this data was not collected at the time the household applied. Analysis of responses to consultation indicates a lower number of gay and lesbian households that might have been anticipated, although the relatively small sample size compared to the total on the Register requires that this data should be interpreted with caution.

Sexual Orientation	1 bed	2 bed	3 bed	4 bed	5 bed	Unknown	Total
Bisexual	1						1 (0%)
Heterosexual	4	6	3				13 (3%)
Not stated		1					1 (0%)
(blank)	66	165	97	31	7	23	389 (96%)
Grand Total	71	172	100	31	7	23	404

3.3 BAND C PRIORITY FOR HOUSEHOLDS ACCEPTING A QUALIFYING OFFER

A Qualifying Offer may be accepted by any household with an application date before 09 Nov 2012 and the profile should therefore reflect the overall profile of homeless households. 38 households have accepted a Qualifying Offer to date and are not affected by this proposal as the rules applying at the time allowed them to retain their priority as noted in the report. The change will impact on applications during the current and future financial years and initial analysis suggests that the number of households affected will be small (20 p.a.) and is likely to reflect the wider profile of homeless households in terms of protected characteristics.

This proposal corrects an omission from the current Scheme and restores the additional priority granted to affected households under the previous Scheme. The impact is therefore positive for the small number affected and no negative impacts have been identified for any protected group.

Consultation indicated strong support for this change.

Age

Age	Total
Under 45	77%
45-49	9%
50-54	7%
55- 59	2%
60-64	1%
65+	3%
Total	100%

The age profile is predominantly younger, as would be expected.

Disability

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required. Therefore we are unable to determine whether there is a positive or negative impact. However, it should be stressed that the option to accept a Qualifying Offer is voluntary and officers would ensure that any property was suitable for the household's needs

Gender Reassignment

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required. Therefore we are unable to determine whether there is a positive or

negative impact.

Marriage and Civil Partnership

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Pregnancy and Maternity

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Race

The chart below details ethnicity for the 38 households who have already accepted a Qualifying Offer and indicates that the mix is broadly in line with the profile of homeless households, suggesting that the option is useful to the full range of households. Obviously, there is a need for caution in drawing conclusions from a relatively small total. It is anticipated that future take-up will reflect a similar profile, although it is intended that better information and publicity around the option may increase take-up, which will be monitored to assess any divergence from the pattern established so far.

Ethnicity	%
Asian British	1%
Asian Chinese	0%
Asian Indian	2%
Asian Other	7%
Asian Pakistani	3%
Black African	12%
Black African Ghanaian	1%
Black African Nigerian	1%
Black African Other	1%
Black African Somali	12%
Black Asian	1%
Black British	3%
Black Caribbean	12%
Black Other	1%
Mixed Other Background	1%
Mixed White and Black African	1%
Mixed White and Black Caribbean	1%
Other	2%
Other Afghan	2%
Other Arab	2%
Other Iraqi	1%
Unknown	0%
White Irish	1%
White Other	4%
White Other European	2%
White Other Polish	1%
White Other Portuguese	1%

White UK	6%
(blank)	20%
Total	100%

Religion or Belief

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Sex

The table below (based on the sample referred to above) indicates that take-up has reflected the gender balance among households, subject to the same considerations noted for ethnicity.

Sex	Total
FEMALE	71%
MALE	29%
Total	100%

Sexual Orientation

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

3.4 DIRECT OFFERS

Again, initial analysis indicates that the profile of households affected by this proposal will be similar to the profile identified above, with disproportionate numbers of female heads of household and households from Black African and Black Caribbean groups. The proposal is targeted specifically at households who are or will become subject to the overall benefit cap and would therefore be unable to afford to remain in temporary accommodation without significant financial support. Since the proposal will lead to offers of appropriate, affordable social accommodation, usually more quickly than might otherwise be expected and with the effect of mitigating the impact of the cap for the households, the impact is positive for all groups.

Consultation indicated strong support for this proposal.

There are 61 households in TA that are still capped and losing over £100/week, with an acceptance date before 09 Nov 2012. It is this group that would be most likely to be considered for a direct offer (although waiting time will also play a role).

The table below shows family size and confirms that the impact is likely to be greatest for larger households with dependents and is less likely to affect larger households with non-dependents. Households with children are therefore more likely to benefit from the change:

Bed size	Dependents		Non-dependents	
	Count	%	Count	%
0	5	8.20%	47	77%
1-2	22	36.07%	11	18%

3-4	30	49.18%	2	3%
5+	4	6.56%	1	2%
Total	61	100.00%	61	100%

Age

The table below indicates the age range for those affected by the cap. These are predominantly households where the main applicant is between 25 and 54, as would be expected since the main impact is on households with children.

Age	Count	%
18-24	4	7%
25-34	20	33%
35-44	19	31%
45-54	16	26%
55-60	2	3%
Grand Total	61	100%

Disability

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required. Therefore we are unable to determine whether there is a positive or negative impact. As noted earlier, households with a disability are likely to be in a higher band and are also likely to require property that is specifically suited to their situation, based on assessment of their mobility needs. Where a direct offer might assist, each case would be assessed individually.

Gender Reassignment

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Marriage and Civil Partnership

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Pregnancy and Maternity

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Race

For the 61 households noted, the breakdown by ethnicity is set out below. Note that the small size of the potentially impacted group means that analysis is provided for broad groups rather than a higher level of detail. Therefore we are unable to determine whether there is a positive or negative impact.

Asian households appear to be disproportionately affected, representing 30% of the household identified as likely to receive a Direct Offer (compared to 20% of the homeless population), and Black households might be slightly under-represented (33%, compared to 40% of the total homeless population).

Ethnicity	Count	%
Asian	18	30%
Black	20	33%
Mixed	4	7%
Other	5	8%
Unknown	2	3%
White	12	20%
Grand Total	61	100.00%

Religion or Belief

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required. Therefore we are unable to determine whether there is a positive or negative impact.

Sex

Applicants within this group are more likely to be female than in the overall profile.

Gender	Count	%
Female	53	87%
Male	8	13%
Total	61	100%

Sexual Orientation

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

3.5 BEDROOM ALLOCATION

There are two elements to this proposal and each is dealt with separately below in terms of the impact for ethnicity and age, while the impacts for other characteristics are considered jointly.

To provide context, the table below gives an overview of demand by bedroom size. It shows that there is extremely high demand for two bedroom properties and a demand for almost 700 properties with four or more bedrooms.

Year of Application	0	1	2	3	4	5	6	7	8	9	Total
1994			1	2	1	1					5
1995				2	2		1				5

1996				3	3	1	1	1			9
1997	2		4	10	10	2					28
1998	1	1	1	18	17	4	2	1			45
1999	1	3	6	20	13	7	1				51
2000		2	7	43	27	14	1	2			96
2001	4	3	16	52	41	19	3	1			139
2002	1	2	25	96	41	19	2	1			187
2003	6	2	40	67	25	5	6		1		152
2004	5	5	49	81	23	8	5	1	1		178
2005		9	57	75	33	7	2			1	184
2006	7	12	86	85	34	16	2	1			243
2007	6	11	129	103	16	8	5	1			279
2008	4	12	92	76	20	8	1				213
2009	2	12	78	40	9	2					143
2010	2	19	114	46	19	5	2				207
2011	4	34	211	89	22	8	1		1		370
2012	4	56	287	120	47	13	3	1		1	532
2013	7	84	263	115	40	15	5	2			531
2014	5	40	112	43	19	3	1				223
Total	61	307	1578	1186	462	165	44	12	3	2	3820

3.5.1 Adult Children

Analysis of households with adult children by ethnicity indicates that two broad groups are over-represented: Asian (including Asian Indian and Asian Pakistani) households and Black African households. The significant shortage of larger homes and the consequent long waits for suitable homes to become available requires a change in approach but it is acknowledged that negative impacts could arise where adults are required to share bedrooms.

Consultation indicated significant opposition to this proposal from households responding to the questionnaire but providers – Brent Housing Partnership and housing associations – were strongly in favour. To some extent, this will reflect the views of those likely to be affected directly but it is clear that disagreement was not limited to this relatively small group. Consideration will need to be given to measures to mitigate this impact, which needs to be balanced against the desirability of households moving to secure and permanent accommodation.

Although the reasons for adult children remaining within households will vary according to individual circumstances, in general terms the evidence suggests that children are remaining with their parents or other family much longer because of the barriers they face in securing independent accommodation. The most significant of these are housing costs, the impact of welfare reform and in particular the single room rate for those under 35 and difficulty in securing employment that would support independence. This is an issue affecting households across the spectrum of tenure and incomes and will impact on all protected groups but there may be additional cultural factors that add to the likelihood that adult children will remain with their families. In addition, there may be particular issues with regard to adult children acting as carers for older or disabled parents or family members.

Mitigation will focus on provision of advice and support to assist adult children to secure independent accommodation, including advice and support around employment and skills. It is anticipated that the establishment of the Brent Housing Partnership Letting Agency could provide one route into private rented housing for these individuals, while proposals set out in the draft Employment, Skills and Enterprise Strategy are designed to increase employment and training opportunities. It should be stressed that where circumstances suggest a different approach – for example in the case of disabled households with carers – the council would retain discretion over the application of the policy.

Ethnicity	Total	%
Asian Bangladeshi	3	1%
Asian Chinese	1	0%
Asian Indian	16	5%
Asian Other	47	14%
Asian Pakistani	16	5%
Black African	93	28%
Black African Ghanaian	1	0%
Black African Somali	7	2%
Black British	2	1%
Black Caribbean	25	8%
Black Other	11	3%
Ethnicity not specified	40	12%
Mixed Other Background	2	1%
Mixed White and Asian	1	0%
Mixed White and Black African	1	0%
Other	26	8%
Other Afghan	1	0%
Other Arab	1	0%
Other Iraqi	2	1%
White Irish	3	1%
White Other	15	5%
White Other Albanian	1	0%
White Other European	3	1%
White Other Portuguese	1	0%
White UK	13	4%
Grand Total	332	100%

The table below shows the percentage of each age group by bedroom required. Overall need and need for larger homes in particular is concentrated in the group below 50 years of age.

Age	0	1	2	3	4	5	6	7	8	9	Total
Under 45	1%	4%	33%	20%	6%	1%	0%	0%	0%	0%	65%
45 - 49	0%	1%	4%	6%	3%	1%	0%	0%	0%	0%	14%
50 - 54	0%	1%	2%	3%	2%	1%	0%	0%	0%	0%	9%
55 - 59	0%	1%	1%	1%	1%	1%	0%	0%	0%	0%	5%
60 - 64	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	2%
65+	0%	1%	1%	1%	0%	0%	0%	0%	0%	0%	4%
Total	2%	8%	41%	31%	12%	4%	1%	0%	0%	0%	100%

3.5.2 Offer of One bed Properties to Households with One Child

Analysis indicates that around 541 applications are from lone parent households, which are more likely to be headed by a woman, and adding couples with one child residing with them would bring the total up to around 1000. Around 209 one-bed lettings are expected although not all would be made to this group and it is difficult at this stage to assess potential demand, although a number of households have requested a move on this basis.

Since the change is based on applicant choice, it is anticipated that households electing to move will not perceive any adverse impact but will regard the option as providing the advantage of a move out of temporary accommodation into social housing, which will provide greater stability and certainty. Further mitigation is provided by the retention of Band C priority, based on the original application date.

Race

Households with a 2-bedroom need and 2 persons in the household

Ethnicity	Number of applicants	
A White - British	13	2%
B White - Irish	1	0%
C White - other	18	3%
D Mixed - White and Black Caribbean	5	1%
E Mixed - White and Black African	3	1%
G Mixed - other	2	0%
H Asian or Asian British - Indian	13	2%
J Asian or Asian British - Pakistani	4	1%
K Asian or Asian British - Bangladeshi	1	0%
L Asian or Asian British - Other	9	2%
M Black or Black British - Caribbean	70	13%
N Black or Black British - African	51	9%
P Black or Black British - other	16	3%
R Chinese	1	0%
S Other	331	61%
Z Not Stated	1	0%
(blank)	2	0%
Total	541	100%

Note that "other" is significantly high in this table. The reason for this is that the data has not been collected at a sufficiently granular level for historic applications. Work to rectify this lack of data has been identified in the action plan.

Age

The table below sets out the bedrooms required by applicants within different age cohorts and it is unlikely that many older people will be affected by this proposal with 33% of all applicants requiring a two-bed property under 45.

Age	0	1	2	3	4	5	6	7	8	9	Total
Under 45	1%	4%	33%	20%	6%	1%	0%	0%	0%	0%	65%
45 - 49	0%	1%	4%	6%	3%	1%	0%	0%	0%	0%	14%
50 - 54	0%	1%	2%	3%	2%	1%	0%	0%	0%	0%	9%
55 - 59	0%	1%	1%	1%	1%	1%	0%	0%	0%	0%	5%
60 - 64	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	2%
65+	0%	1%	1%	1%	0%	0%	0%	0%	0%	0%	4%
Total	2%	8%	41%	31%	12%	4%	1%	0%	0%	0%	100%

Pregnancy and Maternity

The proposal is unlikely to impact on pregnant women or parents with a child under 1 year old because it is still likely to take 3 years to receive an offer of a 1-bed social home.

Pregnancy by bedsize required

Pregnant household member	0	1	2	3	4	5	6	7	8	9	Total
No	1	5	63	52	19	8	2	2		1	153
Yes		2	11		3						16
(blank)	60	300	1504	1134	440	157	42	10	3	1	3651
otal	61	307	1578	1186	462	165	44	12	3	2	3820

3.5.3 Characteristics similar for both proposals

Disability

Mobility Level		1	2	3	4	5	6	7	8	9	Total
1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3	0%	1%	1%	2%	1%	0%	0%	0%	0%	0%	5%
(blank)	1%	7%	40%	29%	11%	4%	1%	0%	0%	0%	95%
Total	2%	8%	41%	31%	12%	4%	1%	0%	0%	0%	100%

No specific impacts have been identified. The majority of applicants have not given any indication of mobility needs although there are small numbers spread over the 1 to 4 bedroom group. As noted above, cases involving disability will be assessed individually to determine bedroom requirements.

Gender Reassignment

No specific impacts have been identified beyond those noted above and there is insufficient data to allow for further analysis at this stage. Therefore we are unable to determine whether there is a positive or negative impact.

Marriage and Civil Partnership

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required. Therefore we are unable to determine whether there is a positive or negative impact.

Religion or Belief

Table 7: Religion by bedsize required

Religion	0	1	2	3	4	5	6	7	8	9	Total
Christian	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	2%
Hindu	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Muslim	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	2%
No Religion	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Religion Not Stated	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Sikh	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
(blank)	2%	8%	39%	29%	11%	4%	1%	0%	0%	0%	94%
Grand Total	2%	8%	41%	31%	12%	4%	1%	0%	0%	0%	100%

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required. Therefore we are unable to determine whether there is a positive or negative impact.

Sex

Gender	0	1	2	3	4	5	6	7	8	9	Total
Female	1%	3%	33%	23%	9%	3%	1%	0%	0%	0%	72%
Male	0%	5%	9%	8%	3%	2%	1%	0%	0%	0%	28%
(blank)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Grand Total	2%	8%	41%	31%	12%	4%	1%	0%	0%	0%	100%

No specific impacts have been identified beyond those noted above but the profile for this group matches the overall profile.

Sexual Orientation

Sexuality	0	1	2	3	4	5	6	7	8	9	Total
Bisexual	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gay man	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Heterosexual	0%	0%	2%	1%	1%	0%	0%	0%	0%	0%	5%
Not stated	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
(blank)	2%	8%	39%	29%	11%	4%	1%	0%	0%	0%	94%
Grand Total	2%	8%	41%	31%	12%	4%	1%	0%	0%	0%	100%

No specific impacts have been identified beyond those noted above and there is

insufficient data to allow for further analysis at this stage.

3.6 UNDER OCCUPATION

There are 114 live applications from under-occupiers within Council Stock (700 tenants are known to be affected by the bedroom tax introduced in 2013). There may be other households who are seeking a transfer to smaller homes but tenants of housing associations will make an application to their own landlord and therefore do not feature in this analysis. Taking this into account, the number of applications is still lower than expected and suggests that tenants are not motivated to downsize to a smaller property.

White British and Black Caribbean households are over-represented compared to the overall list, due the fact that under-occupiers will usually have been in occupation for many years and the profile will reflect prevailing demographics at the time they were housed.

Of the live applications, only 18 are for more than 1-bedroom. Although no formal analysis has been undertaken to date, anecdotal reports suggest that current policy, which does not allow adult children to be included in applications, is deterring tenants from seeking downsizing moves. This may also mean that current applications may not reflect true demand levels.

Overall, analysis indicates that under-occupiers are predominantly older, white, female applicants with either no child remaining at home or fewer than appropriate to the number of bedrooms. Of the eighteen applications to which this proposal would apply, most are between 45 and 60, probably reflecting the impact of the bedroom tax, while there is a broadly equal split between White, Black and Asian applicants. Overall the information suggests that there is a real disincentive to apply at present.

This proposal aims to encourage under-occupiers to move by offering a more generous bedroom allocation and including household members who are currently not considered. The impact will therefore be positive and will release larger homes for letting to those who need them, as noted above. The current lettings policy is seeking to achieve 80% of lets to Homeless households, so the positive impact will be reflected in a higher number of lets to Black African and Black Caribbean female headed households with children that currently make up our homeless applicants.

Age

The proposal is expected to have a positive impact for older households where a tenant would like to move to smaller accommodation but is reluctant to do so if an adult child is not included in the application. The table below provides a breakdown by age, confirming that the majority of applicants are older households, of which 50% are between 50 and 60, the group most likely to be impacted by the Bedroom Tax.

Age	Number	%
Under 45	13	11%
Between 45 and 49	4	4%
Between 50 and 54	25	22%
Between 55 and 59	23	20%
Between 60 and 64	13	11%
65 and over	36	32%

Total	114	100%
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Disability

Of current applications, 12 people have indicated that they have a disability. The change will have a positive impact in particular for tenants who currently receive any level of care and support from an adult family member.

Disability	Count	%
Yes	12	11%
(blank)	102	89%
Grand Total	114	100%

Gender Reassignment

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

Marriage and Civil Partnership

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

Pregnancy and Maternity

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. It is considered very unlikely that households containing a pregnant woman or very young child would be affected given the overall age profile noted above.

Race

The table below provides a breakdown of applications by ethnicity. White British and Black Caribbean households are over-represented, for the reasons noted above.

Ethnicity	Number	%
A White - British	24	21.05%
B White - Irish	10	8.77%
C White - other	1	0.88%
D Mixed - White and Black Caribbean	3	2.63%
E Mixed - White and Black African	1	0.88%
G Mixed - other	1	0.88%
H Asian or Asian British - Indian	5	4.39%
J Asian or Asian British - Pakistani	3	2.63%
K Asian or Asian British - Bangladeshi	1	0.88%
L Asian or Asian British - Other	2	1.75%
M Black or Black British - Caribbean	20	17.54%
N Black or Black British - African	11	9.65%
P Black or Black British - other	4	3.51%
S Other	18	15.79%
Z Not Stated	9	7.89%

(blank)	1	0.88%
Grand Total	114	100.00%

Religion or Belief

Religion	Count	%
Christian	36	32%
Hindu	3	3%
Muslim	13	11%
No Religion	12	11%
Religion Not Stated	16	14%
(blank)	34	30%
Grand Total	114	100%

No specific impacts have been identified in relation to religion or belief, although it is worth noting that that proportions may reflect similar patterns to those noted for age, reflecting prevailing demographics at the time these households were first housed.

Sex

Gender	Count	%
Female	87	76%
Male	26	23%
(blank)	1	1%
Total	114	100%

As noted above, more women than men appear in this group and the impact is expected to be positive.

Sexual Orientation

Sexuality	Count	%
Heterosexual	66	58%
Lesbian	1	1%
Not stated	13	11%
(blank)	34	30%
Total	114	100%

No specific impacts have been identified but limited data is currently available.

3.7 INCENTIVE AND REWARD FOR EMPLOYMENT

The Tenancy Strategy and the Allocation Scheme set out to encourage employment through the award of additional waiting time but at present this incentive is not available to homeless households. There are currently 4509 applications in Band A-C, of which 3443 (76%) are homeless households in temporary accommodation. Typically, employment figures are low for homeless households although with the implementation of the Overall Benefit Cap the numbers in employment have increased. It would still be difficult to estimate how many applicants would qualify for the additional waiting time as data on employment has not been routinely collected for these households as it has no impact on priority and would only be considered as

part of the assessment of the suitability of accommodation at the point an offer is made. In future, this information will need to be collected for all households on the register, both at the point of application and in relation to any change of circumstances.

Currently there are 11,900 people in Brent who are unemployed and seeking employment, of which 6,098 are claiming Job Seekers Allowance (JSA). In June 2014, the rate of all working age people claiming JSA is 3.2% and is higher than the London average of 2.6% and the UK average of 2.5%. As noted above, rates tend to be higher for homeless households.

The percentage of the working age population claiming job seekers allowance over the last ten years has been consistently higher in Brent than in London and the UK, but follows the same trend. Although there has been an increase in the number of working age adults within the borough, many of these people are successfully finding employment.

Black African and Black Caribbean households headed by women are over-represented among homeless households as noted earlier. Evidence also indicates that the same groups face additional barriers to employment. However, the impact for those who do find work will be positive and work underway or planned through the emerging Employment, Skills and Enterprise Strategy is intended to improve opportunities for all Brent residents and for hard-to-reach groups in particular.

This proposal aims to put households who secure employment after their application on the same footing as those who are employed at the time of their application, correcting an apparent anomaly in the existing Scheme. The impact for those qualifying will therefore be positive.

Until recently, data on the employment status of households on the Register was not collected as it was not a relevant factor in considering priority and has remained so with regard to homeless households. Data is only available for those who applied since changes to the Allocation Scheme were implemented in late 2013 and early 2014, or for anyone who has submitted a change of circumstances form relating to their employment status. Since this has not been a relevant consideration for homeless households, data for this cohort is particularly lacking. It is therefore not possible to provide any meaningful analysis at this stage, other than to make inferences from the general improvement in employment levels.

Age

No specific impacts have been identified beyond those noted above. Although people over pensionable age are less likely to benefit, they are also more likely to be seeking smaller homes or specialised accommodation.

Disability

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

Gender Reassignment

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there

is a positive or negative impact.

Marriage and Civil Partnership

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

Pregnancy and Maternity

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

Race

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

Religion or Belief

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

Sex

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

Sexual Orientation

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. Therefore we are unable to determine whether there is a positive or negative impact.

3.8 APPLYING THE RESIDENCY CRITERIA TO ACCEPTED HOMELESS CASES

Data on the numbers affected is limited, as is data on protected characteristics. However, it may be assumed that the profile will broadly match that indicated for other proposals discussed above with the additional likelihood that new migrants to the borough (both in-country and international) may be particularly affected. In the absence of reliable data to confirm the numbers impacted, best estimates indicate that no more than 150 households would be affected.

The proposal puts homeless households on the same footing as other applicants in terms of residence qualification but it is acknowledged that the impact on those affected may be perceived as negative.

In general terms, it is anticipated that this proposal will assist in countering negative and unfair perceptions of homeless households as “queue jumpers” (an attitude reflected quite strongly in consultation responses) since it ensures that they are

treated in the same way as other applicants. In practice, the majority of homeless households have at least some local connection with Brent and, usually, this will be based on settled residence, often beyond the five-year minimum. Alignment with average waiting times will also assist in mitigation. Since homeless households are, in accordance with homelessness duties, entitled to suitable temporary accommodation in the interim, no other mitigation measures have been identified at this stage.

The table below gives an overview of the Register by priority date and bedroom requirement. Two key points should be noted. First, all those with a priority date five years or more in the past have already met the residence criteria. Second, where a homeless application was accepted after 9th November 2012, the Tenancy Strategy states that the duty will be discharged in the private rented sector in the majority of cases. The group affected by this proposal is therefore applicants with a priority date less than five years ago but before 9th November 2012. There are around 900 households in total in this group but the majority of these will also meet the residence criteria due to their previous residence in Brent prior to their application date.

Priority Date	0	1	2	3	4	5	6	7	8	9	Total
1994			1	2	1	1					5
1995				2	2		1				5
1996				3	3	1	1	1			9
1997	2		4	10	10	2					28
1998	1	1	1	18	17	4	2	1			45
1999	1	3	6	20	13	7	1				51
2000		2	7	43	27	14	1	2			96
2001	4	3	16	52	41	19	3	1			139
2002	1	2	25	96	41	19	2	1			187
2003	6	2	40	67	25	5	6		1		152
2004	5	5	49	81	23	8	5	1	1		178
2005		9	57	75	33	7	2			1	184
2006	7	12	86	85	34	16	2	1			243
2007	6	11	129	103	16	8	5	1			279
2008	4	12	92	76	20	8	1				213
2009	2	12	78	40	9	2					143
2010	2	19	114	46	19	5	2				207
2011	4	34	211	89	22	8	1		1		370
2012	4	56	287	120	47	13	3	1		1	532
2013	7	84	263	115	40	15	5	2			531
2014	5	40	112	43	19	3	1				223
Total	61	307	1578	1186	462	165	44	12	3	2	3820

Age

No specific impacts have been identified beyond those noted above.

Disability

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be

required. It should be noted that the Allocations Panel will be able to consider cases where disability or health issues suggests that the residency criteria could lead to a negative impact, for example where deterioration in a health condition or mobility renders existing accommodation unsuitable.

Gender Reassignment

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Marriage and Civil Partnership

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Pregnancy and Maternity

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Race

Possible negative impact as noted and mitigation issues are discussed above.

Religion or Belief

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Sex

Possible negative impact as noted above.

Sexual Orientation

No specific impacts have been identified in relation to this group but there is insufficient data to undertake an effective analysis and further investigation will be required.

Therefore for all of the protected groups we are unable to determine whether there is a positive or negative impact.

3.9 OVERCROWDING

Initial analysis indicates that Black African households and households headed by women are over-represented (see below). In principle, there is the potential for negative impact since lower priority would be awarded but in practice, as noted above, the award of higher priority has little meaning where demand outstrips supply so markedly and the intention is that the change will place homeless and overcrowded households on the same footing, reflecting more accurately the relative priority intended to be given to each group. Consultation indicated broad support for this change.

Mitigation will include advice and support to secure alternative accommodation in the private sector.

Age

Age	Count	%
Under 45	187	69%
45 - 49	44	16%
50 - 54	22	8%
55 - 59	12	4%
60 - 64	4	1%
65 and over	2	1%
Total	271	100%

The age profile indicates that the overwhelming majority are under 50. This is to be expected, since overcrowding will usually affect families with children. No specific impacts relating to age have been identified beyond the general impact of perceived loss of priority, which affects all groups, as noted earlier.

Disability

Mobility Level	Count	%
3	2	1%
No restrictions:	269	99%
Total	271	100%

No specific impacts have been identified and the overwhelming majority have not indicated any mobility issues. Those with a disability are more likely to be awarded Band A or B priority on medical grounds and would therefore be unaffected by this change in those circumstances.

Gender Reassignment

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

Marriage and Civil Partnership

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

Pregnancy and Maternity

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

Race

Ethnicity	Count	%
A White - British	9	3%

B White - Irish	1	0%
C White - other	19	7%
D Mixed - White and Black Carribean	1	0%
E Mixed - White and Black African	2	1%
F Mixed - White and Asian	1	0%
G Mixed - other	2	1%
H Asian or Asian British - Indian	17	6%
J Asian or Asian British - Pakistani	10	4%
L Asian or Asian British - Other	15	6%
M Black or Black British - Caribbean	18	7%
N Black or Black British - African	54	20%
P Black or Black British - other	6	2%
Q Gypsy /Romany / Traveller	1	0%
R Chinese	1	0%
S Other	103	38%
Z Not Stated	11	4%
Total	271	100%

While data is incomplete, the largest single group is Black African, consistent with the findings for the other proposals in this report. Further work needs to be undertaken to clarify the position and provide a basis for future monitoring. Therefore we are unable to determine whether there is a positive or negative impact.

Religion or Belief

Religion	Count	%
Christian	38	14%
Hindu	6	2%
Muslim	45	17%
No Religion	3	1%
Not Stated	11	4%
Sikh	1	0%
(blank)	167	62%
Total	271	100%

Data is incomplete, reflecting the relatively recent implementation of monitoring for this area and numbers are too small to provide any reliable indications. Therefore we are unable to determine whether there is a positive or negative impact.

Sex

Gender	Count	%
Female	166	61%
Male	105	39%
Total	271	100%

The proportion of male applicants is higher than expected relative to the general

profile. The reasons for this are unclear and require further research.

Sexual Orientation

Sexuality	Count	%
Heterosexual	87	32%
Lesbian	1	0%
Not stated	16	6%
(blank)	167	62%
Total	271	100%

Data is incomplete, with 62% not giving an indication or specifically opting not to state, but of those who have answered, the overwhelming majority are heterosexual.

3.10 VOLUNTARY SECTOR QUOTA

The following analysis is based on nominations received from voluntary sector agencies since February 2014. As noted in the report, the suspension of the quota has meant that these individuals have remained in supported housing longer than expected. Note that there is not a waiting list for this group, since nominations come from voluntary sector agencies and are dealt with outside the Allocation Scheme.

Applicants are all single people and their profile differs significantly from the profile in other areas of this report. The key factor for this group is their identified need for support before moving on to independent living. These needs are primarily health-based, with mental health issues the most common shared characteristic.

Age

Row Labels	Count	%
16-24	5	21%
25-34	3	13%
35-44	10	42%
44-55	1	4%
45-54	2	8%
55+	3	13%
Grand Total	24	100%

The majority of households are under 44 but there is a significant minority of older individuals. The impact of the change for all age groups will be positive in restoring the opportunity to move on from supported housing.

Disability

Row Labels	Count	%
No	17	71%
Yes	7	29%
Grand Total	24	100%

The percentage indicating that they have a disability is higher than in the overall population but not a high as might be expected given that the quota is intended to

meet the needs of vulnerable households requiring supported housing. It should be stressed that data is based on self-assessment and, at the point of receiving a referral for housing, sufficient support will have been provided to allow the household to self-assess that they no longer have a disability.

Gender Reassignment

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

Marriage and Civil Partnership

No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact. As the majority are single, this is unlikely to be a significant factor.

Pregnancy and Maternity

There were no pregnant households at the time the referrals were made. There are occasional pregnancies within this group but the wait for housing is such that it is highly unlikely to be a relevant factor at the point of referral.

Race

Row Labels	Count	%
Black African	5	21%
Black Caribbean	5	21%
Mixed - White and Caribbean	2	8%
Prefer not to state	1	4%
White - Other	1	4%
White - Other	4	17%
White British	3	13%
White Irish	3	13%
Grand Total	24	100%

Black African and Black Caribbean households make up the two largest groups, followed by White Other. The fact that the sample is small and represents a snapshot of households nominated over a relatively short period, suggests a need for caution in interpreting this and other data. However, it appears that demand for supported housing services is high among these groups and that they will therefore benefit from the reinstatement of the quota.

Religion or Belief

Row Labels	Count of sex	%
Christian	14	58%
Muslim	2	8%
No Religion	4	17%
Other Religion	1	4%
Prefer not to state	3	13%

Grand Total	24	100%
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As with other factors, the small sample size makes it difficult to draw general conclusions about the impact for faith, although it is notable that more households identify as Christian than in wither the general population or the Housing Register cohort.

Sex

Row Labels	Count of sex	%
F	10	42%
M	14	58%
Grand Total	24	100%

The gender split is fairly even in this group, in contract to the over-representation of female-headed households, particularly among homeless households. This reflects the different criteria on which applicants are admitted into supported housing, where key factors are a need for support to move towards independent living based on

Sexuality

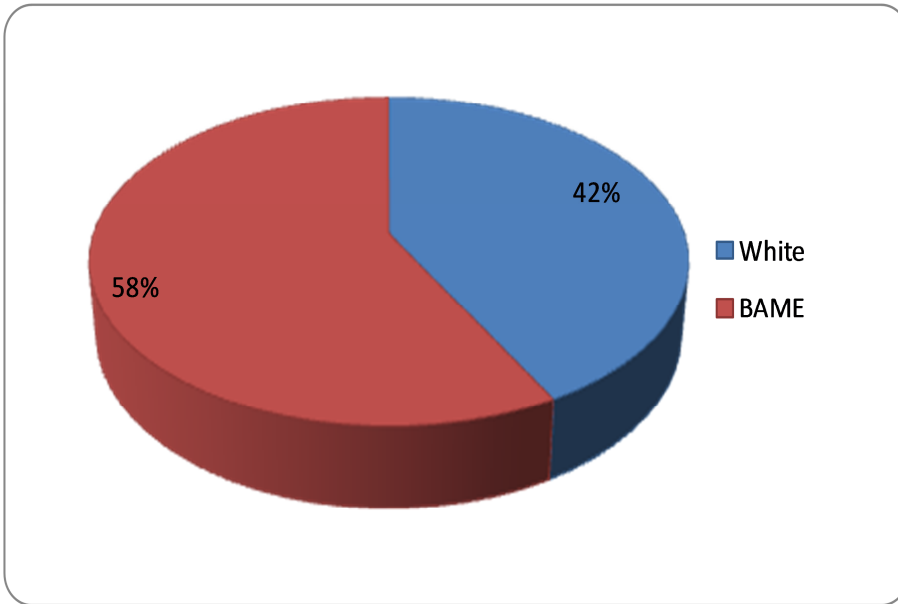
Row Labels	Count of sex	%
Heterosexual	19	79%
Prefer not to state	5	21%
Grand Total	24	100%

All households providing a response indicated that they were heterosexual, but a significant minority preferred not to give an answer. No specific impacts have been identified but there is insufficient data to make an accurate assessment of impact.

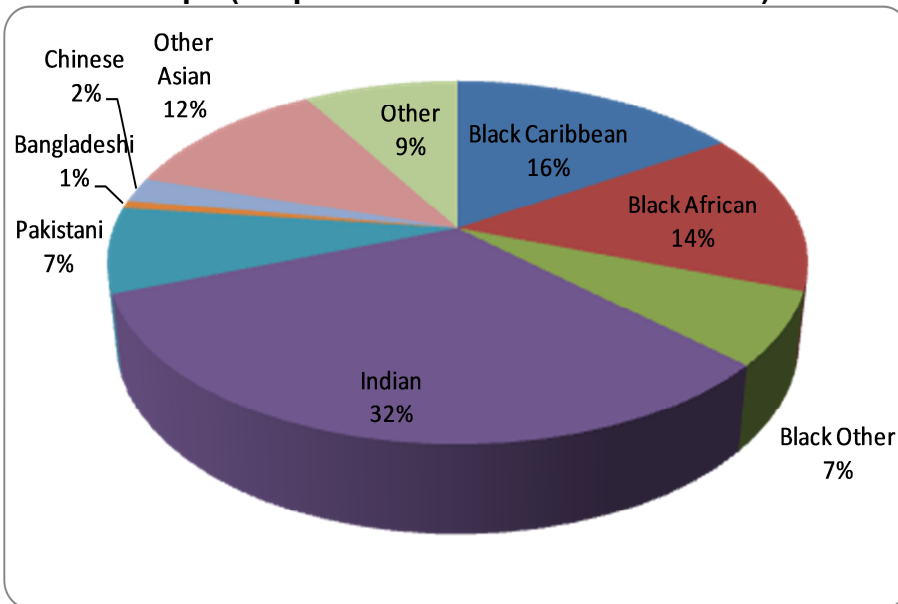
Please give details of the evidence you have used:

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)



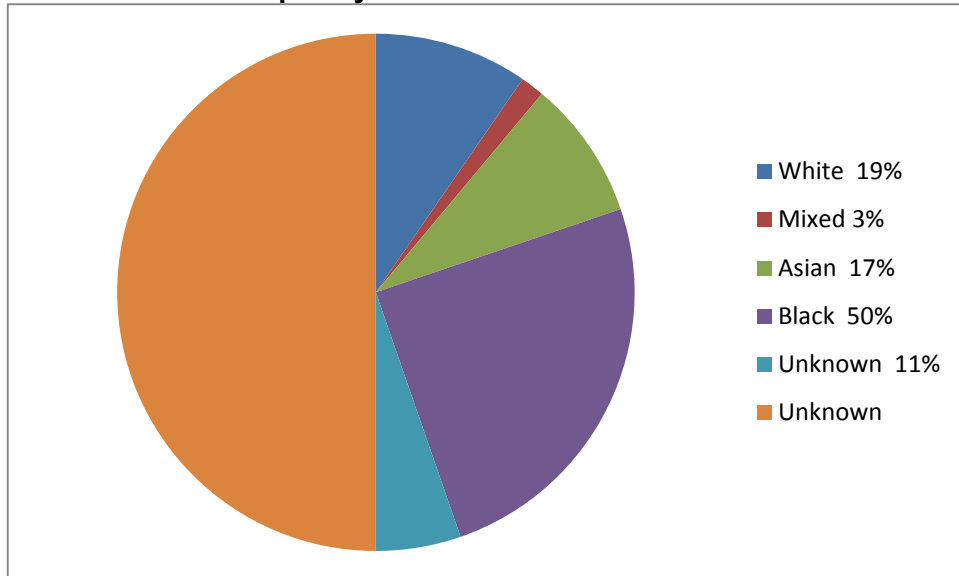
BAME Groups (Proportion of the overall 58% total)



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.

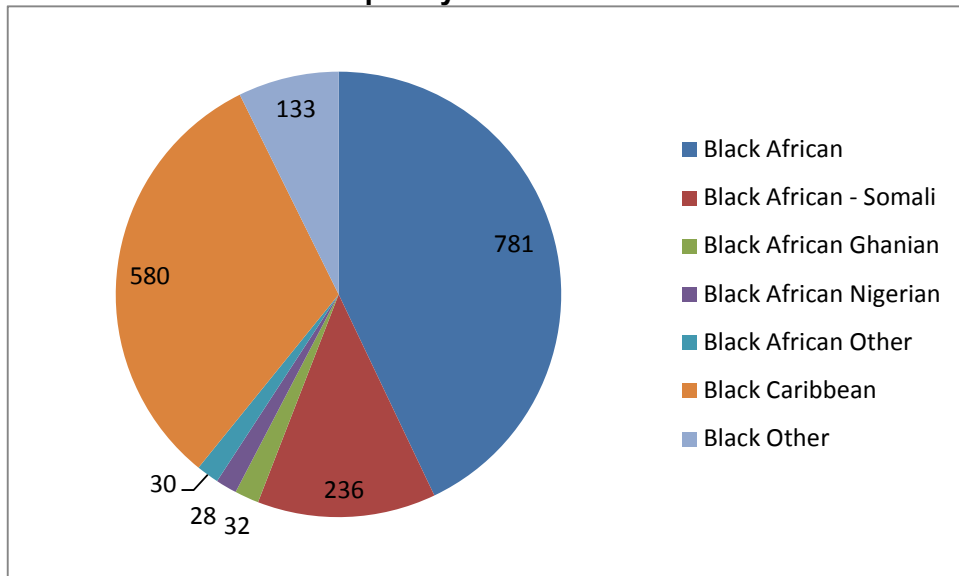
Households in Temporary Accommodation



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.

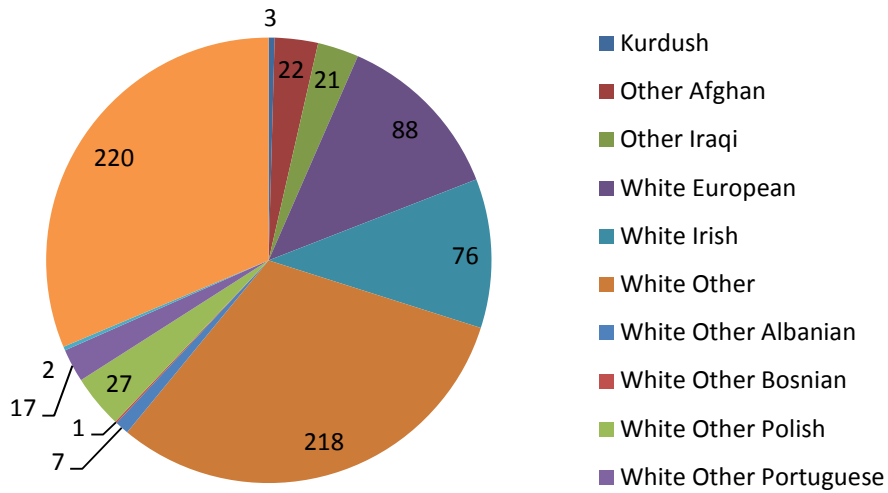
Breaking down the total above indicates that, among the broad Black category, Black African households are over-represented, with a particularly high number of Somali households

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.

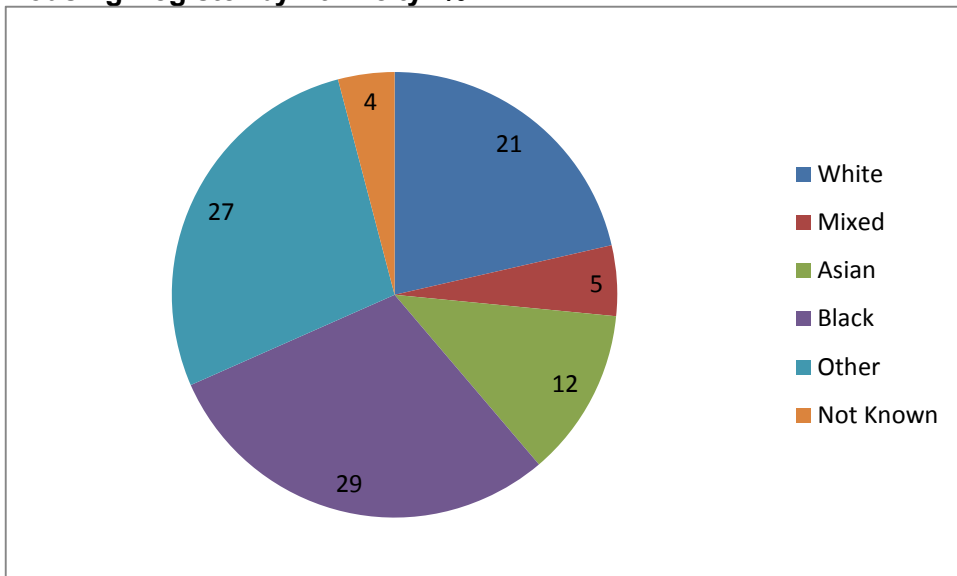
White Households in Temporary Accommodation



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).

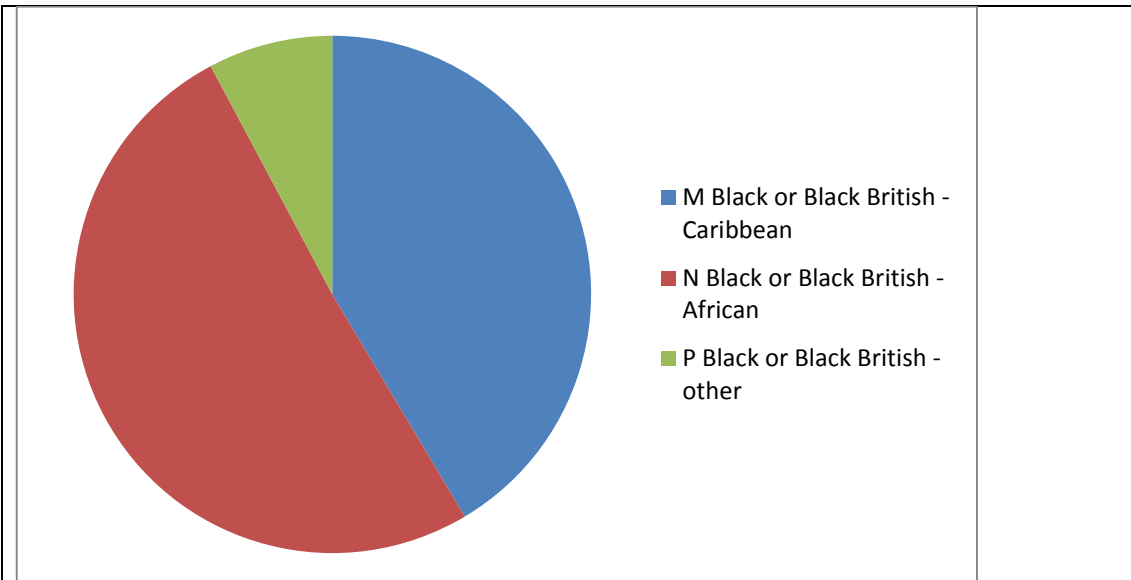
The Housing Needs Register shows a similar pattern, in which BAME groups are over-represented in comparison to the general population.

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-based 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.

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 proposed changes will correct anomalies in the existing Allocation Scheme to ensure that applications are treated equally. The changes will also ensure that the operation of the Scheme is clearer and easier to understand. In particular, the changes will ensure that homeless households are treated in a similar way to other households on the register, countering perceptions of unfairness.

(b) Advance equality of opportunity;

As noted above, the changes seek to ensure that applications are placed on a similar footing, bearing in mind the statutory requirements for awarding priority set out in the Reasonable Preference Criteria and the flexibilities introduced by the Localism Act.

(c) Foster good relations

.As above.

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 was carried out with:

- Registered Providers
- Housing Register applicants
- Members of Voluntary Sector organisations

ii. What methods did you use?

A consultation paper was posted on the council's website and sent to Registered Providers and all Housing Register applicants were notified and encouraged to respond through Locata. Officers met separately with Housing Management officers from the BHP, and again with representatives from registered providers.

384 electronic responses, the majority from households on the Housing Register, were received.

iii. What did you find out?

Overall, consultation responses indicated strong support for the proposed changes, with the exception of the proposals concerning bedroom allocation. The ways in which consultation has influenced final proposals is addressed in the report and at the appropriate points in this analysis and is summarised at points iv and v below. The remainder of this section sets out the main findings in relation to each of the consultation questions.

It should be stressed that responses are likely, particularly when additional comments are taken into account, to reflect the circumstances of individual applicants and whether they see the changes as helpful or otherwise to their own chances of securing housing. This is entirely understandable but suggests a need for caution in interpreting the responses.

1.1 To what extent do you agree that we should bid on behalf of accepted homeless applicants who are not maximising their bids?

Responses	Count	%
Strongly agree	93	24.7%
Agree	102	27.1%
Neither agree nor disagree	65	17.3%
Disagree	58	15.4%
Strongly disagree	58	15.4%
Total Responded to this question:	376	100.0%
No reply	8	
Total	384	

Responses indicate support for the proposed change and comments indicated strong feelings on the part of some applicants that failure to bid should be addressed. At the same time, concerns were raised over the need to ensure that the reasons for any failure to bid are considered and that vulnerable applicants should receive appropriate support. This will be taken into account in applying the change.

2.1 To what extent do you agree that households who have accepted a Qualifying Offer should retain their Band C award?

Responses	Count	%
Strongly agree	125	34.4%
Agree	105	28.9%
Neither agree nor disagree	67	18.5%
Disagree	39	10.7%
Strongly disagree	27	7.4%
Total Responded to this question:	363	100.0%
No reply	21	
Total	384	

Responses indicate strong support for the proposed change and relatively limited opposition. Objections focussed primarily on a view that if applicants have been rehoused in appropriate housing they should no longer require any priority.

2.2 Should there be a time limit to how long they retain Band C?

Responses	Count	%
None	189	52.6%
2 years:	126	35.1%
5 years:	28	7.8%
7 years:	16	4.5%
Total Responded to this question:	359	100.0%
No reply	25	

Total	384	
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A majority of responses favour no time limit, while there are mixed views among those who support a time limit.

3.1 To what extent do you agree that we should be allowed to make more direct offers so that we can rehouse a greater number of vulnerable applicants?

Responses	Count	%
Strongly agree	180	48.8%
Agree	120	32.5%
Neither agree nor disagree	43	11.7%
Disagree	14	3.8%
Strongly disagree	12	3.3%
Total Responded to this question:	369	100.0%
No reply	15	
Total	384	

Responses indicate strong support for the proposed change. Comments suggested that it was recognised that direct offers would provide a more effective solution than the bidding process in some cases.

4.1 To what extent do you agree that adult children share a room with siblings?

Responses	Count	%
Strongly agree	31	8.5%
Agree	56	15.4%
Neither agree nor disagree	45	12.4%
Disagree	97	26.7%
Strongly disagree	134	36.9%
Total Responded to this question:	363	100.0%
No reply	21	
Total	384	

Responses indicate strong opposition to the proposed change, although comments suggest that at least some of this was based on a misinterpretation of the proposal. Comments in support of the change tended to reflect a view that adult children should be seeking independent accommodation.

4.2 To what extent do you agree that households with 1-child should be offered a 1-bedroom property?

Responses	Count	%
Strongly agree	62	17.0%
Agree	66	18.1%
Neither agree nor disagree	32	8.8%
Disagree	86	23.6%

Strongly disagree	118	32.4%
Total Responded to this question:	364	100.0%
No reply	20	
Total	384	

Responses indicate opposition to the proposed change. As with the previous proposal, comments indicate some misunderstanding, including an assumption that parents would be asked to share a bedroom with a child.

4.3 Should we introduce an upper age limit for the child of households when we offer a 1-bed property?

Responses	Count	%
No	134	37.1%
2 years:	119	33.0%
5 years:	79	21.9%
7 years:	29	8.0%
Total Responded to this question:	361	100.0%
No reply	23	
Total	384	

Responses indicate support for a relatively low age limit. As noted in the report, no age limit is included in the revised proposal.

5.1 To what extent do you agree that we need to amend the allocation scheme to allow under-occupiers to be transferred with adult household members?

Responses	Count	%
Strongly agree	111	30.4%
Agree	119	32.6%
Neither agree nor disagree	100	27.4%
Disagree	20	5.5%
Strongly disagree	15	4.1%
Total Responded to this question:	365	100.0%
No reply	19	
Total	384	

Responses indicate strong support for the proposed change.

6.1 To what extent do you agree that if an applicant is employed, they should apply for the additional waiting time as soon as they qualify, irrespective of when their application for housing was made?

Responses	Count	%
Strongly agree	85	23.1%
Agree	99	26.9%
Neither agree nor disagree	86	23.4%

Disagree	40	10.9%
Strongly disagree	58	15.8%
Total Responded to this question:	368	100.0%
No reply	16	
Total	384	

Responses indicate support for the proposed change and comments suggested general support for the concept of rewarding employment.

7.1 To what extent do you agree that the residency criteria should apply to accepted homeless cases attempting to get rehoused?

Responses	Count	%
Strongly agree	126	35.0%
Agree	104	28.9%
Neither agree nor disagree	77	21.4%
Disagree	29	8.1%
Strongly disagree	24	6.7%
Total Responded to this question:	360	100.0%
No reply	24	

Responses indicate support for the proposed change. Comments welcomed the fact that this would place homeless households on the same footing as other applicants.

8.1 Do you think that overcrowding should be a higher, a lower, or the same priority as homeless households?

Responses	Count	%
Higher	108	29.6%
the same	161	44.1%
Lower	96	26.3%
Total Responded to this question:	365	100.0%
No reply	19	
Total	384	

Responses indicate support for the proposed change. As noted above, the mix of responses is likely to reflect the position on the register of individual applicants.

Please indicate your sex

Responses	Count	%
Male	90	23.9%
Female	271	72.1%
Prefer not to say	15	4.0%
Total Responded to this question:	376	100.0%

No Reply	8	
Total	384	

Is your gender identity the same as the gender you were assigned at birth?

Responses	Count	%
Yes	350	93.1%
No	9	2.4%
Prefer not to say	17	4.5%
Total Responded to this question:	376	100.0%
No Reply	8	
Total	384	

What is your age?

Responses	Count	%
16-24:	17	4.5%
25-34:	97	25.5%
35-44:	131	34.5%
45-54:	85	22.4%
55-64:	23	6.1%
65-74:	8	2.1%
75+:	0	0.0%
Prefer not to say	19	5.0%
Total Responded to this question:	380	100.0%
No Reply	4	
Total:	384	

Please state your ethnicity.

Responses	Count	%
White: British / English / Welsh / Scottish / Northern Irish	37	9.6%
White: Irish	7	1.8%
White: Traveller of Irish Heritage	0	0.0%
White: Gypsy Roma	0	0.0%
White: Other	44	11.5%
Black or Black British: African	62	16.1%
Black or Black British: Somali	27	7.0%
Black or Black British: Caribbean	61	15.9%

Black/Black British/Other Black Background	12	3.1%
Other Ethnic Groups: Afghan	1	0.3%
Other Ethnic Groups/Any other Groups	1	0.3%
Asian or Asian British: Pakistani	8	2.1%
Asian or Asian British: Bangladeshi	34	8.9%
Asian or Asian British: Indian	15	3.9%
Asian or Asian British: Chinese	1	0.3%
Asian/Asian British/Other Asian background	27	7.0%
Mixed/Dual Heritage: White & Black Caribbean	6	1.6%
Mixed/Dual Heritage: White & Black African	3	0.8%
Mixed/Dual Heritage: White & Asian	3	0.8%
Mixed/Dual Heritage: Any other mixed background	5	1.3%
Other Ethnic Groups: Eastern European	3	0.8%
Other Ethnic Groups: Turkish	2	0.5%
Prefer not to say	25	6.5%
Total Responded to this question:	384	100.0%
No Reply	0	

Do you consider yourself to have a disability?

Responses	Count	%
Yes	48	12.8%
No	301	80.3%
Prefer not to say	26	6.9%
Total Responded to this question:	375	100.0%
No Reply	9	
Total	384	

What is your sexual orientation?

Responses	Count	%
Bisexual (an attraction to both men and women)	19	5.4%

Gay man	1	0.3%
Gay woman / Lesbian	0	0.0%
Heterosexual/Straight	249	70.7%
Prefer not to say	83	23.6%
Total Responded to this question:	352	100.0%
No Reply	32	
Total:	384	

What is your religion/belief?

Responses	Count	%
Agnostic:	2	0.5%
Buddhist:	2	0.5%
Christian:	174	46.5%
Hindu:	13	3.5%
Humanist:	1	0.3%
Jewish:	1	0.3%
Muslim:	110	29.4%
Sikh:	1	0.3%
No religious belief:	19	5.1%
Prefer not to say:	51	13.4%
Total Responded to this question:	374	99.8%
No Reply	10	
Total:	384	

Your relationship status:

Responses	Count	%
Civil Partnership	3	0.8%
Co-habiting	6	1.6%
Single	188	50.4%
Married	148	39.7%
Prefer not to say:	28	7.5%
Total Responded to this question:	373	100.0%
No Reply	11	
Total:	384	

iv. How have you used the information gathered?

The information has been used to test proposals for change and assess the views of those most likely to be affected. In particular, consultation has sought to identify the practical impact of the proposed changes from the perspective of Housing Register

applicants and partner organisations managing affordable housing in the borough

v. How has it affected your policy?

The Cabinet report details the ways in which initial proposals have been altered to reflect the views expressed in consultation and changes are also summarised in section 8 below.

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.

Potential negative impacts have been identified and are addressed in Section 2 of this EIA. In summary the main risk of negative impact arises from the proposals concerned with bedroom allocation.

- Potential negative impact of automatic bidding for households where barriers to bidding exist, such as disability

Such cases will be considered individually and appropriate support will be provided.

- Potential negative impact if households perceive that choice has been restricted by auto-bidding

Cases will be considered by the Allocations Panel where appropriate and households will be fully advised of the reasons why auto-bidding is being applied and offered support where necessary. Households retain the ability to bid themselves in all cases.

- Potential negative impact arising from adult children required to share a bedroom.

Mitigation will focus on provision of advice and support to assist adult children to secure independent accommodation, including advice and support around employment and skills. It is anticipated that the establishment of the Brent Housing Partnership Letting Agency could provide one route into private rented housing for these individuals, while proposals set out in the draft Employment, Skills and Enterprise Strategy are designed to increase employment and training opportunities. It should be stressed that where circumstances suggest a different approach – for example in the case of disabled households with carers – the council would retain discretion over the application of the policy.

- Potential negative impact for households with one child offered one bedroom

homes

The original proposal has been altered so that the change is based on applicant choice. It is therefore anticipated that households electing to move will not perceive any adverse impact but will regard the option as providing the advantage of a move out of temporary accommodation into social housing, which will provide greater stability and certainty. Further mitigation of any possible negative impact is provided by the retention of Band C priority, based on the original application date.

- Potential negative impact of applying residency criteria to homeless households

Mitigation includes identification of specific exemptions through the Allocations Panel, flexibility in applying the criteria based on average waiting times and exemptions for urgent cases, for example those involving illness or disability.

- Potential negative impact of change in priority for overcrowding

Mitigation will include advice and support to secure alternative accommodation in the private sector.

- Negative impact of removal of Voluntary Sector Quota

The proposed change corrects an error in the current Allocation Scheme and is in itself intended as a mitigation measure that removes the cause of negative impact.

Please give details of the evidence you have used:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/339003/Statutory_Homelessness_1st_Quarter_Jan_-_March_2014_England_20140729.pdf

Locata

Northgate Housing

Northgate Revenues and Benefits

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.

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.

The policy has been adjusted in several ways to reflect both consultation responses and the findings of this assessment. In summary, these are:

- Removal of proposal to introduce compulsory offers of one bed properties to households with one child
- Reinstatement of Voluntary Sector Quota

- Aligning residence criteria with average waiting times

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:

Implementation of the policy is necessary to:

- Ensure effective use of available housing stock
- Correct anomalies on the current Allocation Scheme
- Address supply and demand and financial pressures
- Ensure equal treatment of applications, having regard to the Reasonable Preference Criteria

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

The reasons for this conclusion and the supporting information are set out in the relevant sections above in this EIA.

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.

Homelessness applications and acceptances, housing register applications, temporary accommodation occupancy, allocations and out-of-borough placements are all monitored regularly and reported on annually, primarily through the Supply and Demand Report to Cabinet. Impact of the new Allocation Scheme and the further changes proposed in this report will form part of this regular monitoring and reporting.

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 and those where more detailed analysis is required e.g. BAME groups		

			<p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		
Monitoring of Homeless Applications and Acceptances	June 2015	Laurence Coaker	<p>Comprehensive monitoring across all protected groups, including those where current data is inadequate and those where more detailed analysis is required e.g. BAME groups</p> <p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		
Monitoring of TA occupancy	June 2015	Laurence Coaker	<p>Comprehensive monitoring across all protected groups, including those where current data is inadequate and those where more detailed analysis is required e.g. BAME groups</p> <p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		
Monitoring of Direct Offers	June 2015	Laurence Coaker	<p>Comprehensive monitoring across all protected groups, including those where current data is inadequate and those where more</p>		

			<p>detailed analysis is required e.g. BAME groups</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 and those where more detailed analysis is required e.g. BAME groups</p> <p>Demonstrate positive impact of policy</p> <p>Identify actions to mitigate any negative impact</p>		
Review impact of changes	June 2015	Laurence Coaker	<p>Policy reviewed in light of monitoring and assessment of impact. Any need for change identified and, if required, reported to Cabinet</p>		
Review data sources to ensure consistency where possible	March 2015	Laurence Coaker	<p>Alignment of data and reporting styles will allow for better reporting and more granular analysis</p>		

Appendix 2: Reasonable Preference and Direct Offers

Reasonable Preference

Section 166A (3) of the Housing Act 1996 outlines priorities to which the scheme must give reasonable preference. These categories are outlined in detail within the scheme, but in summary they are;

- Homeless households
- Homeless households in temporary accommodation
- People living in overcrowded or unsatisfactory housing
- People who need to move on medical or welfare grounds (including any ground relating to a disability)
- People who need to move to a particular locality within the district where to not move them would cause hardship (to themselves or others).

Additional preference may be given to any particular category where there is urgent housing need.

Direct Offers

Allocation Scheme, paragraph 6.10:

The following applicants may qualify for a direct offer of accommodation but only if approved by the Allocations Panel:

- Where an existing council tenant or partner housing association tenant in Brent has been approved by the Allocations Panel for an emergency management transfer because of harassment, domestic violence or hate crime.
- Where an applicant needs to move urgently because of an emergency medical or welfare need, including emergencies and situations where there are serious safeguarding implications.
- Where it is in the overriding interests of the Council to prioritise an allocation of housing to a particular household and/or it is necessary to comply with a Court Order and/or fulfil an urgent statutory or legal duty.
- Where a council tenant or housing association tenant in Brent is occupying a specially-adapted home or under-occupying a large family home and is willing to transfer to a home that is more appropriate to their needs.
- Where an applicant has been assessed by a Multi Agency Public Protection Panel (MAPPA) and it is decided by that Panel that the applicant should be offered social housing
- Where an applicant is being moved under a national witness mobility / protection scheme
- Where a specially adapted property has been built, acquired or adapted in order to meet the needs of a specific applicant

- Where a council tenant or housing association tenant in Brent requires extensive disabled facilities that can be provided more appropriately in alternative accommodation of a particular type
- Where a property is currently occupied by a homeless household (as temporary accommodation and on the basis of a non-secure tenancy) and that property is then offered to them as an introductory / starter tenancy or secure / assured tenancy
- Where an applicant is a former council tenant who has previously surrendered their tenancy (without the need for possession proceedings) on the understanding that, when they leave prison, hospital, rehabilitation or residential care, or have successfully completed a supported housing tenancy, they will be offered the tenancy of a bedsit or one-bedroom home
- Where any delay in providing the applicant with suitable accommodation is likely to prove costly to the Council.
- Homeless home seekers, who occupy temporary accommodation and have been identified by the Allocations Panel maybe made one direct offer in line with policy. If the offer is refused on unreasonable grounds, full housing duty will be discharged. Direct offers to approved homeless applicants are made in exceptional circumstances, where it is in the overriding interest of the Council to prioritise an allocation of housing to a particular household and/or it is necessary to comply

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Cabinet
10 November 2014

Report from the Director of Regeneration and Growth

For Action

Wards affected:
Barnhill, Wembley Central
Brondesbury Park
Willesden, Kenton, Stonebridge

Housing PFI Project Agreement Revisions

1.0 Summary

- 1.1 As a result of a number of external factors the Council's Housing Private Finance Initiative (PFI) project currently faces considerable financial challenges and a projected deficit which falls on the Local Authority.
- 1.2 This report proposes a number of contractual revisions to provide the Council with flexibility in order to improve the financial performance of the project and substantially reduce the prospective deficit. These have been arrived at following a period of negotiation with the Council's PFI contract partner, Brent Co-Efficient (BCE) and following consultation with the Homes and Communities Agency (HCA) the Department for Communities and Local Government (DCLG).

2.0 Recommendations

Cabinet is asked to:

- 2.1 Note and approve the proposed revisions to the Project Agreement (and related documents) as set out in paragraphs 4.1 to 4.15 of this report and to delegate agreement of the final terms of revision to the Project Agreement (and related documents) contract to the Strategic Director for Regeneration and Growth in consultation with the Chief Finance Officer and the Borough Solicitor.

- 2.2 Delegate authority to the Strategic Director for Regeneration and Growth, in consultation with the Chief Finance Officer and the Borough Solicitor, to agree the variation to the PFI Project Agreement and all other related documents, in order to enable the contract revisions to be properly documented.
- 2.4 Authorise the Borough Solicitor, or authorised delegate on her behalf, to execute all of the legal agreements, contracts and other documents on behalf of the council and such other legal agreements and documentation which may be necessary to give full effect to the variation to the PFI Project Agreement, subject to her receiving confirmation of continuing credit approval from the Department for Communities and Local Government, through the Homes and Communities Agency (HCA) or, executing such contracts and other documentation with a pre-condition that they shall only come into full effect upon the issuing of such PFI credit approval by the HCA/DCLG.
- 2.5 Agree that the Chief Finance Officer can issue, on behalf of the council, such certificate or certificates under the Local Government (Contracts) Act 1997 to:
- a. Brent Co-Efficient in respect of the Deed of Amendment (or such other document) to give effect to the variations to the PFI Project Agreement;
 - b. Brent Co-Efficient's funders in respect of any the Direct Agreement Amendment Deed (or such other document) to give effect to the variations to the Direct Agreement entered into between the council, such the funders and Brent Co-Efficient; and
 - c. Hyde Housing Association and the Brent Co-Efficient's funders in respect of a the Residual Value Amendment Deed (or such other document) to give effect to the revised Residual Value Deed to be entered into between the council, Hyde Housing Association and the funders.
- 2.6 Agree that the Chief Finance Officer will be fully indemnified by the council in the event of any claim against him arising from the provision of any Certificate he may issue in accordance with recommendations/decisions in 2.5 above.

3.0 Background

- 3.1 The PFI contract was entered into between the Council and Brent Coefficient Limited (BCE), a subsidiary of Hyde Housing Group (Hyde), on 19 December 2008 for Phase 1 which was extended in July 2010 to include Phase 2 and the contract ends on 18 December 2028. The project provided for the construction between 2010 and 2012 of 364 units of accommodation by BCE, and an additional 20 units of residential care accommodation which are owned by the Council. All units have been constructed and the project is in its service operational phase.
- 3.2 The 364 units are intended to be available for use as Temporary Accommodation by Brent in order to assist in meeting its statutory interim duty to provide temporary accommodation to homeless households. The contract

also requires that a proportion of these units convert to Social Rented properties over the course of the contract: a minimum of 72 units in 2013 rising to 98 units in 2023.

- 3.3 At the end of the contract a minimum of 158 of the units are to be provided thereafter by Hyde as social rented housing, with this number potentially being increased if the overall value of the units (reflecting market values at that time) exceeds the debt repayment due to the project lenders.
- 3.4 As a result of the welfare reforms introduced by Government, in particular the housing benefit subsidy limitations for temporary accommodation, rental income to fund the required payments to BCE has not risen as assumed in the contractual financial model and over the remaining course of the contract is projected to fall substantially short. The contract had assumed that the housing benefit rates for temporary accommodation would rise by RPI+0.5 % per annum over the course of the contract. In practice, since 2010, housing benefit rates for temporary accommodation have been frozen and on the introduction of Universal Credit expected in 2018, are expected to be re-based to a lower level and to then rise by CPI only. (CPI inflation has on average been 0.7% lower than RPI inflation over the last twenty years.)
- 3.5 As a result under the current contract the Council is expected to incur an annual and increasing deficit over the remaining contract term. Financial modelling, based upon reasonable forward assumptions, indicates this deficit will cumulatively rise to c.£17.4m (before adding interest costs arising from servicing this deficit) by the end of the contract in 2028. The actual financial performance of the contract will depend on a number of variables that can only be reasonably estimated in advance. These include CPI and RPI inflation levels, uprating of Local Housing Allowance (Housing Benefit) rates and housing market rental inflation.
- 3.6 In order to remedy the position negotiations have been undertaken with BCE and Hyde over recent months on revisions to the contract that have the potential to optimise the project's financial performance and minimise the prospective deficit. The proposed revisions, set out below, have been agreed in principle by these parties, and the HCA and DCLG have indicated their support, which is required for any contractual changes. If approved by Cabinet the required contractual changes will be legally drafted with a revised contract expected to be entered into in December 2014.
- 3.7 The proposed contractual revisions have been designed to provide the Council with the flexibility to respond to the developing financial position over the remainder of the contract term, rather than prescribe a specific solution that may then prove ineffective as underlying assumptions are overtaken by changing circumstances.
- 3.8 The revisions will provide the Council with flexibility over the way in which the 364 units are used and the corresponding rents that can appropriately be charged. It will allow the Council to make judgements each year about the appropriate mix of housing benefit-supported temporary accommodation,

intermediate and Affordable Rented units, within certain limits, in order to optimise financial performance while contributing to meeting housing need.

- 3.9 The most significant change is the introduction of a contingency to utilise the PFI units to provide discounted market rent, or intermediate rent housing. This product is recognised by the HCA and GLA as being part of the mix of affordable housing products and aligns with the objectives of the project.
- 3.10 It is recognised, however, that if units are let at intermediate rents they will need to be used to provide temporary accommodation or otherwise meet housing needs in a more targeted way, primarily for those in employment, and will not be available to meet the broad range of temporary accommodation needs they currently do. This may have a resulting impact on other temporary accommodation pressures and costs.
- 3.11 The Council will be able to determine the way in which the units (to a maximum of one third of the units in any year) are used on an annual basis. It is proposed that annual decision on this be reserved to the Cabinet, and be included in the annual Housing Supply and Demand report, and be informed by a full understanding of the financial and other implications of this.
- 3.12 The existing commitment to provide a minimum of 158 affordable homes from the end of the contract is maintained and the number realised may be increased through the proposed changes.
- 3.13 On the basis of current assumptions the proposed revisions would reduce the final deficit to c.£5.6 and £6.2m by 2028. The majority of this deficit arises over the latter part of the contract and current assumptions about the future position during that period are necessarily uncertain. Over the next five years, by end 2019/20, the cumulative deficit would be reduced from c.£3.6m to c.£1.7m.
- 3.14 The PFI units are currently occupied by households to whom the Council owes an interim duty to provide temporary accommodation. These households are eligible to bid under the Council Allocation scheme for an affordable social housing property.
- 3.15 Where units are converted to Affordable Rent existing residents will if appropriate under the Allocation scheme be offered fixed-term Affordable Rent tenancies of their existing properties or they will be provided with alternative temporary accommodation. If units are in the future let at intermediate rents an assessment will be made of whether this is affordable to the existing household and if not alternative temporary accommodation will be provided.

4. Contractual Revisions

- 4.1 The proposed revisions to the terms of the project agreement have been agreed in principle by BCE and Hyde, They have also been considered by the DCLG who have indicated that they are supportive in principle of the proposed changes. The proposed revisions and their implications, are set out below:

Revision 1

- 4.2 It is proposed to remove the requirement to convert a specified number of units during the contract term from Temporary Accommodation use to Social Rented units. If the conversions were to proceed they would worsen the financial position.
- 4.3 The DCLG is currently considering this revision alongside the alternative of revising the requirement to convert 92 units during the contract term from Temporary Accommodation use to Social Rented units to a requirement to convert a minimum of 72 units from Temporary Accommodation to Affordable Rent equivalent units no later than 2015 and for a period of no less than 5 years. This would limit the adverse impact of conversions and provide the council with flexibility to partially recover the position later by converting the units back, on expiry of fixed-term tenancies, to temporary accommodation or intermediate rent if the financial position required it. Decision by the DCLG between these alternatives will be provided in November and these alternatives are reflected in the financial implications set out in this report.

Revision 2

- 4.4 To provide the option for the Temporary Accommodation units to be let at 'intermediate rents', i.e. at rents of up to 80% of prevailing market rents.
- 4.5 Intermediate rented housing is a form of affordable housing (and one promoted through the HCA and GLA) but differs from Affordable Rented housing in that rents are not limited by Local Housing Allowance rates but may be charged at up to 80% of market rents.
- 4.6 This change would increase rental income to the project and reduce the projected deficit. The deployment of the units at intermediate rents would represent a more targeted approach to the use of these units to meet housing need than is the current position. The units would be used to meet the needs of those to whom the Council owes a duty to provide temporary accommodation, other homeless households or those in need of housing assistance. Affordability will be a fundamental consideration. The units will be targeted primarily at those in employment and either not in receipt or in partial receipt of housing benefit and for whom rents at up to 80% of market rent would be affordable. In nominating a household to these units the council would continue to ensure that the rent could be afforded as is required under the current Project Agreement.
- 4.7 The Council has around 3,300 households in temporary accommodation. As a result in part of the welfare reforms the proportion in employment has risen significantly and approximately 20% of households are currently in paid work. The size of the Council's temporary accommodation provision could enable the Council to use the PFI units in a differentiated way, to meet the temporary accommodation needs of those in employment for whom the rents are affordable and to meet the housing needs of others in need who approach the council for assistance.

- 4.8 Intermediate rents would be introduced gradually over an extended period in order to minimise any impact on households currently housed in these units who are not in employment at the relevant time and who are not able to afford the intermediate rents. There would be early engagement with these households to assess their circumstances and to discuss their options. If discounted market rents are not affordable the household would be accommodated in other temporary accommodation available to the Council in accordance with the Council's statutory duty, or where appropriate through the offer of a social housing unit or a suitable private rented sector discharge as appropriate to their circumstances.

Revision 3

- 4.9 For conversion to be to Affordable Rent rather than Social Rent, both during the contract period (if any) and at the end of the contract.
- 4.10 Government policy is now to support Affordable Rent provision as the main form of affordable tenure, replacing social rent. In accord with this it is proposed that the existing requirement to provide a minimum number of Social Rented units at contract-end is replaced with an equivalent requirement to provide Affordable Rent units instead. The effect of this change will be positive in that the value of these units will be higher and this will potentially enable a larger number of the PFI units to be converted to affordable housing at the end of the contract.

Revision 4

- 4.11 For rent collection overage provisions to be amended to maximise income to the project.
- 4.12 In order to maximise rental income available to the Council to meet its payment obligations it is also proposed to amend the existing provisions in relation to rent collection overage (and underage). Currently, if target rent collection levels are exceeded (or not reached) 50% of the excess is retained (or shortfall, paid) by Hyde. In practice rent collection levels are significantly higher than the target levels. It is therefore proposed to reduce the degree of Hyde's share in any upside (or downside) to 10% within the existing range in order to maximise income to the project and to reduce the deficit.

Revision 5

- 4.13 At the end of the contract for the Council to be able to recover up to £2m of any deficit from 50% of the increase in value that results from the 158 affordable units being secured as Affordable Rented instead of Social Rented units.
- 4.14 This provision provides the Council with a limited amount of contingency if a deficit remains at the end of the contract term. This facility depends upon the overall value of the 364 units being sufficient to meet BCE's debt repayment

requirement at that time. Modelling indicates a reasonable likelihood that this will be achieved.

4.15 In summary, the proposed revisions to the contract agreement have been designed as far as possible to accord with the existing objectives of the project to provide accommodation to meet housing need and provide a permanent legacy of affordable housing while assisting in recovering the project's financial position and reducing the projected deficit to which the council is exposed. They have the potential, together, to put the project back on a more sustainable financial footing whilst maintaining the rationale and purpose of the project.

5.0 Financial Implications

5.1 The current contract is not affordable to the Council. As a result of previous changes and reasonable projections of future policy in relation to housing benefit subsidy levels for temporary accommodation it is projected that a deficit of c.17.4m will result by contract end.

5.2 The proposed revisions will significantly reduce the Council's deficit but they are unlikely to eliminate it entirely. It is projected that through these revisions the deficit at contract-end could be reduced to between £7.6 and £8.2m (in out-turn cash terms).

5.3 If, as projected, a deficit accumulates by contract end the Council may be able to recover up to £2m of this deficit from 50% of the increase in value that results from the 158 affordable units being secured as Affordable Rented instead of Social Rented units. This increase in value is estimated at c.£5m but the actual figure will be determined at the end of the contract and depend on then prevailing Social and Affordable Rent levels. This provision reduces the eventual projected deficit to between £5.6m and £7.2m.

5.4 The projected impact of the proposed revisions are summarised cumulatively in the table below.

Proposed Revision (All figures are out-turn)	Financial Impact on baseline (£m)	Projected Deficit at end-contract (£m)
Current baseline position	-	17.4
Revised rent collection provisions	1.0	16.4
No conversions to Social Rent during contract	4.4	12.0
*Deployment at Intermediate Rents (changeover between 2015-18)	4.4	7.6
(OR Min. 72 conversions to Affordable Rent in 2015 and deployment of remainder at Intermediate Rents between	(0.6)	(8.2)

Proposed Revision (All figures are out-turn)	Financial Impact on baseline (£m)	Projected Deficit at end-contract (£m)
2015-18)		
Deficit recovery from Affordable Rent value increase at contract-end	2.0	5.6 (OR 6.2)

*For the purposes of this financial illustration it has been assumed that the units would be moved to intermediate rents over a three-year period from 2015-18.

- 5.5 The Temporary Accommodation earmarked reserve (£5.7m at March 2014) will be reclassified so that it can also be used to fund any shortfall on this PFI contract. The Council will be required to meet any deficit in-year and this will be reflected in its annual budgets. The Council's Medium-term Financial Strategy will also take account of the extent of the proposed deficit that needs to be funded over that term.

6.0 Legal Implications

- 6.1 The effect of a Contract Act Certificate under the Local Government (Contracts) Act 1997 is to provide comfort to the other party to the contract (and its funders) that even if the contract is declared void or ultra vires then a certificate issued under the Local Government (Contracts) Act 1997 will have the effect of rendering such contract intra vires. It is likely to be necessary for the Council (as is recommended in paragraph 2.6 of the report) that the Chief Finance Officer certify the agreements referred to in paragraph 2.5 of the report. These certificates are given in the Chief Finance Officer's personal capacity and as such it is also recommended that he be indemnified (as he was in respect of the Phase 1 and Phase 2 certificates) for any losses arising as a result of giving such certificates. The Director of Finance at the time has previously signed such Contract Act certificates in respect of the legal documentation when the original Project Agreement for Phase 1 of the PFI project was entered into in December 2008 and when the Phase 2 PFI variation was entered into in July 2010.
- 6.2 When considering the proposed amendments, and in particular the financial implication arising from those changes and also the financial implication to the Council of not agreeing the changes to the Project Agreement and related documents, the Council needs to consider the fiduciary duty which is owed to council tax and ratepayers within the borough which obliges the council, when exercising its functions and thus when considering the recommendations in this report, to make proper arrangements for securing the economic efficient and effective use of the local authority's resources.
- 6.3 The Council has a number of powers which enable it to procure the accommodation and services envisaged within the current PFI contract namely:
- a) Part VII of the Housing Act 1996 ("HA 1996") places various duties on a local housing authority to secure that accommodation is available for persons who are homeless or threatened with homelessness including, (i) section 188 HA

1996 which requires that the local authority shall secure that accommodation is available for a person's occupation if it believes, pending enquiries into the applicant's homelessness application, that the applicant maybe homeless, eligible for assistance and have a priority need and (ii) section 193 HA 1996 where, unless the local authority can refer the applicant to another local housing authority, it shall secure that accommodation is available for occupation by an applicant where it is satisfied that an applicant is homeless, eligible for assistance and has a priority need and is not satisfied that he become homeless intentionally;

- b) Section 21 of the National Assistance Act 1948 provides that a local authority may with the approval of the Secretary of State and to such extent as he may direct, make arrangements for providing residential accommodation to persons aged 18 or over who by reasons of age, illness, disability or any other circumstances are in need of care and attention which is not otherwise available to them;
- c) Section 1 of the Local Government (Contracts) Act 1997 provides that a statutory provision conferring or imposing a function on a local authority confers power on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both, (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority .

7.0 Diversity Implications

- 7.1 A full EIA was undertaken in relation to the Council's Tenancy Strategy which was agreed in 2013. This addressed the implications of future social housing provision being at Affordable rather than Social Rents. The policy requires that such Affordable Rents are set at different percentages of market rent for different bed-sizes in order to support their affordability, and this policy will be applied to any PFI units converted to Affordable Rent.
- 7.2 If the PFI units are let at intermediate rents at a future point this will impact on households then accommodated in them, either by increasing the rents payable or in requiring them to move to other temporary accommodation.
- 7.3 An initial Equalities Analysis has been undertaken which includes an action plan. This requires that decision on any future let of the PFI units on Intermediate Rents is supported by an Equality Analysis in order to assess the impact of the proposed change on the households accommodated in the relevant units at that time and on the characteristics of those requiring temporary accommodation generally at that time, with identification and assessment of appropriate measures to mitigate any adverse impacts.

8.0 Staffing/Accommodation Implications (if appropriate)

- 8.1 There are no immediate staffing or accommodation issues arising from this report.

Background Papers

Appendix 1 – Heads of Terms

Appendix 2 – Financial Modelling Results Summary

Appendix 3 – Further Legal Comments - Not for Publication

Appendix 4 – Equalities Analysis

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Appendix 1- Housing PFI Project Agreement Revisions

Brent Non-HRA Housing PFI - Revised Project Agreement

Heads of Terms

1. Purpose

1. This document sets out the Heads of Terms for the proposed revisions to the PFI Project Agreement between Brent Council and Hyde/BCE. The purpose is to provide sufficient flexibility to the Council to reduce and potentially eliminate the financial loss projected to arise under the terms of the current Project Agreement.
2. This projected financial loss arises primarily from changes made by Government since the Project Agreement was executed in relation to Local Housing Allowance (Housing Benefit) Subsidy rates. Indicative financial modelling suggests that the Council will incur a cumulative deficit of up to £17m by the end of the contract.
3. In order to minimise and if possible eliminate this deficit it is necessary to provide greater flexibility over how the accommodation is used and the rents at which it is let and provide contingency for future changes that impact on the project's financial performance.
4. In the course of negotiations between the parties a number of approaches have been considered. It has been agreed that the preferred approach is one where the Council continues to carry the primary financial risk and is accordingly provided with primary control in order to manage and mitigate this risk by having considerable discretion over the deployment of the units in order to achieve an optimal balance between financial performance and the availability of the units to meet housing need.

Operational Provisions

2. Tenure

1. There will either be no requirement to convert a minimum number of units from Temporary Accommodation to Permanent Social Rented units prior to the end of the contract; or the existing requirement will be amended to provide for conversion of 72 units to Affordable Rent equivalent by end 2015 (for a minimum period of 5 years). (Decision between these alternatives is awaited following response from DCLG)
2. Subject to 1. above the Council will have flexibility over the deployment of the units at different tenures. There will be no minima and the maxima for each tenure are set out below:
 - Social Rent – zero
 - Affordable Rent Equivalent – 158 units
 - Discounted Market Rent – 364 units
3. These tenures and the applicable rents are as follows:
 - Affordable Rent Equivalent – the let on an assured shorthold tenancy for a fixed-term of five years at rent levels that are consistent with the guidance of the Social Housing Regulator for this product (and accordingly have regard to the Council's Tenancy Strategy)
 - Discounted Market Rent – the let on an assured shorthold tenancy for a fixed-term of no less than two years at a rent of up to 80% of the market rent for the property.
 - Temporary Accommodation – the let on an assured shorthold tenancy pursuant to the Council's Part VII homelessness duties at rents equal to the housing benefit subsidy levels for temporary accommodation.
4. All these tenures may be integrated and pepper-potted within an individual scheme so long as the routes of nominating households remain consistent with the agreement between the parties.
5. The maximum number of units which can be converted under a single notice (and in one year) will be constrained to one third of the total units in management, equivalent to 122 units.
6. Assured shorthold tenancies in use across Affordable and discounted market rent tenures will include standard provisions to gain possession within the fixed term period.

3. Tenure Deployment

7. The Council will, within the parameters above, be able to deploy and re-deploy units at these different tenures as follows:
 - Units will be deployed at Affordable Rent Equivalent Units for a minimum period of 5 years or for a shorter period where the tenancy comes to an end through eviction or surrender;
 - Discounted Market Rent Units will be deployed for a minimum period of 2 years or for a shorter period where the tenancy comes to an end through eviction or surrender;
8. By 1 February each year the Council will issue BCE with a draft schedule of the target number of units for each tenure and the rents to be applied to these units, and the details of properties where the tenure is to be changed, for BCE to comment on. By the 1 April each year this target is to be confirmed and formally notified by Council to BCE.
9. The Council will be free to set the target mix and required conversions within the parameters above taking account of relevant considerations relating to homelessness and temporary accommodation needs and the local housing market. In addition the Council will need to provide a financial projection that, on the basis of reasonable assumptions, shows:
 - That a deficit will arise by the end of the contract if the current deployment is continued, and
 - the target mix and conversions that will reduce this deficit but that will not generate a surplus in excess of £2m by contract expiry.
10. If BCE considers that the assumptions underlying the projections are unreasonable they may set out their reasons for the Council to consider. If the Council agrees with these reasons then it will issue a revised financial projection and target mix.
11. If the Council disagrees with these reasons, then it will justify its assumptions. In the event that BCE still considers that the assumptions underlying the projections are unreasonable, then the Dispute Resolution Mechanism contained in the Project Agreement will apply.
12. Both parties will be required to assess the operational practicality of delivering the proposed change in tenures. If BCE feel that the proposed changes are not operationally possible it will set these reasons out to the council. If the council agrees with these reasons then it will issue a revised target mix.
13. BCE will issue to the council a forecast of the costs for which the council will be liable and are associated with the target conversion and the proposed timetable of activity.

Should the council consider these assumptions to be unreasonable it may set out its concerns. If BCE agrees it will alter its projections accordingly.

14. In instances where either party still considers that the assumptions underlying the operational projections are unreasonable, then the Dispute Resolution Mechanism contained in the Project Agreement will apply.

4. Conversions

15. This will operate as follows:

- Temporary Accommodation to Affordable Rent Equivalent – the Council will, where appropriate and in accordance with its published Allocation Scheme, offer the existing occupants an Affordable Rent Equivalent tenancy. Where the tenancy is accepted the Council will have discharged its duty. If the existing occupants do not accept, the Council will advise BCE that it has discharged its duty and BCE will then take the necessary steps to secure vacant possession as soon as is practicable. Where the existing occupants are not offered the Affordable Rent Equivalent tenancy the Council will make the necessary arrangements for the household to be placed in other temporary accommodation in accordance with the Council's homelessness duties.
- Temporary Accommodation to Discounted Market Rent – the Council will provide alternative accommodation in accordance with its homelessness duties except where the Council makes a qualifying offer or private rented discharge of the unit to the current occupants (and provided the new rent is affordable to them). It will be the Council's responsibility to provide alternative accommodation. The Council will use its best endeavours to identify suitable accommodation within the borough and its adjacent surrounds, which is affordable to the current occupants. In the event that the Council is unable to identify such suitable accommodation, then the Council will use its discretion to provide accommodation in accordance with its homelessness duties. Where any suitable offered accommodation is refused and the Council has discharged its duty, BCE will take the necessary steps to ensure that vacant possession is secured as soon as is practicable.
- Affordable Rent Equivalent to another form of tenure – this will only occur at the end of a five-year fixed term tenancy period (or where a void arises). Where the occupants would be entitled to a renewal of their tenancy (in accordance with the Council's published Allocation Scheme and related policy) conversion to another tenure will not be permitted.

Where not, the Council will, as appropriate in the circumstances, provide suitable alternative accommodation or provide advice and assistance and BCE will take the necessary steps to ensure that vacant possession is secured as soon as is practicable.

- Discounted Market Rent to another tenure – the Council will direct that the existing tenancy be brought to an end and will assist with housing advice. BCE will take the necessary steps to ensure that vacant possession is provided as soon as is practicable.

16. Where a void unit arises naturally and the target conversions for the year have not yet been achieved, the Council will set the tenure and rent for the unit and may deploy this unit to assist in achieving the target balance of tenures set for that year.
17. The costs associated with the conversion of units as proposed in the annual target mix will be met by the Council and will be accounted for within the financial projections for the project and any end of contract projected surplus or deficit. Rent losses arising from void periods will also be accounted for in the financial projections.

5. Nominations

18. For all tenures the Council will nominate the occupants, and they will be households to whom the Council owes a homelessness duty (to provide temporary accommodation or in discharge of the rehousing duty) or are otherwise homeless or have approached the Council for housing assistance, except in respect of nomination to an Affordable Rent Equivalent tenancy which will be in accordance with the Council's published Allocation Scheme.
19. The Council will in nominating households take account of their ability to pay the rent including the impact of welfare reform and the household's wider ability to afford the property. Hyde as the housing management sub-contractor retains the right to refuse any household under the same terms as presently exist within the project agreement, i.e Nominations will be made in accordance with the Nominations Protocol and subject to Affordability Criteria.

6. In Tenancy Costs

20. The suggested tenure mix within the project exposes the housing management sub-contractor to additional risk in regard to rent collection from that envisaged when the original agreement was formed. This results from the introduction of changes implemented through the Welfare Reform Act, including the overall benefit cap and the spare room subsidy.
21. Where changes in household circumstances occur mid-tenancy and the instruments of the Welfare Reform Act, including the social sector size criteria and/or the overall

benefit cap impact on the households ability to pay the rent due in full, the housing management sub contractor will not be held liable for that proportion of uncollected rent. This will be subject to the housing management sub contractor fulfilling its duties under the project agreement in relation to the management of rent arrears in relation to each case.

7. Residual Value and End of Contract Tenure Provisions

22. The Project Agreement requires that a minimum of 158 units are available at the end of the contract to provide permanent social rented housing, subject to the terms of the Residual Valuation and Senior Debt repayment obligation.
23. As social rented housing is no longer supported, this will be amended to provide that a minimum of 158 units are available to provide Affordable Rent Equivalent housing, subject to the same qualification, with consequential amendments to reflect this change of tenure to the Residual Value Deed and S106 agreements.
24. In order to achieve this, the Council will, taking account of the number of existing Affordable Rent Equivalent units, specify the units to be converted to this tenure a minimum of one year in advance of the end of the contract. Such conversions will be made in accordance with the approach and parameters set out above.
25. At the end of the contract the Residual Value will be calculated, initially on the following basis:
 - Value of 158 specified units as Affordable Rent Equivalent units
 - Value of 206 remaining units at Open Market Value (OMV)
 - If the value is below £80m (the senior debt obligation) then no additional units (above the 158) will be converted to Affordable Rent and the council may not recover any deficit.
 - If the value is above £80m and if the council has a deficit at contract end this may be recovered to the limit of 50% of the additional value generated by the switch of the 158 units from Social to Affordable Rent units up to a maximum of £2m
 - The number of affordable units to be held in perpetuity will be calculated in order to arrive at a Residual value equal to the sum of the £80m senior debt obligation and the amount of the council's deficit to be recovered to a maximum of £2m.

8. Management

26. A wider diversity of tenures is planned than is currently provided for but it is agreed that the requirements and cost of management of these other tenures will be the same as for Temporary Accommodation units.
27. Rates for facilities management for the additional tenures proposed will be agreed as part of the revised Project Agreement.

9. Rent Pool & Rent Collection

28. In order to optimise the financial performance of the project it is essential that rent income is maximised throughout the contract period.
29. The Rent Pool as set out in the Project Agreement will be abolished and replaced with the following arrangement:
 - All rents will be collected by Hyde and will then be paid directly to the Council;
 - The Council will pay the appropriate Base Revenue figure to BCE;
 - The Council will retain any surplus between rents collected and the Base Revenue figure, as a working balance to ensure that the contract does not go into deficit and to cover ad hoc expenditure items relating to this
30. The existing balance in the rent pool will be paid to the Council at the commencement of the revised Project Agreement and be applied to the working balance referred to above.
31. Hyde will be responsible for the rent collection for all tenures.
32. The operation of the Rent Collection Underage and Overage mechanism as set out in the Project Agreement, shall be replaced with the following target rent collection rates:
 - Temporary Accommodation and Discounted Market Rent – 94% of rent collectable
 - Affordable Rent Equivalent – 96% of rent collectable
33. Above these target levels Hyde will receive or pay, each 12 months in arrears, an incentive payment equivalent to 10% or a penalty payment equivalent to 10% below these levels.
34. Where rent collection levels fall below 90%, Hyde will be liable for 25% of the shortfall below that threshold.

35. The operation of the Utility Underage and Overage mechanism as set out in the Project Agreement remains as is.
36. The operation of the Void Adjustment mechanism as set out in the Project Agreement remains as is.

Appendix 2 - Housing PFI Project Agreement Revisions

Summary Financial Modelling Results

This paper summarises financial forecasts for the Council's Housing PFI Project. It sets out the baseline position under the current contract and the position under the proposed revisions to the contract.

The key modelling assumptions are provided at the end of the paper.

1. Baseline position

The baseline provides for the conversion of a specified number of units to Social Rented units at set intervals with the first conversion being of 72 units in December 2015.

The table below shows the current projected financial position.

Financial Year	Base Revenue Figure	Rent to Council	Surplus/ Deficit	Cumulative Surplus/ Deficit
	£000	£000	£000	£000
				750*
2014/15	5,859	5,672	-187	563
2015/16	6,033	5,579	-455	108
2016/17	6,213	5,400	-812	-704
2017/18	6,397	5,416	-981	-1,686
2018/19	6,464	5,647	-817	-2,502
2019/20	6,656	5,560	-1,096	-3,598
2020/21	6,853	5,560	-1,293	-4,891
2021/22	7,057	5,667	-1,390	-6,281
2022/23	7,267	5,777	-1,490	-7,771
2023/24	7,266	5,855	-1,411	-9,182
2024/25	7,482	6,014	-1,468	-10,650
2025/26	7,704	6,016	-1,688	-12,339
2026/27	7,933	6,133	-1,800	-14,138
2027/28	8,168	6,253	-1,915	-16,053
2028/29	5,642	4,291	-1,350	-17,404
Totals	102,994	84,841		

*Approximate starting balance based on current Rent Pool Surplus after meeting legal and related costs arising from the contract revision.

Note: The cumulative deficit of £17.4m does not include the interest costs of funding negative balances.

The project is in annual deficit throughout the remaining contract term and a cumulative deficit arises from 2016/17. By end 2019/20 a cumulative deficit of £3.6m is projected. At contract end this is projected to rise to £17.4m.

2. Revised Rent Collection Coverage

The current PFI contract splits any rent collection coverage 50/50 between the Council and BCE. Historic and current rent collection performance exceeds the target collection rate. If the Council takes 90% of the coverage, the cumulative affordability position is as follows:

Financial Year	Base Revenue Figure	Rent to Council	Surplus/ Deficit	Cumulative Surplus/ Deficit
	£000	£000	£000	£000
				750
2014/15	5,859	5,744	-116	634
2015/16	6,033	5,647	-386	248
2016/17	6,213	5,464	-749	-501
2017/18	6,397	5,479	-918	-1,419
2018/19	6,464	5,713	-751	-2,170
2019/20	6,656	5,624	-1,031	-3,201
2020/21	6,853	5,624	-1,229	-4,431
2021/22	7,057	5,733	-1,324	-5,755
2022/23	7,267	5,843	-1,424	-7,179
2023/24	7,266	5,922	-1,345	-8,523
2024/25	7,482	6,082	-1,400	-9,924
2025/26	7,704	6,083	-1,621	-11,544
2026/27	7,933	6,202	-1,731	-13,275
2027/28	8,168	6,323	-1,845	-15,120
2028/29	5,642	4,339	-1,302	-16,422
Totals	102,994	85,822		

The impact of this revision is to be reduce the medium-term deficit to end 2019/20 by £0.4m and by the end of the contract by £1m to £16.4m.

The further projections below include the benefit of this revised rent collection coverage provision.

3. No conversions during contract to affordable housing

If all properties remain as Temporary accommodation throughout the contract term the position is as follows:

Financial Year	Base Revenue Figure	Rent to Council	Surplus/ Deficit	Cumulative Surplus/ Deficit
	£000	£000	£000	£000
				750
2014/15	5,859	5,744	-116	634
2015/16	6,033	5,744	-290	344
2016/17	6,213	5,744	-469	-125
2017/18	6,397	5,744	-654	-778
2018/19	6,464	6,022	-442	-1,220
2019/20	6,656	5,936	-720	-1,940
2020/21	6,853	5,929	-925	-2,865

Financial Year	Base Revenue Figure	Rent to Council	Surplus/ Deficit	Cumulative Surplus/ Deficit
2021/22	7,057	6,035	-1,022	-3,886
2022/23	7,267	6,144	-1,123	-5,009
2023/24	7,266	6,255	-1,012	-6,021
2024/25	7,482	6,490	-992	-7,013
2025/26	7,704	6,482	-1,222	-8,235
2026/27	7,933	6,599	-1,334	-9,569
2027/28	8,168	6,717	-1,451	-11,020
2028/29	5,642	4,603	-1,039	-12,059
Totals	102,994	90,185		

The medium-term deficit to end 2019/20 is reduced from £3.2m under the current baseline to £1.9m. At contract end the deficit is reduced from £17.4m to £12m.

4. Conversion of properties to Discounted Market Rent Levels

This projection provides for the current Temporary Accommodation units to be let at Discounted Market Rent Levels – 80% of market rents – with the transition to these rents taking place gradually over 3 years from December 2015 to December 2018.

Financial Year	Base Revenue Figure	Rent to Council	Surplus/ Deficit	Cumulative Surplus/ Deficit
	£000	£000	£000	£000
				750
2014/15	5,859	5,744	-116	634
2015/16	6,033	5,744	-289	345
2016/17	6,213	5,815	-398	-53
2017/18	6,397	5,886	-511	-565
2018/19	6,464	6,055	-409	-973
2019/20	6,656	6,014	-641	-1,615
2020/21	6,853	6,078	-776	-2,390
2021/22	7,057	6,260	-797	-3,187
2022/23	7,267	6,448	-819	-4,005
2023/24	7,266	6,641	-625	-4,630
2024/25	7,482	6,972	-510	-5,140
2025/26	7,704	7,046	-658	-5,798
2026/27	7,933	7,257	-675	-6,474
2027/28	8,168	7,475	-693	-7,167
2028/29	5,642	5,182	-460	-7,626
Totals	102,994	94,618		

The medium-term cumulative deficit to end 2019/20 reduces marginally compared to the previous projection, falling by £0.3m. The impact to the end of the contract term is greater, reducing the cumulative deficit by a further £4.4m to £7.6m.

5. Initial conversion to Permanent accommodation

If 72 properties are converted to Affordable Rent in December 2015 and this number is maintained throughout the remainder of the contract, then the cumulative affordability deficit is:

Financial Year	Base Revenue Figure	Rent to Council	Surplus/ Deficit	Cumulative Surplus/ Deficit
	£000	£000	£000	£000
				750
2014/15	5,859	5,744	-116	634
2015/16	6,033	5,734	-299	335
2016/17	6,213	5,784	-428	-94
2017/18	6,397	5,853	-544	-637
2018/19	6,464	6,040	-424	-1,061
2019/20	6,656	6,006	-650	-1,711
2020/21	6,853	6,062	-791	-2,502
2021/22	7,057	6,238	-819	-3,321
2022/23	7,267	6,419	-847	-4,168
2023/24	7,266	6,602	-665	-4,833
2024/25	7,482	6,921	-561	-5,394
2025/26	7,704	6,981	-723	-6,117
2026/27	7,933	7,179	-754	-6,871
2027/28	8,168	7,383	-785	-7,656
2028/29	5,642	5,096	-546	-8,203
Totals	102,994	94,042		

The deficit is increased by this approach, compared with 4. above. At end 2019/20 the cumulative deficit rises to £1.7m and the final deficit increases to £8.2m.

6. Deficit Recovery

Provision is proposed for the Council to potentially recover up to £2m of any cumulative deficit at the end of the contract. This will reduce the final deficit to:

- £5.6m under the approach in 4. above
- £6.2m under the approach in 5. above

7. Key assumptions

The key assumptions in this modelling exercise are as follows:

- LHA rates for Temporary Accommodation are the 2011 TA Local Housing Allowance (LHA) rates until 2018 when they switch to the 30th percentile LHA rates.
- Subject to the point above, TA rates track LHA uprating at CPI.
- Affordable Rents are the lower of: LHA 30th percentile rents and the following percentages of Market Rents: 1-bed – 80%; 2 bed – 70%; 3 and 4 bed – 50%.

- Affordable Rents rise by $CPI+1\%$ until they reach LHA cap levels and then are constrained by CPI only increases.
- Discounted Market Rents are set at 80% of local market rents and are assumed to rise by $RPI+0.5\%$ - they are not constrained by LHA rates.
- The difference between RPI and CPI is 0.7% a year.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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2012

Equality Analysis

Guidance and Form



Appendix 4 - Brent Council Equality Analysis Form

1. Roles and Responsibilities:	
<p>Directorate: Regeneration and Growth</p> <p>Service Area: Housing and Employment</p>	<p>Person Responsible:</p> <p>Name: Jon Lloyd-Owen</p> <p>Title: Operational Director, Housing and Employment</p> <p>Contact No: 020 8937 5199</p> <p>Signed: </p>
<p>Name of policy: PFI Project Agreement Revisions</p>	<p>Date analysis started: September 2014</p> <p>Completion date: October 2014</p> <p>Review date: 27 October 2014</p>
<p>Is the policy:</p> <p>Revisions to existing policy</p> <p>New <input checked="" type="checkbox"/> Old <input type="checkbox"/></p>	<p>Auditing Details:</p> <p>Name: Arleen Brown</p> <p>Title: Equality Officer</p> <p>Date: 27 October 2014</p>
<p>Signing Off Manager: responsible for review and monitoring</p> <p>Name: Jon Lloyd-Owen</p> <p>Title: Operational Director, Housing & Employment</p> <p>Date: 27 October 2014</p> <p>Contact No: 0209 937 5199</p> <p>Signed: </p>	<p>Decision Maker:</p> <p>Name individual /group/meeting/ committee:</p> <p>Cabinet</p> <p>Date: 10th November 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?

Please refer to stage 2 of the guidance.

In 2008 the council entered into a twenty-year contract under the Private Finance Initiative (PFI) with Brent Coefficient Limited (BCE), a subsidiary of Hyde Housing Group (Hyde). Welfare reform, in particular the housing benefit subsidy limitations for temporary accommodation, mean that rental income is projected to fall substantially short, leading to an annual and increasing deficit over the remaining contract term.

The changes set out in the report to Cabinet are intended to optimise the project's financial performance and minimise the prospective deficit. In particular, the revisions will provide the Council with flexibility over the way in which the 364 units are used and the corresponding rents that can be charged. It will allow the Council to make judgements each year about the appropriate mix of housing benefit-supported temporary accommodation, intermediate and Affordable Rented units, within certain limits, in order to optimise financial performance while contributing to meeting housing need.

At this stage, the report seeks agreement to alter the contract terms to provide flexibility over tenure and rents. Pending further discussion with partners, it is not possible to identify the extent to which changes will need to be made or the number of properties and households that might be affected. In particular, the welfare reform landscape is subject to continuing change and is likely to change further following the general election in 2015. It is impossible to predict whether this will worsen or improve the position, but future decisions will need to be based on prevailing conditions. The earliest point at which changes might affect existing properties and tenants is April 2015 but in practice April 2016 may be a more likely date.

However, it is clear that, if changes occur as set out in the report, there will be impacts on households in occupation at the time and these households will include protected groups, as discussed below.

The Housing Strategy, approved in July 2014, highlights the need to make best use of existing stock and to reduce temporary accommodation use. The Allocation Scheme sets the framework through which permanent housing is allocated and provides for an increased proportion of allocations to homeless households to support a reduction in temporary accommodation use. The PFI stock is, at this stage, part of the temporary accommodation supply and households are placed there under homelessness duties set out in Part VII of the Housing Act 1996. Temporary accommodation should be appropriate and affordable, although households may move between different forms of temporary accommodation. The majority of households in the PFI stock are waiting for permanent accommodation and will generally be able to bid through the Locata choice-based lettings system according to their priority, although the Allocation Scheme also provides for direct offers to be made in appropriate circumstances.

The Tenancy Strategy sets out the council's approach to Affordable Rent and fixed term tenancies. While acknowledging that Affordable Rents may not be genuinely

affordable to some households (including homeless households) on the Housing Register, the Strategy accepts that Affordable Rent will remain the primary source of rented housing under the current funding regime and will therefore be supported in order to deliver the new homes required to meet need. The government's definition of affordable housing has been changed to incorporate a range of options beyond traditional social rents, including Affordable Rent and intermediate rent and low-cost home ownership products and the Strategy operates within this revised approach. The Strategy also provides that five-year fixed terms, with an assumption of renewal after five years in most cases, will be the default tenure within the council and Registered Provider stock.

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

Depending on final decisions, in the short term the policy may affect households currently occupying the units provided under the PFI contract and, in the longer term, may affect the way in which these units are let to future tenants. The properties are currently occupied by households owed a duty under homelessness legislation and in future will continue to be used in this way, with the potential for some lets to other groups on the housing register.

Specifically, the proposals that may impact on households currently resident or moving into relevant accommodation in the future are:

- Changes to the current requirement to convert a number of properties from temporary accommodation use to social rented housing
- To provide for temporary accommodation units to be let at intermediate rents
- Conversions to be to Affordable rather than Social rent at the end of the contract

Other proposals in the report have no direct impact on households and are concerned with the financial arrangements as they affect the partners.

In summary, these changes will affect rent levels in individual properties, as set out in the report. This will mean that properties may cease to be affordable, either to households currently in occupation or to some households who might have taken up occupation in the future. Affordable and intermediate rents will not be affordable to some households, in particular those claiming Housing Benefit and subject to the overall benefit cap.

Any changes may therefore affect the future housing choices of affected households. This is already the case to some extent since Affordable Rent is the main source of new rented housing and is not, as outlined above, affordable to some households, who will need to secure properties at social or target rents. The additional factor introduced by this policy is the potential impact on the temporary accommodation currently occupied by some households in the PFI stock. Where a property is converted to Affordable or intermediate rent, households unable to afford the increase may need to move to alternative temporary accommodation or into permanent housing.

The Council has around 3,300 households in temporary accommodation, with 364 units in the PFI scheme representing around 11% of the total temporary accommodation supply. Partly as a result of the welfare reforms, the proportion in employment has risen significantly of late and approximately 20% of these households are currently in paid work. 128 of 364 households accommodated in the PFI units are receiving Working Tax Credit, indicating a higher level of employment than the overall average, although further investigation is needed to identify those for whom Affordable or intermediate rents would be affordable.

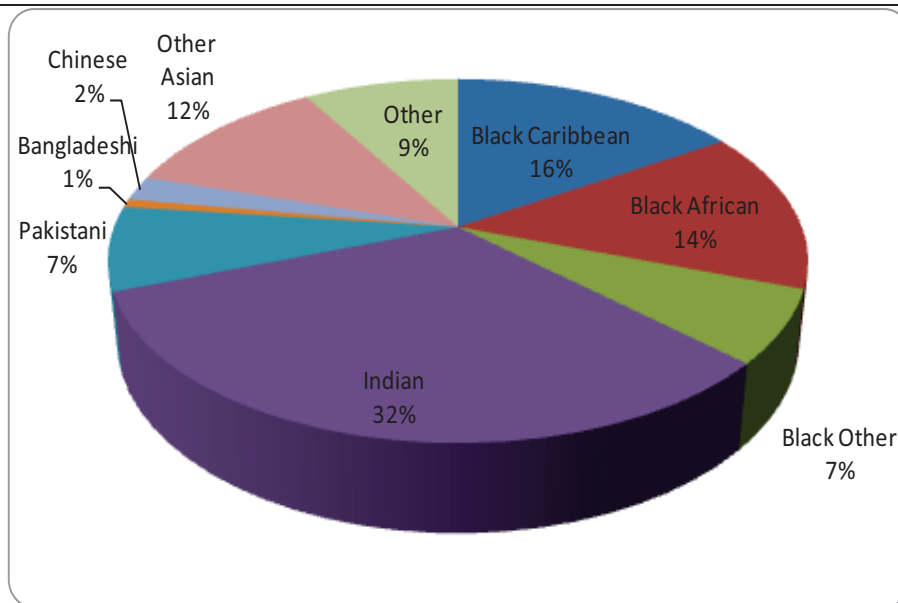
On the basis of the data available, the profile of households accommodated in the PFI units broadly matches the overall profile of homeless households as set out in the following section. It is therefore likely that households that may need to move to alternative accommodation will also reflect this profile, although the final position will depend on the particular circumstances of individual households. Overall, BAME households and households headed by women are likely to be most affected since they are over-represented among homeless households and those on the Housing Register, as well as among those unemployed. The impact is also likely to be greater for larger households, since they are impacted more severely by welfare reform. Within this group, BAME households are also over-represented.

However, it is important to stress that the available data is not complete, either in terms of ethnicity or other factors and the key finding from the initial assessment is that it will be necessary to undertake further work to obtain a complete picture of the households currently in occupation, as well as any moving into the stock in future, to assess the potential impacts in full. In addition to providing information on protected characteristics, this will need to include information on household make-up and household income to support an assessment of suitable housing options.

Please give details of the evidence you have used:

58% of Brent residents identified themselves as from a BAME group in the 2011 Census, broken down as shown in the chart below. These figures provide the basis for analysis of any divergence between the general population figures and other data with regard to ethnicity.

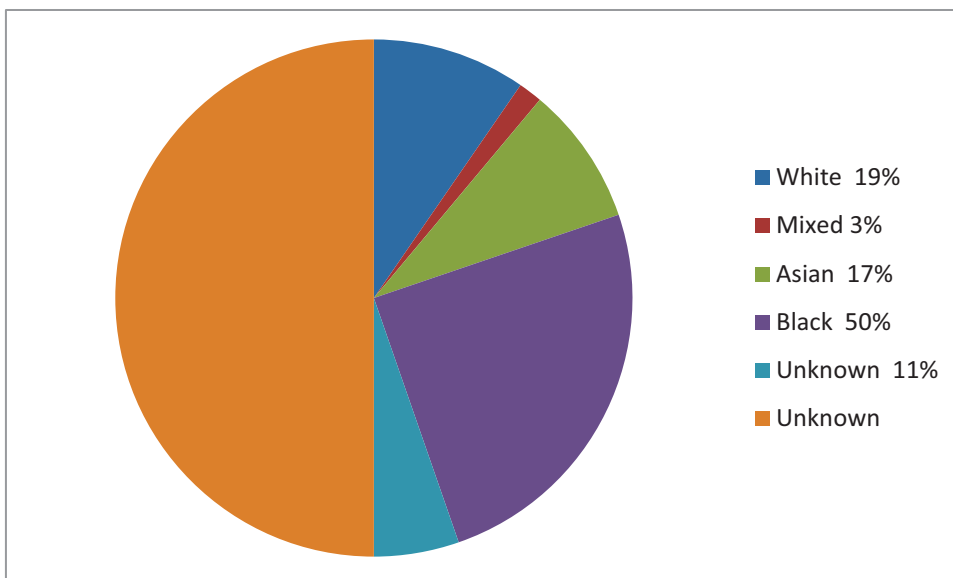
BAME Groups (Proportion of the overall 58% total)



Households from ethnic minority groups are disproportionately likely to become statutorily homeless, reflecting greater exposure to risk factors such as poverty, deprivation and overcrowding. For example, 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.

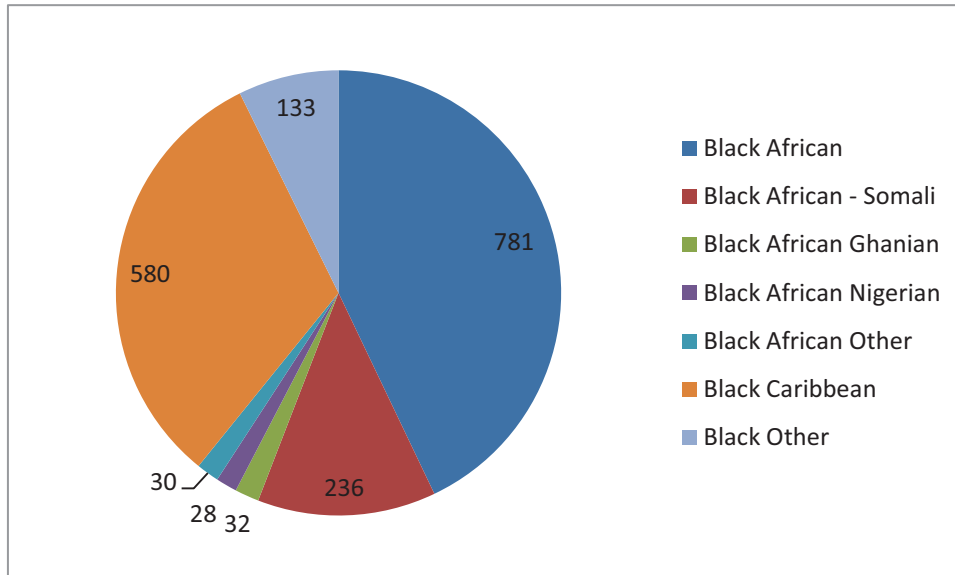
Households in Temporary Accommodation



The chart shows the broad ethnicity of household in temporary accommodation. BAME groups as a whole make up 81% as opposed to 58% of the total in the general population, while 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

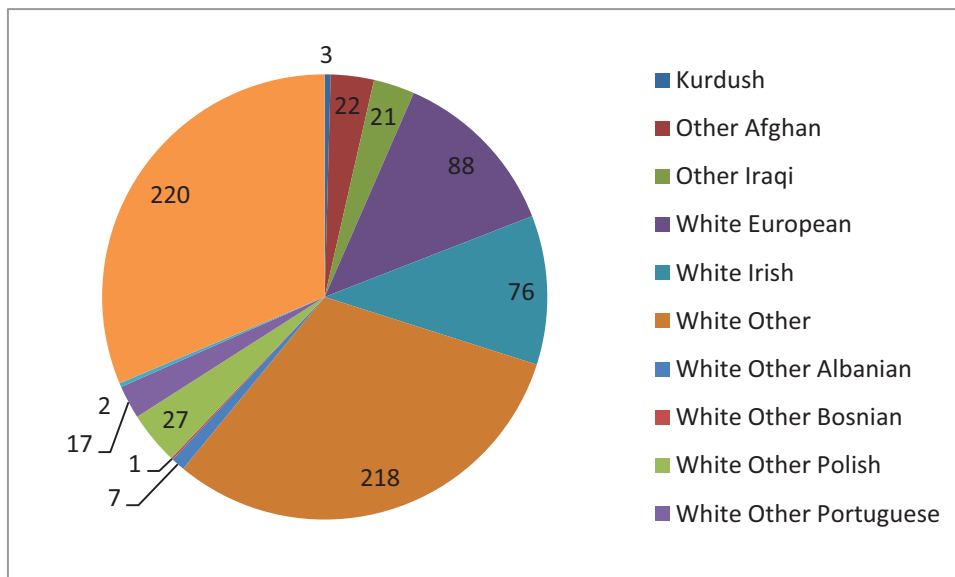
Breaking down the total above indicates that, among the broad Black category, Black African households are over-represented, with a particularly high number of Somali households.

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.

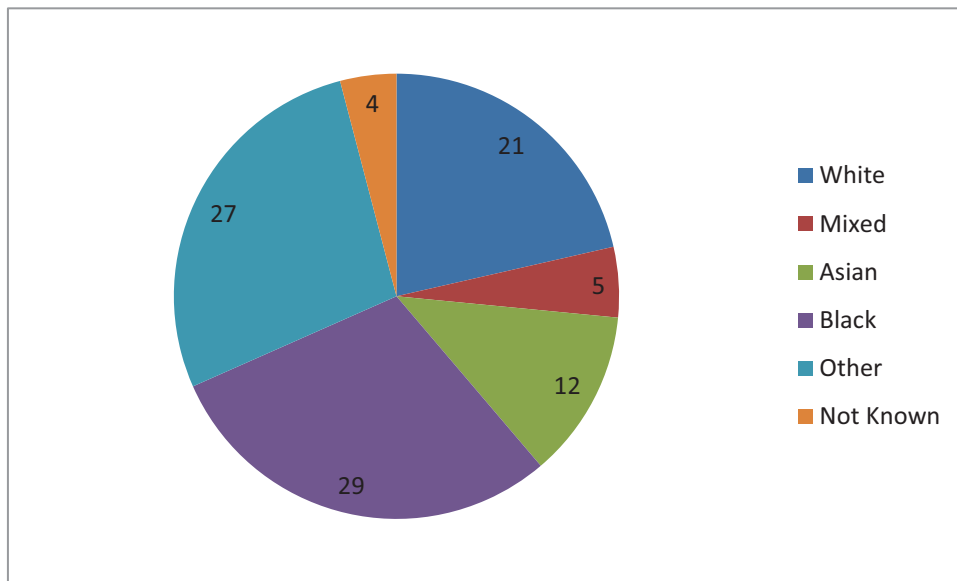
White Households in Temporary Accommodation



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: %



Data on the ethnic breakdown of the current occupants of the PFI properties is incomplete, but demonstrates a broadly similar pattern to the data above. Actual numbers are as set out in the chart below.

Black African	82 (22.5%)
Black Caribbean	46 (12.6%)
White Irish	8 (2.2%)
White UK	21 (5.8%)
White Other	21 (5.8%)
Asian Pakistani	6 (1.6%)
Asian Indian	15 (4.1%)
Asian Other	36 (9.9%)
Other	65 (17.9%)
Unknown	64 (17.6%)

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 policy aims to ensure that all households are placed in suitable and affordable accommodation according to their particular needs

(b) Advance equality of opportunity;

The policy aims to ensure that all households are placed in suitable and affordable accommodation according to their particular needs as noted above.

(c) Foster good relations

It is not anticipated that the policy will have any particular impact on the duty to foster 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?

Engagement to date has been limited to the partners in the PFI project since the focus has been on identifying a viable financial solution.

Once a way forward has been agreed, engagement with the affected households will take place.

ii. What methods did you use?

Meetings with partners

iii. What did you find out?

Discussions identified the need to change the contractual arrangements as noted in the report.

iv. How have you used the information gathered?

To inform the proposals set out in the report

v. How has it affected your policy?

Discussions with partners have shaped the policy but, as noted above, this has not included engagement with affected households at this stage.

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

This assessment identifies a potential for a negative impact in so far as affected households may need to move to alternative accommodation that will remain affordable to them. Initial indications suggest that Black African and Black Caribbean households (especially larger families) are more likely to be affected as they are the largest single groups, although proportions may vary depending on the individual circumstances of households and there is a need for further work to assess this as noted earlier.

Given the financial pressures on the council and the fiduciary duty owed to Council Tax payers, it is essential that adjustments should be made to the PFI project to mitigate the potential deficit, which is largely the result of changes to the welfare system at the national level and therefore unavoidable. No viable alternative approach is available to remove or lessen the impact on affected households unless there are further changes to national policy that improve the position. Potential mitigation measures have therefore been identified but these will need to be reviewed in light of the further work to assess the potential impact.

It should be stressed that households currently occupying the PFI properties have been placed under homelessness duties. The council is obliged to secure suitable temporary and, in most cases, subsequent suitable permanent accommodation for these households. In all cases where changes mean that PFI accommodation is no longer affordable, suitable alternatives will need to be identified. Suitability will need to be assessed in relation to the particular circumstances of each household.

As noted in the report, the size of the Council's temporary accommodation provision could enable the Council to use the PFI units in a differentiated way, to meet the temporary accommodation needs of those in employment for whom the rents are affordable and to meet the housing needs of others in need who approach the council for assistance. While this would not, in itself, mitigate the

impact for households needing to move, it would provide a wider benefit in extending the range of temporary accommodation options and freeing up other accommodation for households outside the PFI.

The deployment of the units at intermediate rents would represent a more targeted approach to the use of these units to meet housing need than is the current position. The units would be used to meet the needs of those to whom the Council owes a duty to provide temporary accommodation, other homeless households or those in need of housing assistance. Affordability will be a fundamental consideration. The units will be targeted primarily at those in employment and either not in receipt or in partial receipt of housing benefit and for who rents at up to 80% of market rent would be affordable. In nominating a household to these units the council would continue to ensure that the rent could be afforded as is required under the current Project Agreement.

Intermediate rents, at any significant scale, if used, would be introduced gradually over an extended period in order to minimise any impact on households currently housed in these units who are not in employment at the relevant time and who are not able to afford the intermediate rents, in order that they can be accommodated in other temporary accommodation available to the Council, or where appropriate through the offer of a social housing unit or a suitable private rented sector discharge as appropriate to their circumstances. All those currently housed in the PFI units are entitled to bid for a social housing unit through the Choice-based lettings system.

Extended notice will be given to households where it is proposed to introduce intermediate rents, to establish whether the property will remain affordable to them, and where not, to encourage them to bid for a social housing unit if they have sufficient priority, and to support this with proxy-bidding or direct offers where appropriate. For some affected households there will, however be a need to move to alternative temporary accommodation and there will be advance discussion and planning in regard to this. A decision on the deployment of the units across the different tenures will be taken each year and this will be supported by a revised Equalities Analysis to inform the planning of this and in order to best mitigate any adverse impacts.

Please give details of the evidence you have used:

See above

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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.

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:

This assessment does not indicate that the policy would be discriminatory, although it does conclude that there is a risk of adverse impact – i.e. the need to move to alternative accommodation – for some households currently resident in PFI properties if the proposals proceed.

The council's fiduciary duty and the significant budgetary implications of failure to act mean that it is essential that the proposals should proceed, unless further change to the welfare reform landscape would support an alternative approach.

Mitigation will include ensuring that suitable and affordable alternative accommodation is provided where necessary. In the meantime, the action plan below sets out further steps that will need to be taken, including further work to identify household characteristics and potential impacts and work with households collectively and individually to advise them of the position

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

The conclusion of this analysis is that the policy should proceed owing to the significant adverse financial implications of continuing the current approach. In the long term, the consequences of failure to implement the changes could result in much wider adverse impacts for homeless households and those on the Housing Register.

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.

As noted above, the position will be reviewed annually and subject to a renewed equality assessment.

Affected households will be consulted individually to ensure that appropriate alternative accommodation is secured where necessary.


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
Obtain further data on PFI households to inform assessment of impact	End Nov 2014	Housing Needs	Complete information available on protected groups and household characteristics		
Agreement of revised contract	Dec 2014	Jon Lloyd-Owen	Contract revised to provide greater flexibility		

Initial consultation with PFI residents	Dec 2014	Housing Needs	All households fully aware of the position		
Identification of number and location of properties to convert to alternative rents	March 2015 or March 2016	Housing Needs	Clarity over number involved and date when conversion needs to take place		
Identification of households needing to move	March 2015 or March 2016	Housing Needs	All households accurately assessed		
Identification and offer of alternative accommodation	2015/16	Housing Needs	All households in affordable accommodation		

 Brent	<p style="text-align: center;">Cabinet 10 November 2014</p> <p style="text-align: center;">Report from Director of Regeneration and Growth</p>
<p>Review of Revenues Collection post 2016</p>	

Appendix A is Not for Publication

1.0 Summary

- 1.1 The existing contract for the administration and collection of Council Tax and Non Domestic Rates (NNDR) along with the provision of IT for Revenues and Benefits was awarded to Capita for a 5 year period commencing in May 2011, with an option to extend for the further 3 years from 1 May 2016 to 30 April 2019.
- 1.2 This report considers the options available to the council for the future provision of the Revenues and IT service beyond April 2016. Decisions about future provision need to be taken by November 2014 in order to either agree to an extension of the existing contract for 3 years or where this is not decided to ensure alternative options are implemented before the current contract expires in April 2016.

2.0 Recommendations

- 2.1 To consider the options for the future provision of Revenue and IT services as outlined in paragraphs 3.2 to 3.6.
- 2.2 To agree officers' recommended option to exercise the contractual provision to extend the existing Revenues and IT contract with Capita for 3 years from 1 May 2016 to 30 April 2019.

3.0 Detail

- 3.1.1 The scope of the current Revenues and IT contract includes collection of Council Tax from 114,000 domestic properties, collection of Business Rates from 8,000 businesses in the Borough and the provision of I.T. specific to the

Revenue and Benefit services. The award of the contract in May 2011 resulted in average annual savings of £1.16M.

- 3.1.2 This service has been outsourced since 1995 and was subject to competitive full EU tender processes in 1995, 2003 and 2011. The current contract with Capita was agreed for a five year period from May 2011 to April 2016, following competitive tendering, with an option to extend for 3 years from May 2016 to April 2019. The extension of the existing contract is subject to the council giving Capita notice of this intention by November 2014.
- 3.1.3 To facilitate decisions about the provision of the service from May 2016, an options appraisal has been carried out to identify and evaluate which delivery vehicle offers the best prospects of increasing Council Tax and Business rate collection and the best value for money. These options include: exercising contractual provision to extend the existing contract for 3 years; a full retender of the service; bringing the service back in house; implementing a different model for service provision such as shared service or shared procurement.
- 3.1.4 Paragraphs 3.2 to 3.7 below summarise the key findings of the options appraisal.

3.2 Option 1 - Extend the Capita contract for 3 years from May 2016 to April 2019

- 3.2.1 A number of negotiation meetings have taken place with Capita with a view to agreeing in principle terms for a 3 year extension. Officers have used these negotiations to identify areas where savings could be achieved whilst also increasing Council Tax and Business Rate collection. Savings agreed in principle significantly exceed the 3% annual savings stipulated in the current contract and include significant additional savings for the final year of the existing contact in 2015/16.
- 3.2.2 Cumulative savings for 2015/16 and the 3 years of the contract extension amounting to £1.9m have been agreed with Capita along with the collection targets outlined in table 1 should the option for extension be contracted. A breakdown of the savings agreed is contained in Appendix A.

Table 1: Collection targets agreed in principle subject to 3 year extension

2015/16 (Final year of existing contract)	2016/17 First year of extension	2017/18 Second year of extension	2018/19 Final year of extension	Total over 4 years
In year collection target	In year collection target	In year collection target	In year collection target	
96%	96.2%	96.3%	96.5%	

% increase to collection				
0.1%	0.2%	0.1%	0.2%	0.6%

3.2.3 The proposed contractual Council Tax collection targets shown above have been agreed in principle with Capita subject to the 3 year extension being agreed to 2018/19. In year collection targets represent an increase of 0.5% over the period of the extension which represents £583K additional Council Tax collected in year. The net cash flow benefit to the Council is £449K taking account of monies collected on behalf of GLA. The increases to collection bring cash flow benefits to the Council from early collection, reduce the need to resource arrears collection in future years and will facilitate potential increases to budgeted Council Tax.

3.2.4 **Main Benefits/Advantages:**

- Significant savings would be achieved in the final year of the existing contract alongside contractual targets to increase collection
- These savings would be realised before the service is subject to any changes to provision. This means that TUPE costs will be lower in 2019/20 at the end of the extension, should the service be brought back in house or retendered.
- The new E-Revenues module due to be implemented in 2015/16 will be embedded and will have facilitated channel shift before any change to existing provision. (This will enable residents to check their account on line apply for discounts/ exemptions and notify changes to their circumstances.) A change to service provision in 2016/17 could impact on the speed with which channel shift is achieved.
- Year on year targets for improvements to collection would be agreed with the contractor for the 3 year extension period, alongside contract savings
- The impact of universal credit would be known and could be included in the evaluation of all options for the provision of the service from May 2019
- The outcome of Westminster's planned procurement and the terms of any framework agreement linked to this will be known and can be considered when evaluating options for the future provision of the service from May 2019
- Brent can use the option to extend as a contractual lever to negotiate optimum collection performance, cost reductions and shared risk through existing contract levers
- There will be no planned disruption to IT and service provision during 2015- 2019 providing the best opportunity for securing savings and improving collection performance during this period.

Main Disadvantages/Risks:

- It is not possible to make any significant changes to the current contract
- Contract negotiations are not subject to any competitive process for the extension period

3.3

3.4 **Option 2 - Retender the service**

3.4.1 This contract was last retendered in 2010, with the average bid price being £450k higher than that of the successful supplier per annum. Soft market testing has been recently undertaken to identify the potential appetite for a contract of this scope and duration. The key findings from the soft market testing are:

- All suppliers contacted expressed an interest in bidding for any future contract, commencing in either 2016 or 2019. Unsurprisingly all expressed an interest in extending the scope of the existing contract. Proposals for extended scope include administration of Council Tax Support, Customer Services and wider IT provision (as opposed to just Revenue and Benefit systems) These were identified by 4 of the 5 respondents and one also identified aspects of Adult Social Care and Children's services.
- One contractor has indicated that they would only be interested in bidding for a contract that had a minimum duration of 7 years.
- There is also market interest in the procurement of the service via a framework or Managed Service Agreement that would allow other authorities to procure services from the same contract
- There is market interest in providing services offsite from Brent

3.4.2 Risks and Benefits of Retendering

The main benefits include:

- The contract would be exposed to a competitive tender process
- The scope and requirements of the contract could be significantly changed if this was desirable

The main risks attached to this option include:

- Prices secured through a competitive tender process may not be as competitive as an extension particularly as there are now increased risks for collection arising as a direct result of the changes to Council Tax Support. (CTS) There is a fundamental review of CTS planned for 2015/16 but the final outcomes from this will not be known in sufficient time to incorporate into a tender specification.
- Collection risks following the transition of the service to a new supplier and arising since the implementation of CTS are likely to be reflected in the pricing for any new contract. There may also be a reluctance within the supplier market to agree to ambitious collection targets and to sign up to the financial risk of contract deduction clauses should targets not be achieved. The proposed changes to Universal Credit could have a significant impact on the contract in 2017 and subsequent years. It is understood that a paper is being prepared for ministers to review in October 2014 that will outline a number of options for Universal Credit and the associated timelines. It is not yet known when the outcome of this

options evaluation is likely to be available but plans should be much clearer at the point of retender (2017) if the contract is extended to 2019.

3.5 Option 3 - Shared procurement/Framework Agreement

3.5.1 Procurement of the new contract could be approached with another borough, either via a joint procurement exercise or framework agreement. Contact has been made with other London boroughs with similar contracts which have an end date or an option for renewal in 2016, including Hounslow, Lambeth and Westminster. Apart from Westminster these Authorities are either seeking to extend their existing contract or are already part of an existing framework agreement.

3.5.2 Westminster City Council are planning to tender their Council Tax and NNDR contract in the Autumn of 2014 creating a framework agreement which will enable other councils to be included and this will have an option to “call off” contracts under the agreement once a contract award has been made. It should be noted that this contract will cover only Revenues services and thus separate arrangements for IT provision for both Revenues and Benefits would have to be made.

3.5.3 Risks and Benefits of Shared Procurement

The benefits of this approach are:

- The potential to achieve greater savings because of a larger contract, however this has not been tested
- More streamlined procurement process for authorities joining the framework

The risks attached to this option include:

- The scope of any framework agreement may not match Brent requirements
- IT is not included in the scope of the framework agreement and this significantly erodes contractual levers for collection targets, as the successful supplier will not be accountable for IT issues.
- IT provision would need to consider separately either bringing this back in house or retendering as a separate contract.

3.5.4 Brent would have no input to specifications requirements so key performance indicators and associated incentives and shared risk arrangements may not suit our requirements

3.6 Option 4 - Bring the Service In House

3.6.1 The fourth option would be to bring the Revenue and IT service back in house to be directly managed by Brent Council. This option is open to Brent from May 2016 if they chose not to extend or from May 2019 if an extension to the existing contract is agreed. Should the Council decide not to extend, Capita will limit contract savings in 2015/16 to 3% (compared to 10.64% if a contract

extension is agreed) and scope for savings in 2016/17 would also be significantly limited. The cost of the in house service will in fact increase further from May 2016 as Brent would be required to harmonise terms and conditions under single status and it is unlikely that any staffing reductions could be achieved in the first year of the in house service without risks to collection. There will be significant risks to manage in terms of the transfer of IT provision for both Revenues and Benefits and it is likely that collection performance will fall in the final year of the contract in 2015/16. There will additionally be one off transition costs relating to the transfer of the service, such as procurement of servers, systems and bulk printing arrangements as well the complex transition of staff under TUPE.

3.6.2 Excluding set up costs it is estimated that annual costs for in house service delivery would be increased further in 2016/17 and 2017/18 given the need to harmonise terms and conditions for transferring staff, manage the transition of the service including the transfer of IT and stabilise collection following the final year of the contract. There is also an increased likelihood of increased costs for printing and postage as the economies of scale achieved by Capita through multiple contracts is reduced.

3.6.3 Table 2 below shows a comparison of the forecast in house costs for 2016/17-2019/20.

Table 2: Savings and costs to Bring in House

2015/16 (Final year of existing contract)	2016/17 In house	2017/18 In House	2018/19 In House	Total Cumulative Savings over 4 years
Savings £90,439	Increased cost -£180,000	Net Savings £320,000	Net Saving £470,000	
3% of contract price	Additional costs:	Savings net of increased costs	Savings net of increased costs	
£90,439	Cumulative -£89,561	Cumulative £230,439	Cumulative £550,439	£781,756
In year collection target	In year collection target	In year collection target	In year collection target	
95.7%	95.7%	95.9%	96.1%	
% increase to collection				
-0.2%	0%	0.2%	0.2%	0.4%

3.6.4 Efforts have been made to clarify the cost of other London in house services, however only 1 London Borough was willing to share these costs. This cost was for a broadly comparable borough in terms of size and demographic and

showed broadly comparable costs compared to those estimated for in house provision in Brent.

3.6.5 Risks and Benefits of bringing the service in house

The benefits of this approach are:

- More direct control over service delivery
- Most flexibility to make changes to service delivery arrangements

Some of the risks/implications attached to this are similar to those that would need to be taken into account should another supplier be sought and include:

- Loss of savings in 2015/16 and increased costs arising from single status requirements following the TUPE transfer of staff
- Forecast decline in collection performance in the final year of the Capita contract as the contract is wound down
- The potential for Brent not having experienced staff at the start of the service, depending on which staff transfer from Capita under TUPE. In particular Capita IT staff (who are unlikely to transfer) and the Business Rate (NNDR) collection team based in Capita's Bromley office as these staff are not dedicated to Brent's contract.
- Loss of knowledge and expertise in terms of the management of IT for Revenue and Benefits as Capita resources would be unlikely to TUPE. This risk includes loss of expertise and knowledge in managing year end processing for main billing including management of outsourced printing arrangements with printing sub contractors. The transfer of IT would involve the migration of the main Revenue and Benefits applications (Northgate and Academy) to Brent servers which also represents a significant risk to service continuity. It should be noted that Brent does not hold licences for the NNDR Academy system and as such these would either need to be purchased or a new NNDR system procured.
- The loss of any risk transfer should collection targets not be achieved or from any loss or interruption to IT systems
- Economies of scale currently achieved through the use of Capita staff based in the Bromley business centre (Business Rates administration and valuation officers)

3.7 Option 5 - Enter into a Shared Service Agreement with another authority

3.7.1 Research has been undertaken to identify current shared service arrangements within Revenues and Benefits in England. Post merger the size varies from just under 100,000 properties up to a maximum of 214,000 properties, however the majority are between 100,000 and 150,000 properties. Brent currently has 114,069 properties.

3.7.2 There are no London boroughs or Metropolitan councils who have merged their Revenues and Benefits services or entered into partnership agreements for these services. Experience from District Councils that have merged

Revenues and Benefits functions shows this can take between 18 months to 3 years to achieve.

3.7.3 It is unlikely that arrangements for shared service could be achieved by May 2016 and it is not clear whether a shared service arrangement would achieve efficiencies comparable to those likely to be achieved through an out sourced service.

3.7.4 Whatever option is decided, consideration needs to be given to the balance between maximising revenue collection and achieving reductions in operating costs.

3.8 Current performance

3.8.1 Improvements have been achieved in collection and other areas of performance (such as telephone answering) since the outset of the contract with Capita. These have been facilitated by robust contract management and implementation of a range of new initiatives such as a lean systems review, single person discount reviews, changes to the inspection process and more proactive checks on businesses where there is a high turnover in the occupation or payments are in arrears.

3.8.2 In year Council Tax collection has improved year on year since the first contract with Capita commenced in 2003, peaking at 96.02% in 2011/12. Over the 10 year period from 2003 to 2013 in year collection has improved by 5.28%. This results in cash flow benefits for the Council and a reduced need for recovery action. Brent's in year collection has improved from 89.8 to 95.88 since 2002 and is currently within the third quartile for London Authorities. In order to reach 2nd quartile for collection performance, collection for 2013-14 would need to have achieved 96.4% which is an increase of 0.7% compared to 2013/14.

3.8.3 From 1 April 2013 the national Council Tax Benefit scheme was replaced by a local Council Tax Support scheme. The Brent Council Tax Support scheme requires working age customers to pay a minimum 20% of their total liability except for specific vulnerable customers defined in the scheme. Despite this significant change in year collection reached 95.7% in 2013/14 which represents a reduction of only 0.2% compared to the outturn in 2012/13. The changes brought about by the localisation of Council Tax Support have meant that there are a much higher number of customers required to pay small amounts towards their annual liability. A review of the scheme is planned in 2015/16.

3.8.4 Arrears collection has exceeded contractual targets set and the arrangements for the collection of these have worked well. During 2013-14 £1,902k was collected for Council Tax arrears against a target of £1,500k and for NNDR £1,598k was collected against a target of £1m. During the period of the current contract there are no financial deductions that apply to any failure to meet arrears targets.

3.9 Comparisons across London Boroughs

- 3.9.1 Comparison of historic performance across London boroughs has been carried out for the years up to 2013-14. The reason for this is the introduction of CTS by some London boroughs in 2014-15 has reduced collection for those boroughs and has impacted on the ability to undertake like for like comparisons. This is because CTS scheme vary from Authority to Authority, with some schemes being significantly more generous than others.
- 3.9.2 Over the 10 years collection across all London Boroughs has increased by an average of 2.53% for in year collection, however those authorities who have external contractors delivering their services have seen an increase of 3.59% over the period compared to 2.3% for those who retain their services in house.

Table 3: Collection comparison across London Boroughs

IN Year Collection	5 years	10 years
Across London Average increase	0.89%	2.53%
Contracted Authorities Average increase	1.00%	3.59%
In House Authorities Average Increase	0.86%	2.30%
Brent increase (contracted)	1.18%	5.28%

- 3.9.3 NNDR in year collection has improved since the commencement of the initial contract with Capita, in the first year 2002/03 a collection rate of 94.7% was achieved. While improvements were achieved year on year to 2007/08 when in year collection achieved 99.07%, collection for subsequent years dropped, this was mirrored across many London boroughs. In 2009/10 NNDR collection was 0.44% above the London average at 97.96%, however NNDR collection is now 0.33% below the London average and an area that the client team are working closely with Capita to identify and implement opportunities for improvement.
- 3.9.4 Previously all business rates collected were paid to central government, in the form of the national NNDR pool. The government then redistributed the nationally collected amount to local authorities according to a very complicated formula for spending need. From 2013/14 this system has changed. The Department for Communities and Local Government (DCLG) calculated a baseline figure as the starting point for the estimate of NNDR income to be raised by each local authority in 2013/14. For any income collected above the baseline 50% of the income is paid to central government, 20% to the Greater London Authority (GLA) and 30% received by the local authority. This means that during the 2013-14 if there is growth in the total business rates collected in the borough then Brent will keep 30% of that growth. However if there is a decline in business rates collected below Department for Communities and Local Government (DCLG) calculated baseline figure Brent will need to meet 30% of the shortfall. The baseline figure was achieved in 2013/14 and is likely to be achieved in 2014/15 as the amount collected is still likely to exceed the DCLG baseline figure.

- 3.9.5 During the contract period there has been no significant loss of IT systems supported by the contractor. Disaster recovery is in place and tested annually and a number of initiatives such as the implementation of online benefit claims have been supported by Capita.
- 3.9.6 Capita currently utilise 2 bailiff companies to enforce collection of Council debt secured by a liability order. These are Equita which is a wholly owned subsidiary of Capita PLC and Newlyn's which is an independent bailiff company. Capita have proposed to only using Equita from 2015/16. Members have asked for reassurance that there was no conflict in interest in Capita utilising their own bailiff company and for details of the measures in place to ensure that bailiff practices were monitored by the Council.
- 3.9.7 All bailiffs who support the collection of council tax are required to comply with the Brent Code of Conduct and that of the Association of Civil Enforcement Agents. Monitoring of bailiff actions in the collection of Council Tax on behalf of Brent is undertaken by Capita and the Brent Client Team independent of Capita. The Brent Client team have access to the bailiff systems so that random sampling of collection activities and arrangements can take place to ensure the bailiff adheres to the code of conduct.
- 3.9.8 Capita are required to comply with the specification requirements of their contract with Brent, which includes compliance with Brent's policies. Capita are also held contractually accountable for the conduct and practices of all bailiffs they use. There is a clear incentive for them to ensure that all bailiff activity is carried out fairly and appropriately as any failure to do so could impact on their overall recovery strategies.
- 3.8.9 Information about their bailiff arrangements has been received from 9 boroughs that have Council Tax collection in house and 6 who have contracted out Council Tax collection arrangements. Of the 15 authorities who responded; 2 have In House Bailiff arrangements for Council Tax collection. All of those who manage their Council Tax collection in house and do not have in house bailiff arrangement use Equita for Council Tax either as a sole bailiff or in conjunction with another bailiff.
The 2 contracted authorities who do not use Equita, collection services are delivered by Liberata.

	2 or more bailiffs	Single Bailiff	In House Bailiff
Contracted Authorities	3 (1 uses Equita)	3 (all Equita)	
In House Authorities	6 (all use Equita)	1 (Equita)	2

3.10 Summary of Reasons for Recommendations

- 3.10.1 Capita have improved year on year in year collection rates and the targets negotiated in the event of an extension will support continued improvement. Negotiations have also resulted in the potential achievement of cumulative savings of £1,901,593 between 2015/16 to 2019/20
- 3.10.2 The cost of delivering the service in house will be greater if transferred in 2016/17 because of the requirement to transition staff and IT, harmonise staff terms and conditions and re-stabilise the service following forecast reductions to collection in the final year of the contract. Collection is also unlikely to start to improve until 2017/18 and is forecast to be lower than the forecast collection is a 3 year extension is agreed.
- 3.10.3 Options have been explored for shared service, which have shown that it is predominately used by smaller district councils to consolidate services where the consolidated number of the shared service is of comparable size to Brent. It is unlikely that it would be possible to agree a shared service within the timeframe available particularly as a potential partner has not been identified.
- 3.10.4 Soft market testing has indicated that contractors would be more interested in a contract of increased scope or duration or one which included the potential to provide services to other local authorities via a framework. With this in mind it is recommended to monitor the progress of the Westminster procurement exercise and evaluate whether this along side other options from May 2019.
- 3.10.5 The impact of universal credit from late 2016 onwards is not fully known at this point and could have an impact on the scope of any new contract going forward. This will be much better understood in 2017/18 when evaluations of options for the provision of the service will be reconsidered.
- 3.10.6 Some Authorities with in house service provision are implementing arrangements which enable them to retain in house control of the service but contract out discrete areas on a more flexible basis. This includes contracts for resilience capacity (e.g backlog clearance or simpler processing work based on a price per item) or processing agreed volumes for a fixed price. This type of contract typically involved processing centres outside London and is often referred to as north shoring . The outcomes of these pilots will be monitored to help inform any future option appraisal for the Revenues service in Brent.

4.0 **Legal Implications**

- 4.1 This contract was tendered in accordance with the European public procurement regime, using the negotiated procedure. The possibility of a contract extension was specifically stated in the contract notice advertising the contract (without this statement a contract extension would be contrary to European law, irrespective of what the contract says).
- 4.2 In addition, European law requires that the contract extension is a repetition of services included in the original contract. Consequently it is not possible to have significant changes in terms for a contract extension. In the case of the Capita

extension the variations proposed to apply for the contract extension are not considered significant, especially as the basic method of service delivery is not changing, and the type of variations that have been made are permitted within the terms of the original contract.

- 4.3 The contract itself requires the Council to give 18 months notice of the intention to exercise the contract extension. If Cabinet Members agree to the contract extension and negotiations are satisfactorily concluded, then the extension and the consequent service changes will need to be formalised as a contract variation. The contract itself includes a change control procedure to be followed for variations of this type, and at least one Change Control Notice will be completed between the parties.

5.0 Financial Implications

- 5.1 In respect of Option 1 the annual price provisionally agreed with Capita for the extension period of the current contract will result in a cumulative saving of £1,901,593 to Brent over 4 years, with year on year savings being achievable. This option results in the greater saving over the contract extension period.
- 5.2 In respect of Option 4 it is anticipated that the cumulative savings over the 4 years for a service that is brought back in house for the 3 years of the extension period would be £781,756. This is lower than Option 1 principally due to a combination of transition costs and staffing related issues of pay and conditions harmonisation which would result in increased costs in the first year of taking the contract back in house. In addition less favourable terms would be able to be negotiated in the final year of the current contract leading to a lower saving than Option 1 in 2015/16.
- 5.3 The other options have not been subjected to detailed financial analysis but due to the issues described in the report are unlikely to offer significantly improved short term savings over the period of the contract extension than either Option 1 or 4.

6.0 Diversity Implications

- 6.1 Officers have considered if there are any diversity implications and as there are no proposed changes to the current arrangements for service delivery have found there are none.

7.0 Staffing/Accommodation Implications

- 7.1 If the extension is agreed there are no direct staffing implications arising from this report.

- 7.2 If it becomes necessary to tender the contract or bring it back in-house then staffing implications arising may include the TUPE transfer of the Capita staff currently working on the Capita contract.

Contact Officers

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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 <p>Brent</p>	<p style="text-align: center;">Cabinet 10 November 2014</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Growth</p>
<p>For Action Wards affected: ALL</p>	
<p>Authority to award the Brent Employment Services Provider Framework</p>	

1.0 Summary

- 1.1 This report seeks authority to appoint Providers onto the Brent Employment Services Framework, as required by Contract Standing Order 88. This report summarises the process undertaken in tendering this Framework and, following the completion of the evaluation of the tenders, recommends to whom the Framework should be awarded.

2.0 Recommendations

- 2.1 Cabinet to approve the appointments of the twelve (12) providers listed in Para. 3.15 of this report to the Brent Employment Services (multi-provider) Framework for an initial period of two (2) years with an option to extend up to a further two (2) years.

3.0 Detail

- 3.1 The proposed Brent Employment Services Provider Framework (“the Framework”) will comprise a multi-provider arrangement consisting of preferred organisations able to deliver employment-related support services to Brent residents in pursuit of Borough priorities as detailed in the Cabinet report, Brent Employment Services Provider Framework, dated 26 August 2014.
- 3.2 We are proposing to appoint 12 providers (which includes consortia’s) to act as Framework partners due to the high response and variety of tenders received.

- 3.3 The Framework was competitively tendered through an open procurement round adhering to internal corporate procurement guidelines, which abides by the EU treaty principles with regards to public procurement. The tender was administered through the council's e-tendering portal, London Tenders Portal.
- 3.4 The process started with a market-testing event in May, where we gauged market response to the opportunity. In September the formal bidding process opened, corresponding with a tender information event attended by over 60 local, regional and national providers. The written bid submissions comprised of pre-qualification questions and tender questions, submitted together within a 21 day tendering period.
- 3.5 We received interest from local, regional and national providers. A total of 189 expressions of interest were received, resulting in 38 completed responses. Of these, 28 providers and consortia qualified through the pre-qualification questions and were assessed against the evaluation criteria in the tender documents.
- 3.6 The evaluation panel comprised of three (3) officers from the Employment and Enterprise team with both delivery and performance management experience and representation from the council's Partnership and Engagement team.
- 3.7 The tender questions were double scored for accuracy adhering to open and objective scoring guidelines. Following written scoring, we undertook clarification interviews with a selection of larger providers who have not previously engaged with the council to seek further clarity regarding their submissions for appointment onto the Framework. These were clarification interviews, addressing specific detail highlighted in their bid submission.
- 3.8 Transparent evaluation criteria assessed submissions based on tenderer's capacity and capability to support Brent residents into meaningful and sustainable employment. The criteria included assessing:
- local knowledge and accessibility to our priority neighbourhoods;
 - an understanding of the multiple and complex constraints residents face when finding, securing and sustaining employment;
 - quality assurance and performance management;
 - cost implications and economic competitiveness; and
 - track record.
- 3.9 Officers shall issue the scoring guidelines and detailed feedback to every submission received.
- 3.10 Objective and open scoring has identified 12 providers and consortia to be appointed onto the Framework. Submissions representing the 12 highest scoring bids are being presented and recommended to Cabinet.
- 3.11 Critically we need a strong presence of established local voluntary, community and social enterprise sector (VCSE) organisations on the Framework. Brent community-based organisations have local expertise and existing in-roads to our most disadvantaged communities. Therefore a strong, local supply chain

and experience of delivering in Brent is essential for the success of the Framework. One third of Framework partners are established local voluntary and community sector partners.

- 3.12 Framework providers and consortia have the capacity and capability collectively to serve a broad range of cohorts and support needs, with local provision complemented by regional providers experienced in delivering to London's most disadvantaged communities and the expertise of larger national providers delivering sub-regional contracts.
- 3.13 By following the council's corporate procurement process we are presented with some new entrants to the market in Brent as well as regional and national providers who have previously engaged with the council. However these providers are alongside local providers who have been commissioned by the council previously to deliver employment-related services. There are also four (4) large national providers who are well versed in securing public contracts through competitive bidding. They add value to the Framework, especially for cross-borough European Social Fund (ESF) contracts; however this is at the expense of appointing local, specialist provision to the Framework, who failed to achieve a top scoring bid.
- 3.14 In the event of securing funding to deliver specialist employment provision to support offenders or residents with learning difficulties or disabilities we reserve the right to commission outside of the Framework. In these instances, for low value contracts, Officers will follow Contract Standing Orders with regards to seeking specialists to quote and compete for these opportunities in the future.
- 3.15 Upcoming call-offs for Framework providers and consortia include:
- recommissioning of a Job Brokerage service to support residents impacted by welfare reform to be released at the end of November 2014;
 - European Social Fund specifications due to be launched in January 2015 presenting a huge opportunity for Brent and its partners. We have been closely involved with London Councils and the GLA in the development of these specifications and are well positioned to bid for this round of funding.
- 3.16 Subsequently, objective and open scoring has identified the following 12 providers to be appointed onto the Framework:

Name	Needs addressed		Score (per cent)
Prospects Services	Young people	National	88
Prospects has a strong understanding of the challenges facing young people at key transition points between education, training and employment. They deliver the Connexions service in Brent and are well placed to deliver programmes across the borough, with existing links to services for young people, schools and stakeholders relevant for supporting this cohort.			
Reed in Partnership	Broad range	National	88
Reed in Partnership delivers employment programmes nationally, and brings			

a wealth of resources and knowledge to help a range of support needs into meaningful employment. They are a Work Programme Prime provider and have previously engaged with us positively. Critically, Reed in Partnership brings expertise in delivering cross-borough ESF specifications.			
East London Advanced Technology Training (VCSE)	Broad range	Regional	87
A leading London charity highly experienced in the provision of employment and skills services working with long term unemployed, 16-24 NEET, those with disabilities, women and BAME communities for over 30 years and in Brent since 2011. They demonstrated a clear understanding of the challenges facing Brent residents across a range of cohorts and support needs and clearly outlined established routes into our most disadvantaged communities. Although a relatively new provider for Brent, they have a strong understanding of stakeholders and services across the borough.			
Groundwork (VCSE)	Broad range including provision for offenders and mental health	Regional	81
Groundwork has a strong track record of delivering community-based projects to support unemployed residents across West London find, secure and sustain employment. They show wide capacity across the borough, with a range of partners who ensure they remain embedded within our priority neighbourhoods, delivering flexible, high quality support with a strong community ethos.			
South Kilburn Trust (VCSE)	South Kilburn	Local	81
South Kilburn Trust has pulled together a strong consortium of registered housing providers and community organisations to deliver neighbourhood-based provision across one of our priority areas. This includes: <ul style="list-style-type: none"> • Help Somalia Foundation • Brent Housing Partnership • Network Stadium Housing • A Fairer Chance • P3 • Richmond Fellowship • Genesis Housing • 5E • Catalyst Housing • London and Quadrant Housing Trust The consortium will be led by the Employment and Enterprise Lead based in the Trust.			
P3 (VCSE)	Broad range	National	78
P3 delivers services to young people and vulnerable adults across Brent and has an established local provision in Brent. They support a range of cohorts to find, secure and sustain meaningful employment.			
CNWL NHS Trust	Multiple and complex support needs including mental health and addiction.	Regional	78

Central and North West London NHS Trust offers a range of intensive employment support services for residents recovering from addictions and mental health conditions. They specialise in supporting multiple and complex support needs through their Individual Placement and Support model (IPS).			
Lift People (VCSE)	Broad range	Local	76
Lift People is an established local voluntary and community sector provider with a focus on supporting disadvantaged adults and homelessness. They are based in Harlesden, with a satellite site in another priority area.			
Sarina Russo	Broad range	National	76
Sarina Russo has previously engaged with the council and delivers a variety of contracts regionally and nationally. They have particular experience in delivering in-work training. Although new to delivery in Brent, Sarina Russo has recently established a base in Wembley. They have experience of supporting a broad range of cohorts into meaningful employment, and offer expertise of delivering larger cross-borough ESF contracts.			
Renaisi (VCSE)	Broad range	Regional	75
Renaisi delivers regeneration based activities across disadvantaged communities in London. Leading a consortium of registered housing providers Genesis, Network Stadium and London & Quadrant Housing Trust, Renaisi is able to deliver from numerous sites across our priority neighbourhoods with in-roads to our most disadvantaged communities.			
Ashford Place (VCSE)	Broad range	Local	74
Ashford Place is an established local voluntary and community sector provider with a focus on supporting disadvantaged adults and homelessness. They are based in Cricklewood and deliver a range of community activities and outreach services as well as running an employment division.			
New Challenge (VCSE)	Broad range	Local	73
New Challenge delivers a range of employment contracts including the National Careers Service from their Wembley base. They offer specialist support for the 50+ as well as showing demonstrable capacity to support a range of cohorts into meaningful employment.			

4.0 Financial Implications

- 4.1 The Framework has an estimated value of between £100,000 - £20 million, depending on our ability to attract funding from external sources including:
- European Structural and Investment Funds
 - Department for Work and Pensions
 - Department for Communities and Local Government
 - The Big Lottery Fund
 - Various grant givers and funders across the public, private and charitable sectors.
- 4.2 Whilst the Framework will be used as the main method of procurement we reserve the right to:
- commission contracts outside of the Framework in line with Council procurement guidelines;
 - remove partners from the Framework for poor performance;

- remove partners for failure to bid for any call-off contracts within a two year period.
- offer no guarantee of any call-off contracts.

In most instances, contracts will be based on a payment by results model. It is possible that some opportunities may not follow this model, though unlikely, as every funding opportunity is different. We therefore cannot guarantee, from the outset, that all opportunities will follow this model.

- 4.3 As such the Framework makes no guarantee once it is established and therefore until a call-off contract is made, there is no contractual obligation or risk to the Council.

5.0 Legal Implications

- 5.1 The estimated value of the Framework over its lifetime makes it a High Value contract which is in excess of £250,000 and therefore the procurement of and appointments to the Framework are subject to the Council's Contract Standing Orders and Financial Regulations in respect of High Value Contracts. However, the procurement is of a service that is classed as "part B" services under the Public Contract Regulations 2006 (as amended) ("the Regulations") and therefore the Regulations only applied in part. However there is still a duty under the Regulations to act fairly and transparently to all bidders.
- 5.2 Officers had indicated within the tender documentation that appointment to the Framework would be made to the highest scoring 12 providers and are now seeking Member approval to appoint the recommended providers listed at Para. 3.15.
- 5.3 Although the services under the proposed Framework are deemed a Part B service under the Regulations, as advised in the Pre-Tender Cabinet report, Officers will observe a voluntary 10 day standstill period under the Regulations, so as to enable any unsuccessful providers to review and seek further clarification in relation to the Council's proposed award decision. Therefore once Cabinet has determined which tenderers should be appointed onto the Framework, all tenderers (including the unsuccessful) will be issued with written notification of the proposed Framework award decision. A minimum 10 calendar day standstill period will then be observed before the Framework is concluded – this period will begin the day after all tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the Regulations. As soon as possible after the standstill period ends, the successful tenderers will be issued with a letter of acceptance and the Framework agreement(s) may be conclude and commence.
- 5.4 Members should note that by nature of this service being procured via a Framework arrangement there is not commitment from the Council to procure any services and there is no guarantee of work under the Framework. Moreover, a binding contract will come into place following award of a call-off contract to one of the Framework providers. With regards to the call-off process under the proposed Framework (should Members be minded to

approve the appointments), Officers intend to undertake mini-competitions with the 12 providers each time a service requirement arises; seeking Expressions of Interest, prior to inviting providers to submit proposals in response.

6.0 Diversity Implications

6.1 No additional implications following the initial report.

7.0 Background Papers


7.1 August 2014 Cabinet report- Brent Employment Services Provider Framework

8.0 Contact Officers

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Andy Donald, Strategic Director, Regeneration & Growth
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 <p>Brent</p>	<p align="center">Cabinet Meeting 10 November 2014</p> <p align="center">Report from the Strategic Director of Regeneration and Growth</p>
<p>For Action Wards affected Mapesbury</p>	
<p>Disposal of basement space at 48d Mapesbury Road, London NW2 4JE</p>	

*Appendix 1 is not for publication.

1.0 SUMMARY

1.1 This report seeks approval to proceed with the disposal of the Council owned basement space within the Housing Revenue Account (HRA) at flat 48d Mapesbury Road, London NW2 7JE for a capital receipt.

2.0 RECOMMENDATIONS

2.1 That Members approve the leasehold disposal of the Council’s basement space directly lying beneath 48d Mapesbury Road to the leaseholder of the same address, for a capital receipt.

2.2 That Members delegate authority to the Operational Director of Property and Projects to agree the terms of the disposal and grant a new lease for the sale of the basement space.

3.0 DETAIL

General principles of the disposal of undemised areas

3.1 The Council receives a number of enquiries each year from leaseholders in street properties within the HRA wishing to acquire the undemised areas of land or property above or neighbouring their flats in order to extend their existing flats.

3.2 No formal written policy or framework is currently in place to deal with these types of leaseholder enquiries. Instead, each case is reviewed on a case by case basis and in the context of the practical, legal and technical reasons in relation to each property.

- 3.3 The Council is not legally required to dispose of areas of land and property which are not demised, such as loft spaces and basements, to adjoining leaseholders, however there is the potential to generate capital receipts for the Council from these types of disposals and potentially allow development to take place to increase the number of habitable rooms in the borough.
- 3.4 When an enquiry is received from a leaseholder wishing to acquire an undemised area of land or property, the Council will consult with Brent Housing Partnership (BHP), who manages the properties, about the feasibility of the disposal and set out the procedure and timescale for investigating whether we would be agreeable to the sale to the leaseholder.
- 3.5 The Council may agree in principle to the disposal except in the case where we would wish to retain the undemised areas of land or property within the HRA, or if there are other practical or technical reasons against the disposal. It must be emphasised that each case must be viewed on its own facts and merits because of the legal and technical complexities inherent in some property ownership structures.
- 3.6 The Council or BHP will carry out a valuation to assess the amount of premium we would seek for the disposal of the undemised area of land or property. The valuation may take into account any potential development value. In addition to the premium payable, the leaseholder will be required to pay any legal or surveyor fees incurred by the Council in relation to the transaction.
- 3.7 If the premium and costs being sought is agreed with the leaseholder and the necessary approvals obtained by the Council, a deed of variation will be executed which will include the undemised area of land or property in the lease. The offer is generally conditional on the leaseholder obtaining the necessary licence for alteration, planning, building regulations and any other consent that may be necessary for development.

Property details

- 3.8 The subject property is situated on the south side of Mapesbury Road, between its junctions with Exeter road and Shoot-Up-Hill. The area is, principally, private residential in character.
- 3.9 Number 48 Mapesbury Road comprises a bay fronted detached two-storey house which has been converted to provide 4 self-contained flats. Flat 48d is situated on the ground floor right hand side when viewed from the front. The land which the existing leaseholder wishes to acquire is that which lays immediately beneath his flat i.e. the un-demised basement space.
- 3.10 The front part of the site which lies immediately beneath the flat was previously used as a basement, though it has long been abandoned.

The rear part is undeveloped and unexcavated. The overall basement floor area is approximately 72 square meters.

- 3.11 Council officers have reviewed the case with Brent Housing Partnership and have agreed in principle to the disposal of the basement space. The proposed disposal only includes the basement space shown in appendix 2 i.e. the basement space is enclosed on all sides with brick walls, and excludes the basement space lying beneath the adjoining ground floor flat.
- 3.12 The Council appointed an external surveyor to value the basement space and the valuation report was prepared in accordance with the RICS Appraisal and Valuation Standards (Red Book). The premium being sought by the Council which has been agreed by the leaseholder subject to contract is shown in appendix 1.
- 3.13 It is assumed that the leaseholder has satisfied himself that full planning consent would be available for his proposed use and the Council's valuation is on that basis.
- 3.14 The new lease will set out the new ownership details and responsibility for the management and maintenance of the basement space under the new arrangements.
- 3.15 The basement space is entirely beneath the subject flat and there is little risk posed to the occupier of the other flats within the premises. However, it will be necessary for the leaseholder to obtain the Council's consent for any technical work and for the precise construction detail of any redevelopment, particularly where such works may have an impact on other ground and first floor flats, and to safeguard the building enclosure.

4.0 **Options Appraisal**

Recommended option

Option 1 – Dispose of the basement space for a capital receipt via private treaty

- 4.1 The basement space is currently vacant and can only be accessed through the ground floor flat at 48d Mapesbury Road, which is privately owned and this is therefore a strong factor in favour of disposal.
- 4.2 The disposal will provide a capital receipt for the Council and this is a strong factor in favour of disposal.
- 4.3 Regular maintenance expenditure on specific building elements will be passed to the purchaser and this is a strong factor in favour of disposal.

The discounted options are shown below

Option 2 – Do nothing

4.4 The basement space is not being utilised. The disposal of the basement space may provide for an additional habitable room for the borough if the basement space is subsequently redeveloped by the purchaser.

4.5 Option 3 - Open market sale

The basement space can only be accessed by the ground floor flat at 48d Mapesbury Road and could not be reasonably sold to any other purchaser. However, the premium being sought is based on an open market value and therefore satisfies the best consideration requirement.

5.0 FINANCIAL IMPLICATIONS

5.1 The estimated gross capital receipt on disposal is given in Appendix 1.

5.2 There is no annual rent loss to the HRA under the proposal.

5.3 The Council's reasonable transaction costs for the disposal to be covered by the purchaser.

5.4 This property is not included within the Capital Disposals Programme, however the Council's general policy is that receipts arising from the disposal of land and properties be used to support the overall capital programme.

6.0 LEGAL IMPLICATIONS

6.1 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtains (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable.

6.2 Disposal at market value will satisfy the best consideration requirement.

6.3 The term of the existing lease of the flat will not be extended.

6.4 The proposed transaction is 'without prejudice' and subject to contract'.

7.0 DIVERSITY IMPLICATIONS

7.1 There are no diversity implications directly arising from this proposal as the basement space being sold is currently unused and vacant and can only be accessed via the ground floor flat directly above, which is under private ownership.

8.0 STAFFING/ACCOMMODATION IMPLICATIONS

8.1 As per main body of the report.

9.0 ADDITIONAL INFORMATION

Appendix 1: Valuation and premium [below the line]
Appendix 2: Location plan

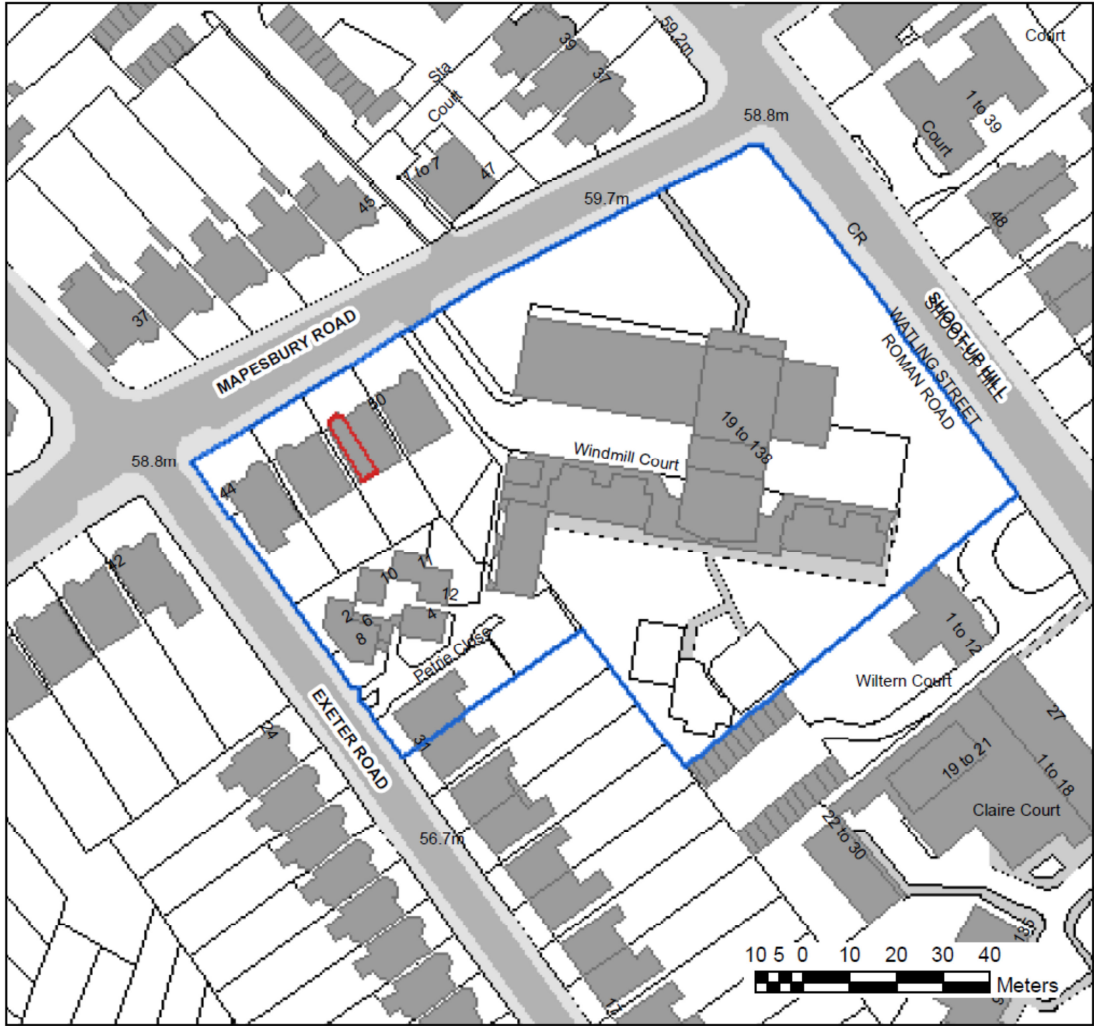
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 **Brent**

Premises shown edged red.
Land in applicants ownership edged blue.
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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Cabinet
10 November 2014

Report from Director of Public Health

For Information

Annual report of the Director of Public Health for Brent 2014

1.0 Summary

1.1 The attached report considers the health of the people in Brent. It outlines the major causes of mortality and morbidity as well as describing health related behaviours in Brent. It contains a number of examples of how the Council and local people are responding to the health challenges in the borough.

1.2 The published report will be professionally designed and include the addition of photographic images

2.0 Recommendations

2.1 Cabinet is asked to note the report which will be presented to the Health and Wellbeing Board for consideration. The Health and Wellbeing Board will review its work programme and priorities in the light of the Report.

3.0 Detail

3.1 The report considers:
The population of Brent
Health and wellbeing in Brent
Health related behaviour in Brent.

3.2 The report notes the growth in the population of Brent and highlighting changes in the very young and very old age groups. The 0-4 years age group increased by thirty eight per cent between 2001 and 2011 while the 85 year and over age group is expected to grow by seventy two per cent by 2022.

3.3 The ethnic diversity of Brent's population is highlighted with examples of the opportunities for health this presents, high rates of breastfeeding, and challenges, notably high rates of tuberculosis in the Borough.

3.4 The section on health and wellbeing in Brent emphasises the association between deprivation and health, highlighting the difference in life expectancy in Brent of over

five years for men and almost four years for women when comparing the least and most deprived areas.

- 3.5** When asked to describe their own health, people in Brent are positive with eighty one percent describing it as good or very good.
- 3.6** Premature mortality is defined as death before the age of 75 years. The main causes of premature mortality are cancer, cardiovascular disease (heart disease and stroke) and respiratory disease.
- 3.7** The report highlights the potential for Health Checks which the Council commission from GPs to prevent a range of diseases including heart disease and some forms of dementia.
- 3.8** Some particular health concerns for Brent are covered in the report. In particular the projected increases in the numbers of people with dementia, the high rates of sexually transmitted infection and HIV, childhood and adult obesity, diabetes and poor children's oral health. While rates of diabetes are high and projected to increase, the report notes that people with diabetes in Brent are less likely to suffer complications from the disease than people with diabetes elsewhere.
- 3.9** The health related behaviour section considers a number of behaviours which are detrimental to health and where too many people in Brent are making unhealthy choices, namely: tobacco use, drug and alcohol misuse, poor diet and physical inactivity. For each behaviour, an example of how the Council is working with local people to support positive choices or make negative choices less easy.

4.0 Financial Implications

- 4.1** The report will inform the use of the public health grant

5.0 Legal Implications

- 5.1** The production and publication of the report is required under Section 31 (5) and (6) of the Health and Social Care Act 2012.

6.0 Diversity Implications

- 6.1** The influence of socio-economic and ethnic diversity on health is covered in the report.

Contact Officer - Dr Melanie Smith, 020 8937 6227

DR MELANIE SMITH
Director of Public Health

Annual report of the Director of Public Health for Brent

Foreword from the Leader of the Council

Brent Council is committed to helping local people protect their health and promoting wellbeing and independence.

As this report will show, working with partners and the community, the council has launched a number of initiatives which are making a real difference to the lives of many residents.

There are big challenges in Brent, not least the difference in health and life expectancy between our wealthiest and our poorest residents.

It is worth noting that Brent is healthier than you might expect given these high levels of deprivation and many people describe their health as good.

But the health of some children and young people is a concern. Oral health is poor and levels of obesity are too high. Through new projects such as The Healthy Early Years Scheme, we are working with hundreds of families with the aim of giving local children the best start in life.

Another priority is dementia, which is predicted to increase. With our partners, we have set up the Brent Dementia Action Alliance to raise awareness about the condition.

Diabetes rates are too high in the borough. But treatment here in Brent is good and together with Diabetes UK, we are informing the public how to prevent it.

Reducing tobacco use is another priority. Our Brent Stop Chewing Campaign aims to cut paan chewing among our South Asian communities.

And last year we opened green gyms in parks with the aim of raising levels of physical activity, which are lower in Brent than they should be.

With these kinds of innovative approaches, working closely with our partners and the community, I believe we can make a big difference to the health and wellbeing of Brent residents.

Signature

Photograph

Cllr Mohammed Butt

Leader of Brent Council

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- Figure 3 Levels of deprivation in Brent
- Figure 4 Life expectancy at different levels of deprivation in Brent: men and women
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- Figure 12 Predictions for the future prevalence of diabetes in Brent and England

Brent's population

There are an estimated 317,264 people living in Brent. The population has grown dramatically over recent years: increasing by eighteen percent, or almost 50,000 people, between the 2001 and 2011 censuses. The growth in population in Brent has been particularly marked for young children, where the 0 – 4 years age group increased by thirty eight percent between 2001 and 2011.

The first years of life have a profound and lasting impact on later health and wellbeing. In Brent, the Council is working with early years settings and Brent parents to promote and protect the health of preschool children.

Healthy Early Years (HEY) Scheme

The HEY scheme is an accreditation and award scheme for early years settings in Brent including nurseries, child minders and children's centres. The scheme focuses on seven key health improvement areas for the under fives: healthy eating, oral health, physical activity, breastfeeding, immunisations, smoke free homes and emotional wellbeing.

In 2013/14, forty two settings achieved accreditation and five hundred parents were engaged. The scheme has been very positively evaluated through a parent survey which shows real behaviour change: for example, an increase in children registered with a dentist of almost a quarter at nurseries and children's centres and of a third at child minders.

Parent Champion Scheme

The Council has also teamed up with a national charity, the Family Childcare Trust, to recruit and train a group of Parent Champions to deliver positive messages on health and wellbeing to other parents in their communities. We have worked closely with the employment and enterprise team and the CVS to recruit people who are currently unemployed, as this experience could be a route into employment. There will be at least one parent champion working from each of our six children centre localities

Photograph of HEY activities

Brent's population is predicted to continue to increase in the future, albeit at a slower rate. The Office for National Statistics (ONS) predicts that between 2011 and 2012 the population of Brent will grow by seven percent. The increase is expected to be particularly marked for older age groups, with a predicted growth of sixteen percent in 65 to 74 years old, a similar increase in those aged 75 to 84 and a seventy two percent increase in those aged 85 and over. While population projection is not an exact science, these estimates highlight the need to promote healthy ageing in Brent.

Over 55s Physical Activity Programme

Levels of physical activity amongst those aged 55 and over are particularly low in Brent with nearly eighty percent of older people surveyed reporting that in the preceding month, there had been no days when they undertook physical activity.

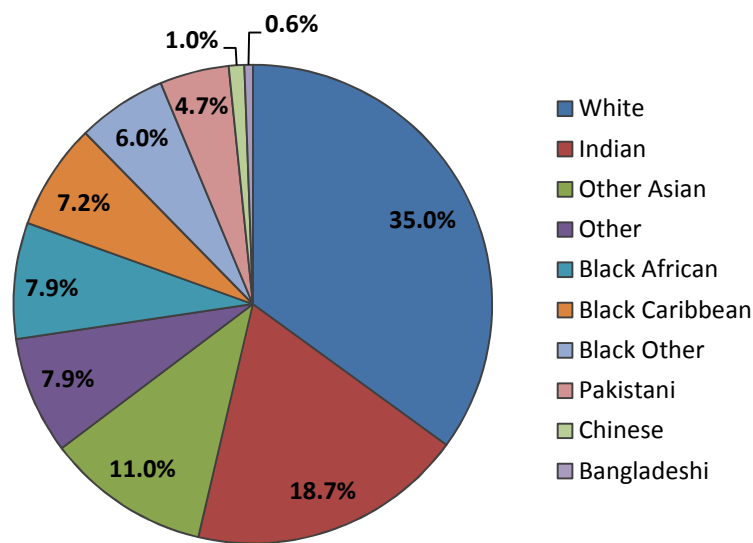
The Council has piloted a programme of physical activity in residential homes with qualified instructors leading weekly sessions of exercise appropriate to older participants. Fourteen homes and one hundred and eighty three people have already taken part. Four of the homes and their residents have already decided to continue the programme with their own funding.

Photograph of one of the exercise classes

Brent is one of the most ethnically diverse boroughs in the Country. According to the 2011 census, Black, Asian and Minority Ethnic (BAME) groups make up sixty four percent of Brent's population compared to forty two percent across London and fifteen percent nationally.

Forty six per cent of those aged 75 and over in Brent are from a BAME group (nationally this figure is four per cent). Ninety two per cent of school children in Brent are from a BAME group.

Figure 1 Brent's population by ethnic group



Source: GLA ethnic population projections 2013, based on ONS 2012 mid-year estimates

Brent has a high proportion of people born abroad including in countries with high rates of tuberculosis. This is reflected in the high rate of TB locally. Brent has the second highest rate of tuberculosis in the UK at 100 cases per 100,000 population, compared to a rate for England of 15 per 100,000. More than ninety percent of those diagnosed with TB in Brent were born abroad with twenty percent having entered the country in the last two years. This suggests the majority of disease seen in Brent was reactivation of infection acquired in high prevalence countries, in particular India.

Some cultural practices, such as breast feeding, which are common amongst Brent's communities are associated with health benefits. In Brent almost three quarters of new mothers are breastfeeding at the 6 to 8 week check compared to less than half of new mothers nationally.

Health and wellbeing in Brent

There is a strong relationship between deprivation and health. Brent is considerably more deprived than the England average. However, given the levels of deprivation in Brent, analysis by Public Health England shows that levels of mortality are better than might be expected.

Figure 2 Mortality rankings for local authorities with similar levels of deprivation

Rank		Local authority	Population	Premature deaths per 100,000
1	Best	Brent	314,660	334
2	Best	Greenwich	260,068	387
3	Best	Lewisham	281,556	392
4	Best	Walsall	270,924	399
5	Better than average	Lambeth	310,200	402
6	Better than average	Bradford	524,619	415
7	Worse than average	Wolverhampton	250,970	423
8	Worse than average	Leicester	331,606	431
9	Worse than average	Barking and Dagenham	190,560	435
10	Worse than average	Hartlepool	92,238	444
11	Worst	Blackburn with Darwen	147,713	450
12	Worst	Rochdale	212,020	459
13	Worst	Halton	125,692	462
14	Worst	Nottingham	308,735	466
15	Worst	Salford	237,085	493

Key	
Best	
Better than average	
Worse than average	
Worst	

Source: PHE Longer Lives

This analysis shows that for similar levels of deprivation, premature mortality between local authorities can vary by almost 150%. The relationship between deprivation and ill health is strong. But it is not immutable and it can be mitigated. Although we do not fully understand how this happens, individual and family behaviours and community resilience are both likely to play a part. Well London Chalkhill show how community resources can be mobilised to help people make healthier choices.

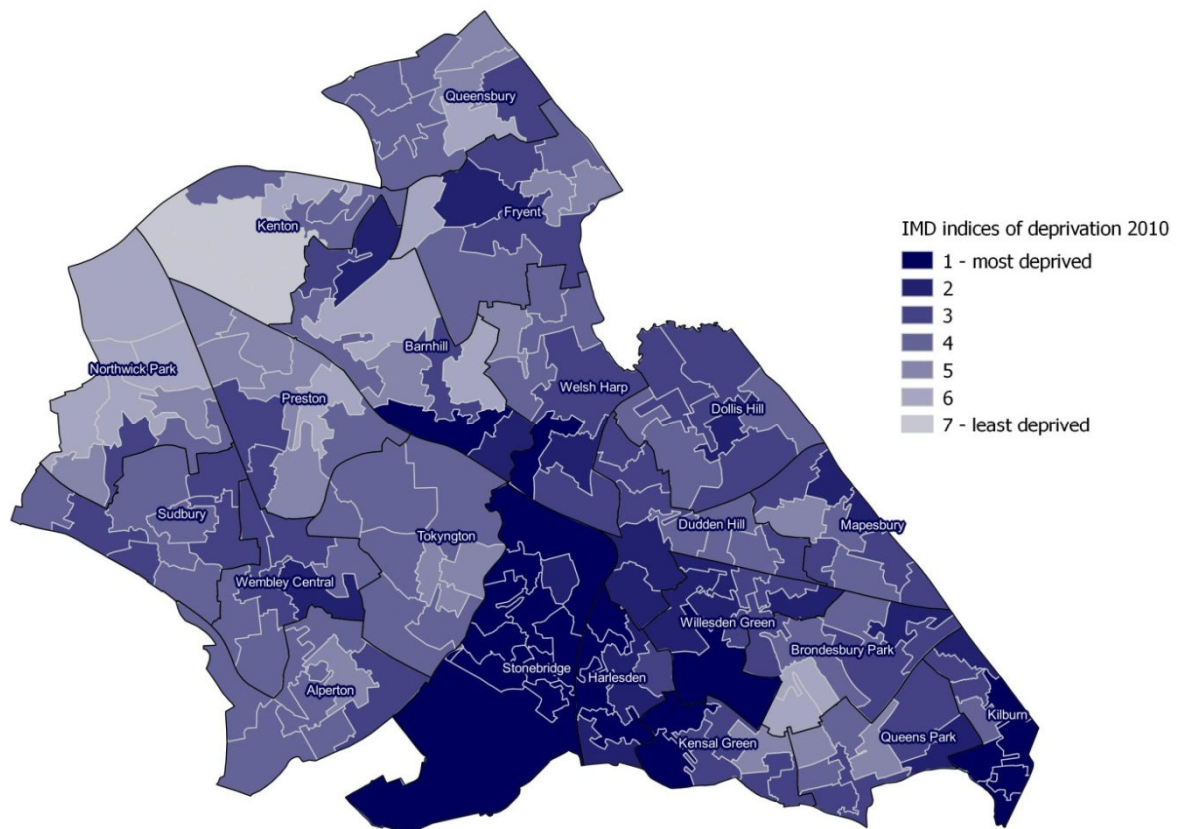
Well London Chalkhill

Funded by the Big Lottery and the GLA, the Well London Chalkhill programme has been running on the Chalkhill estate since August 2012. CVS Brent manage the programme which aims to improve the health and wellbeing of Chalkhill residents through mobilising local resident volunteers who host and promote healthy living programmes on the estate for local residents.

The programme includes cooking classes, an employment advisory service, a free internet café, a local running group, local allotments and a fruit and vegetable stall.

Within Brent there are marked variations in levels of deprivation between different parts of the Borough.

Figure 3 Levels of deprivation in Brent



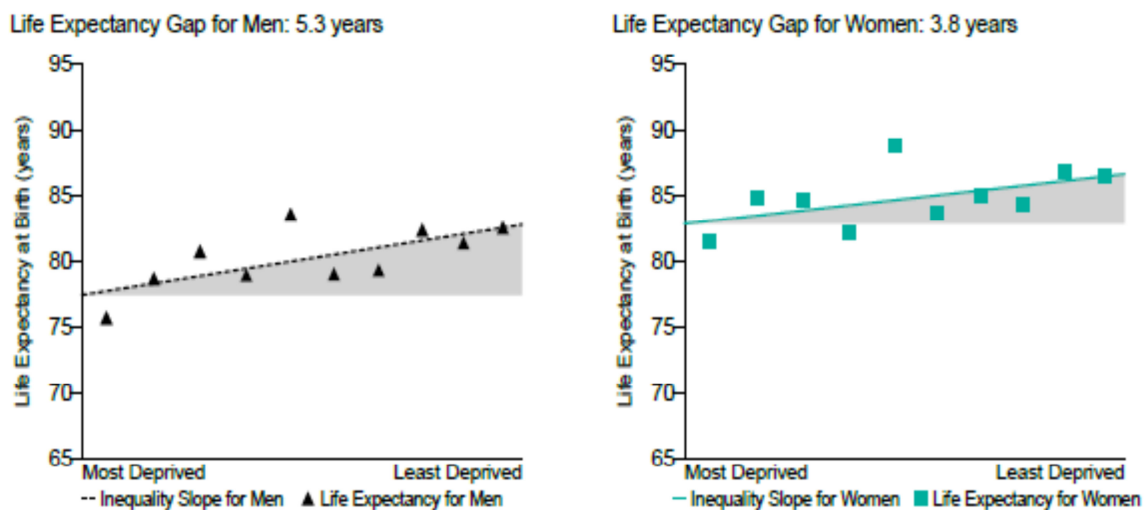
Source: Source: IMD 2010. data.gov.uk

Photographs contrasting different parts of the Borough

This pattern of deprivation is mirrored in the variation in life expectancy seen within the Borough.

Life expectancy in Brent is better than the England average at almost 80 years for men and 86 years for women. However, within the borough there is a gap in life expectancy between the most and least deprived areas of over 5 years for men and almost 4 years for women.

Figure 4 Life expectancy at different levels of deprivation in Brent: men and women

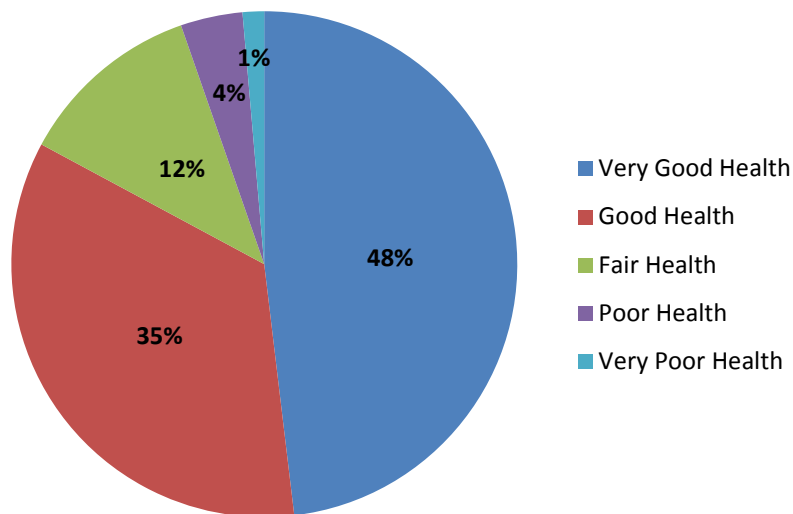


Source: PHE, Brent health profile, 2014

Life expectancy is an important measure of the health of the population but also important is healthy life expectancy, that is the length of time that someone born in Brent now could expect to live in good health. Healthy life expectancy in Brent is considerably less than life expectancy at 62 years for men and for women.

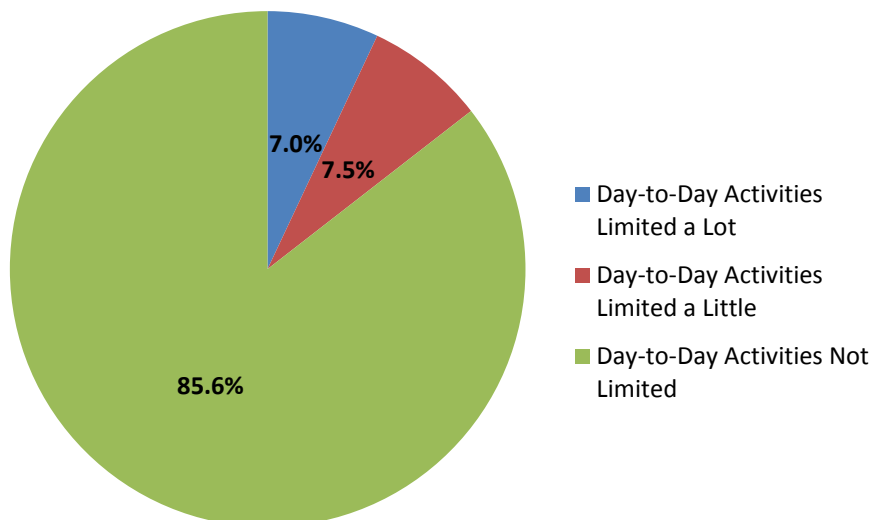
As important as any objective measure of health is the extent to which people feel healthy and the impact this has on their lives. In the 2011 Census, the vast majority of people in Brent described their health as good or very good (eighty one percent), only five percent of local people reported poor or very poor health.

Figure 5 How people describe their own health



Even those who do not view their health as good are not necessarily limited by it. Almost eighty six per cent of the population of Brent said their day-to-day activities were not limited at all in the 2011 Census. In contrast seven per cent felt their activities were limited a lot.

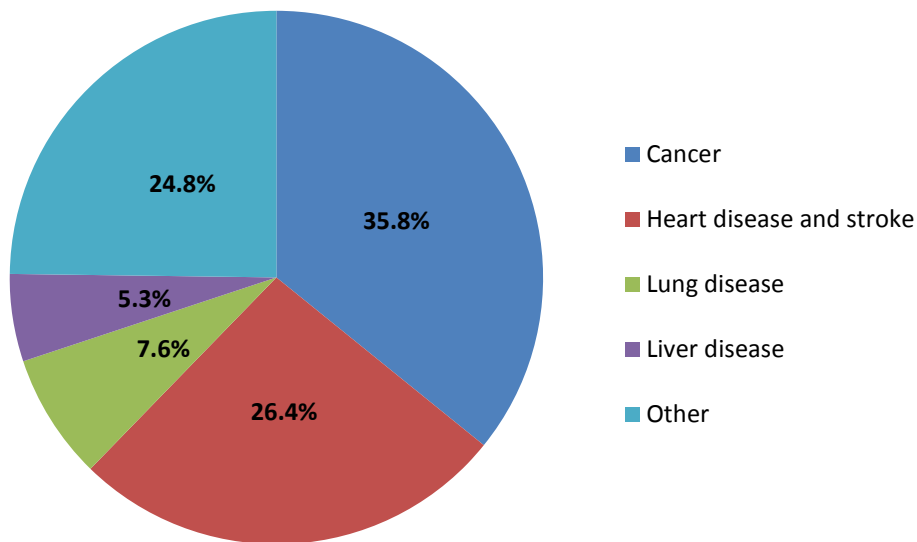
Figure 6 How people feel their health impacts on their day-to-day activities



Source: 2011 Census, ONS

Premature mortality is defined as death before the age of 75 years. Although the premature mortality rate in Brent, at 334 deaths per 100,000 population, is better than in areas with similar levels of deprivation, this still means there are on average 650 premature deaths each year in Brent. The main causes of premature deaths are cancer, cardiovascular disease (heart disease and stroke) and respiratory disease.

Figure 7 The main causes of death before 75 years in Brent



Source: ONS Mortality statistics, 2010-12

Many of these deaths are potentially preventable. The Council commissions the NHS Health Check Programme in Brent which aims to help prevent heart disease, stroke, diabetes, kidney disease and certain types of dementia.

NHS Health Checks

Local people aged between 40 and 74 years are invited every five years to attend their GP for a health check. The health check programme is a preventive programme. People who have already been identified as being at high risk of, or who already have, cardiovascular disease should be under regular review by their GP and will therefore not be invited to a health check.

A health check involves measurement of body mass index, blood pressure, pulse, cholesterol and a risk assessment for alcohol problems, diabetes and kidney disease.

The identification of cardiovascular risk is only worthwhile if that risk is reduced. For some people, their GP may prescribe medication to reduce blood pressure or cholesterol. But many people will need to change their lifestyle to reduce their risk. From April 2015, a new Council funded service will be in place, to which GPs can refer people found to be at high risk at their health check, and which will help people eat more healthily and become more active.

Infant mortality, children dying in the first year of life, in Brent is similar to the England average at almost 5 deaths per 1,000 live births. The child mortality rate measures deaths between 1 and 17 years and is worse for Brent than for England. Fortunately, the numbers of infant and child deaths in any one borough is very low. However, the Child Death Overview Panel (CDOP) reviews every death to identify any preventive actions which could be taken in future.

CDOP: Child death overview panel

The Brent CDOP brings together medical, nursing, midwifery, children's safeguarding, social work, police and public health expertise. Through a comprehensive and multidisciplinary review of child deaths, Brent CDOP aims to better understand how and why children in Brent die and use our findings to take action to prevent other deaths and improve the health and safety of our children

Co-sleeping and bed sharing is a risk factor for Sudden Infant Death Syndrome (SIDS). CDOP has provided training for health professions on these issues. It recommends that health professionals should share information with expectant mothers about safe sleeping for babies and recommends information produced by the Lullaby Trust be used to support these messages.

Surveys of Brent residents by ONS show that almost one in five Brent residents report high levels of daily anxiety and just over one in ten report low levels of happiness. These levels are similar to those seen nationally.

Levels of severe and enduring mental illness, such as schizophrenia and bipolar disorder, in Brent are higher than the England average: just over one percent of the population in Brent is living with severe and enduring mental illness.

Mental Health First Aid

Mental illness and distress is not uncommon, at least one in four of us will experience a mental health problem at some point in our life. Recognising that Brent Council front line staff will come into contact with people experiencing mental health problems, the Healthy Lifestyles team are piloting Mental Health First Aid training.

This training, developed in Australia in 2000 and now internationally recognised in twenty three countries, teaches people how to identify, understand and help a person who may be developing a mental health problem.

Staff from housing, benefits and adult social care attended the training, which they rated very positively: participants' confidence in their ability to support someone with a mental health problem markedly improved following training. An evaluation is now underway to ascertain the impact of the training and to determine if it should be rolled out more widely.

Community MARAC

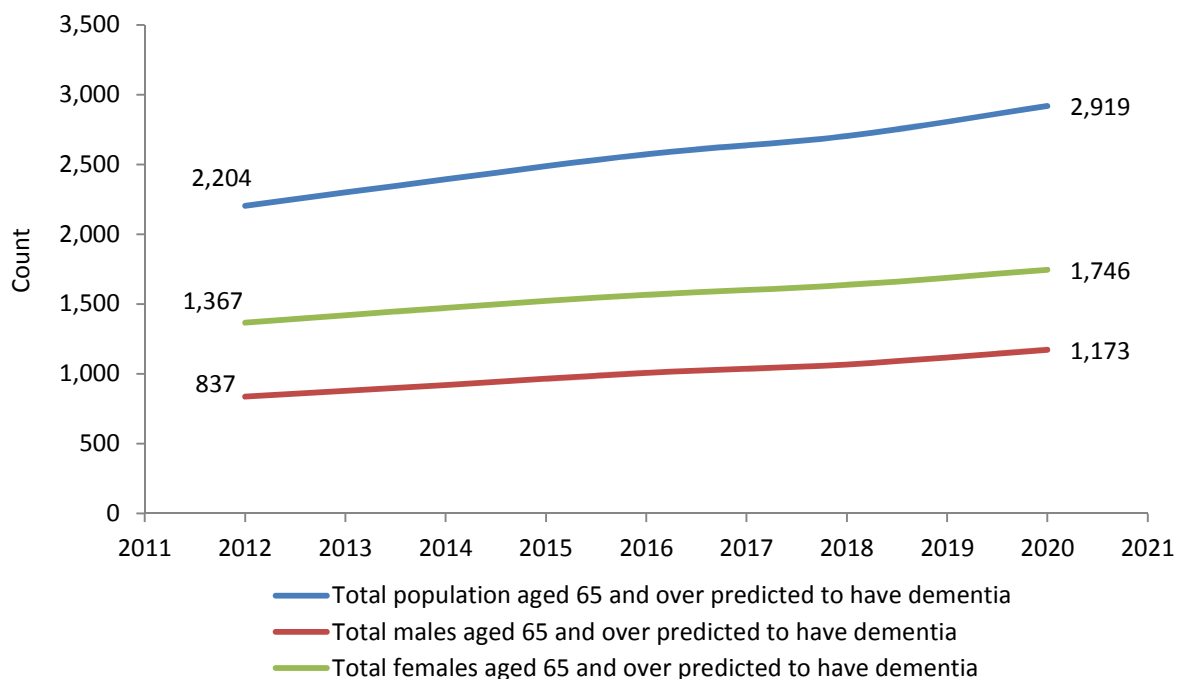
The Community Multi Agency Risk Assessment Conference brings together agencies to case manage those individuals deemed highly vulnerable, through being a victim of crime, social exclusion, disability, drug and alcohol problems or mental ill health.

The Council, the Police, Health, London Fire Brigade, the Clinical Commissioning Group and Social Landlords are all involved. The MARAC will work with people who do not meet adult safeguarding thresholds and seeks to refer them into alternative service provision, for example voluntary sector, residents or community groups in order to reduce their risk and vulnerability.

Currently it is estimated that there are nearly 2,400 people aged 65 or over in Brent living with dementia. Around an additional 70 people in Brent aged less than 65 have early onset dementia. This is far less than the number of people affected by dementia, which includes the family, friends and neighbours of those with the condition.

It is projected that the number of people living with dementia in Brent will increase markedly, by thirty two per cent in those aged 65 and over.

Figure 8 Predictions for the Future Prevalence of Dementia in Brent and England



Source: Projecting Older People Population Information (POPPI)

Brent Dementia Action Alliance

Public services alone cannot meet the scale of the challenge of responding to the predicted increases in the numbers of people living with dementia nor can they deliver the improvements we want to see in the lives of people who are affected by dementia.

Prompted by a call to action by the voluntary sector, a Brent Dementia Action Alliance is forming with membership from the voluntary, community and private sectors as well as the Council, NHS, Police and Fire Service.

The challenge the Brent DAA has set itself is how can we ensure that:

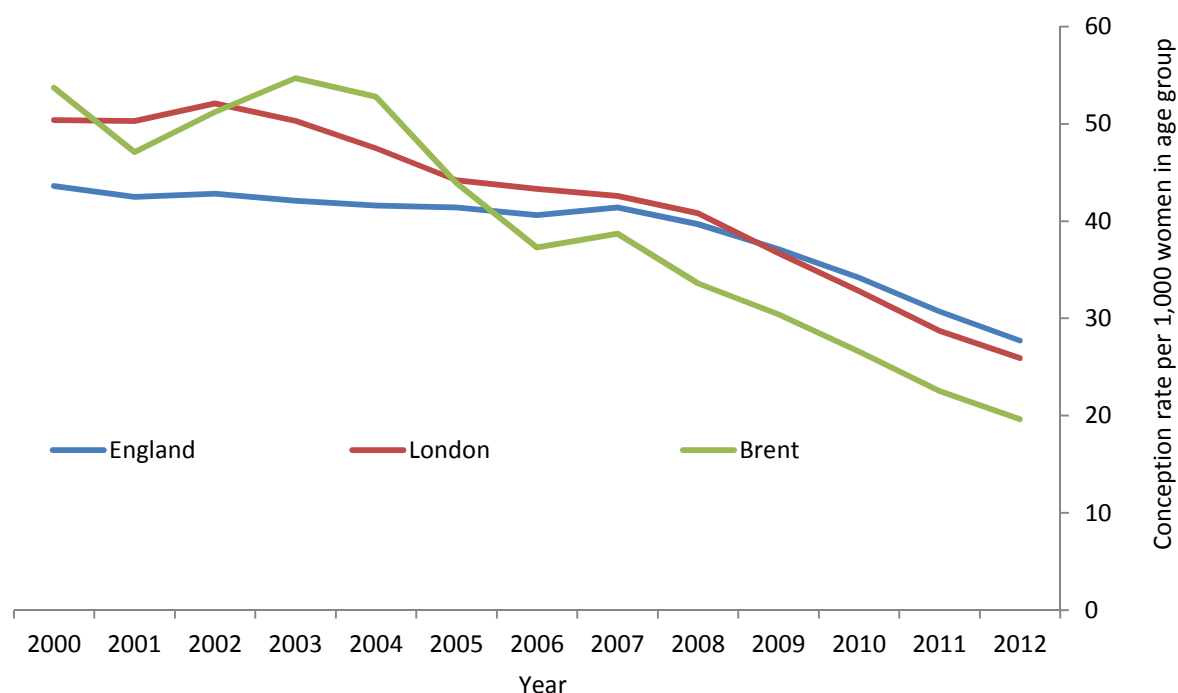
- Families are able to better support their loved ones
- Universal services support people, for example public transport responding to the needs of people with dementia through driver awareness training
- Inclusive public spaces are designed and signed to make them accessible to all
- Private companies know how to respond to the needs of people living with dementia, for example slow lanes in supermarkets

In common with most of London, Brent has high rates of sexually transmitted infections (STIs). The borough is ranked the 21st highest for diagnosed STIs. Our rates of gonorrhoea, syphilis and genital herpes are particularly high.

There are around 800 people diagnosed with HIV in Brent. Scientific advances have transformed the prognosis of HIV infection: diagnosed early and appropriately treated, HIV infection is compatible with normal lifespan. However too many people are diagnosed with HIV at a late stage of the disease when their immune system is already compromised. Currently fifty six per cent of HIV diagnoses in Brent are made at a “late stage” compared to fifty two per cent in London. Both of these figures are far too high and the promotion of earlier testing is a priority for the Council in it’s commissioning of sexual health services.

By way of contrast to STI rates and HIV late diagnosis, teenage pregnancy is a remarkable success story for Brent. Rates of teenage pregnancy have fallen below those in London and England and have more than halved since 2000.

Figure 9 Teenage pregnancy rates in Brent since 2000



Source: ONS, Conception Statistics

Family Nurse Partnership

Although rates of teenage pregnancy are falling, those teenagers who decide to proceed with their pregnancy face a higher risk of poor pregnancy outcomes, such as low birth weight; poorer mental health; and exclusion from education, training or employment.

The Family Nurse Partnership in Brent is funded by and licensed by NHS England. All teenage mothers to be are offered one to one support from a family nurse from early in their pregnancy to their child's second birthday

Childhood obesity rates in Brent are worryingly high and show no sign of improvement. Under the National Child Measurement Programme (NCMP) which the Council now commissions, all children in reception and year 6 are weighed and measured each year. The most recent figures show that over eleven percent of Brent children in reception are obese and twenty four percent of children in year 6. The proportion of children who are overweight or obese has remained disappointingly high over the past 3 years.

Figure 10 The percentage of children who are overweight and obese in Brent schools: Reception

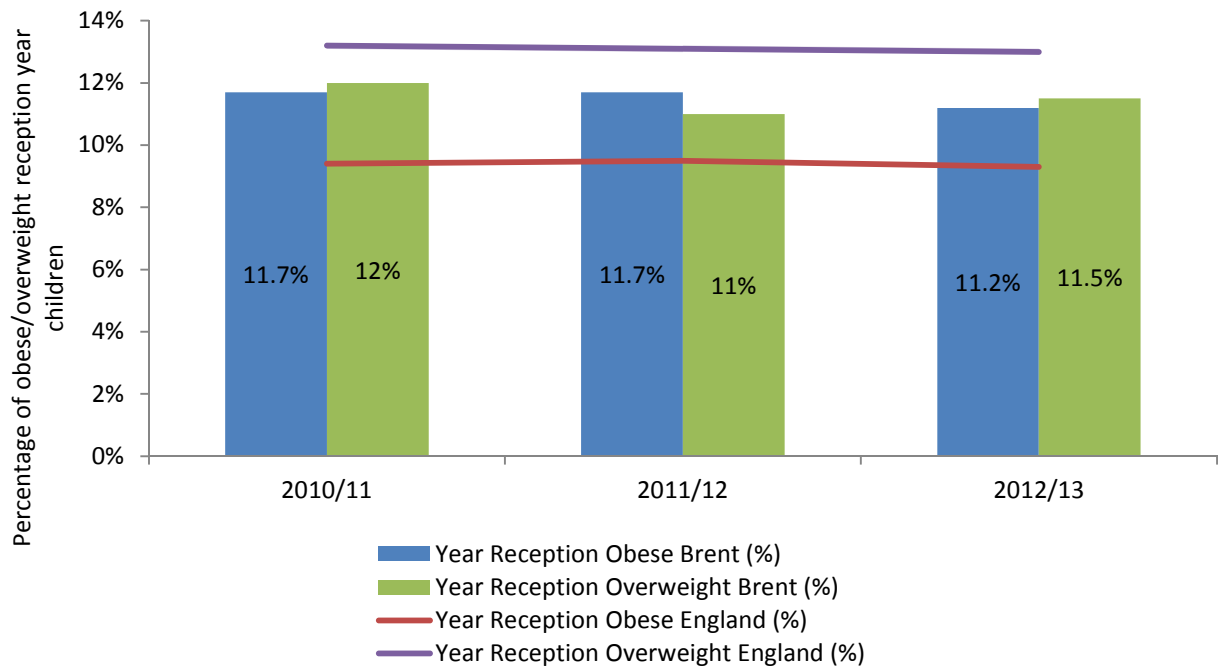
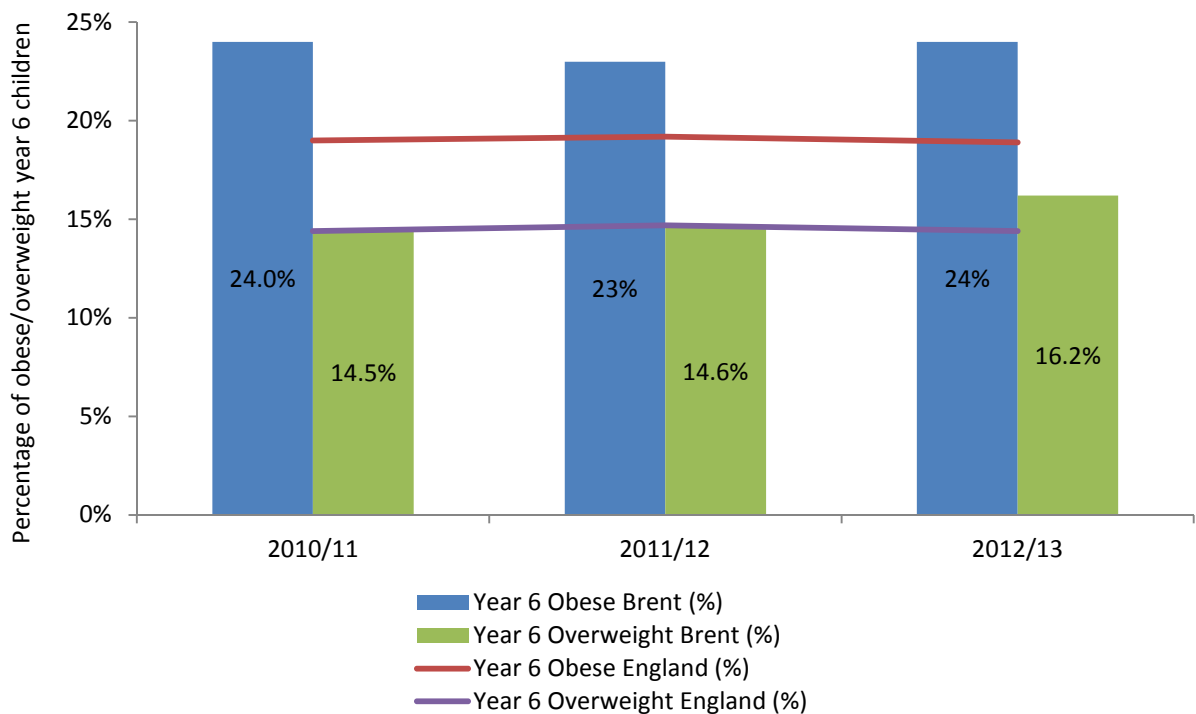


Figure 11 The percentage of children who are overweight and obese in Brent schools: Year 6



Source: NCMP, Health and Social Care Information Centre

Not only do many children start school carrying excess weight, the proportion who are overweight or obese increases during primary school years. Accordingly, healthy diet and physical exercise are a priority for many schools in the Healthy Schools Programme.

The Brent Healthy Schools Programme

The Brent Healthy Schools Programme is a voluntary scheme which schools in Brent can apply to join. In the academic year 2014/15, thirty eight schools have made applications. Of these twenty six schools have plans to promote healthy eating, cooking clubs, growing and eating clubs and the promotion of physical activity, including two outdoor gym trails for primary school children, walk to school programmes, taster sports sessions and a roller skating clubs for secondary pupils.

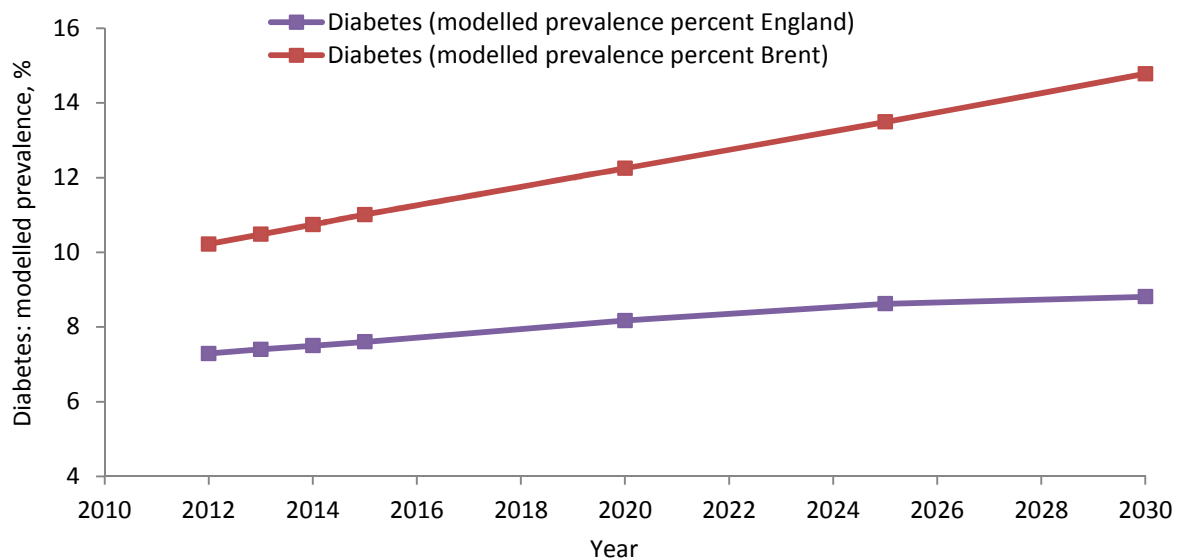
Many schools are working with their caterers to ensure the uptake of universal infant free school meals, including taster sessions for parents, and to promote healthy eating.

According to Public Health England, significantly fewer adults in Brent are overweight or obese than the average for England. However, national levels of obesity are so high that Brent can still perform well on a national league table when over half our population is overweight and an estimated one in five of our population is obese.

Rates of diabetes are high in Brent and expected to rise. Over twenty three thousand people are recorded as having a diagnosis of diabetes on GP registers. At nearly eight percent of the population this is well above the England average of six percent but, as it is estimated that one in four people with diabetes in London are undiagnosed, the true burden of disease is likely to be greater.

Reflecting the ageing of the local population, the numbers of people who are obese and overweight and the large numbers of Black and South Asian people locally (who are at greater risk of developing diabetes), the prevalence of diabetes in Brent is predicted to rise. By 2030, it is estimated that nearly fifteen percent of people aged 15 and over in Brent will have diabetes.

Figure 12 Predictions for the Future Prevalence of Diabetes in Brent and England



Source: Public Health England, Diabetes Prevalence Model for Local Authorities and CCGs

Diabetes increases the risk of a number of other conditions and complications. Early diagnosis, good diabetic care and self management can reduce these risks. While rates of diabetes in Brent are high, rates of heart disease, stroke, kidney disease and amputation are all considerably lower in people with diabetes in Brent than elsewhere in England, as are mortality rates.

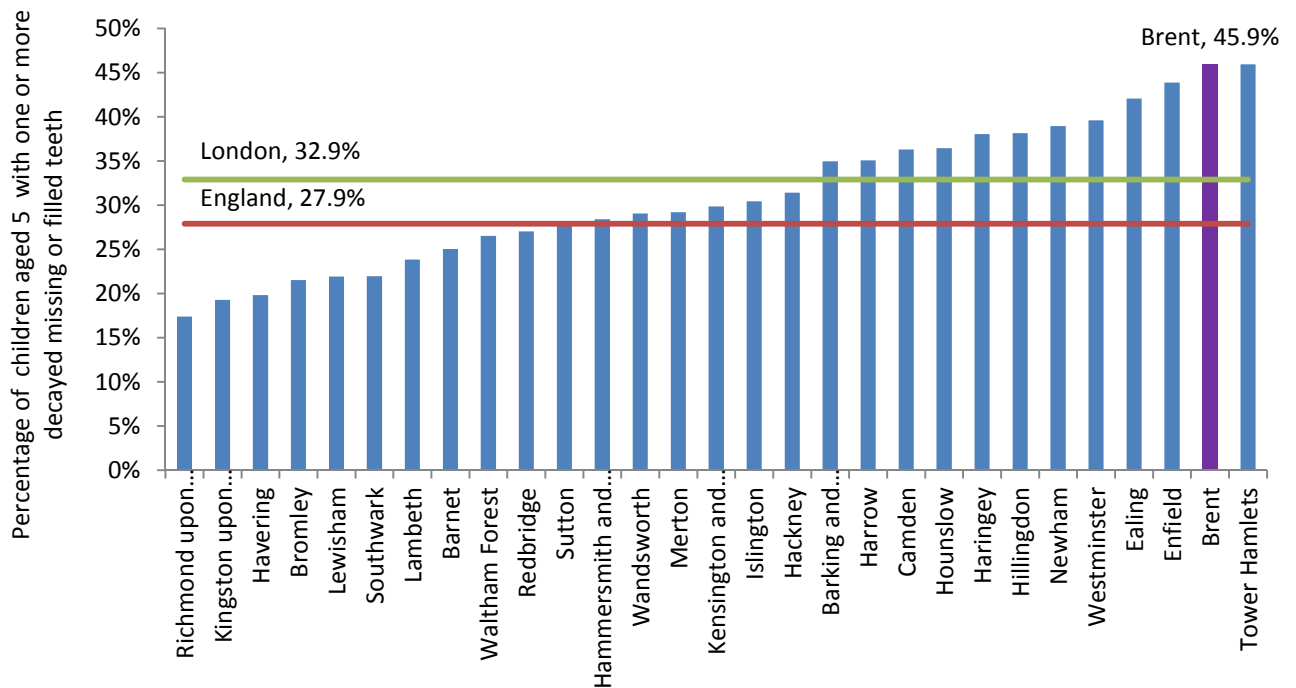
Diabetes Roadshows

The Council is developing a partnership with Diabetes UK to raise awareness of the risks of diabetes and how these can be reduced, as well as promoting early diagnosis. Diabetes UK delivered a Diabetes Roadshow as part of the Council's Week of Action in Tokynton Ward in August 2014.

Working from a customised trailer parked at Butlers Green, Diabetes UK professionals offered and undertook risk assessments to local people. These provide participants with an estimate of their risk of developing diabetes based upon factors including their age, ethnicity, BMI, waist measurement and family history.

Reflecting the high level of risk in the population in Brent, forty four per cent of people who took part were assessed as being at moderate or high risk and advised to consult their GP.

Children in Brent have very poor oral health. On starting school, forty six percent of children have at least one decayed, missing or filled tooth. Dental extraction is the commonest cause of planned hospital admission for children in Brent. Childhood tooth decay causes pain and school absence. It is associated with low self esteem and with adult ill health including oral cancer. But this is avoidable. Regular teeth brushing, healthy eating habits and regular attendance at an NHS dentist (free for children) could change this



Source: National Dental Epidemiology Programme for England, 2012

Healthy Smiles Brent

Healthy Smiles Brent is a joint initiative between the Council, Public Health England and NHS England. Ten primary schools and six dental practices in Brent are signed up.

Dentists and oral health promoters will visit local primary schools to promote oral hygiene and tooth brushing. Children will receive free packs with toothbrushes, toothpaste and brushing charts. Parents will be encouraged to join in the oral health days, meet the dental team and receive information on how to access local dentists – including the fact that dental care for children is free.

As well as health promotion, parents of children in nursery and infants will be asked to consent to their children receiving a free fluoride varnish treatment which will protect their teeth.

The project is a pilot to test the feasibility and acceptability of offering fluoride varnish in a school setting and aims to recruit a thousand children.

Health related behaviour in Brent

Tobacco Use

Smoking is the primary cause of preventable morbidity and mortality. It accounts for over one-third of respiratory deaths, over one-quarter of cancer deaths, and about one-seventh of cardiovascular disease deaths. In Brent, there are an estimated two hundred and forty one deaths related to smoking each year. Nicotine addiction is often acquired during childhood, nationally two thirds of smokers start before they are eighteen.

While rates of smoking are lower in Brent than national or regional averages at an estimated fifteen percent, there is a marked variation within the Borough from just under twelve percent of the population in the least deprived areas to almost twenty six percent in the most deprived neighbourhoods.

Cigarettes are not the only form of tobacco used in Brent. While official statistics are not available, it is evident that chewing or smokeless tobacco is widely used, particularly by the borough's South Asian communities. Furthermore, there are a growing number of shisha cafes and premises within the borough.

Unlike cigarettes, the health harm of chewing tobacco and of shisha is not necessarily widely recognised. Neither has been as extensively researched as smoking. However, smokeless tobacco use is associated with oral cancer, cardiovascular disease and dental disease, while preliminary research suggests waterpipe smoking is associated with many of the same risks as cigarette smoking.

Brent Stop Chewing Campaign

Alongside its stop smoking service, Brent Council now provides a stop chewing service for users of smokeless tobacco. Specialist advisors can provide the service across the Borough or by phone (020 8795 6669). A promotional campaign was carried out in the Wembley and Sudbury wards during the Weeks of Action, July 2014.

Working with a local oral surgeon and his team, who regularly see the effects of paan chewing, the Brent Tobacco Control Alliance is raising awareness of the health risks of chewing tobacco, particularly in South Asian communities and training healthcare professionals to conduct brief interventions with paan users.

Drugs and Alcohol

A range of illegal drugs is used in Brent and it is only possible to estimate the size and nature of the problem as, by its very nature, drug misuse is an activity which seeks to avoid attention. The most problematic drugs of misuse are generally held to

be opiates and crack cocaine and it is estimated that over one thousand eight hundred people are using opiates and / or crack cocaine in Brent. In the year ending March 2014 there were 1,367 drug users in treatment services and 367 alcohol users.

Alcohol use in Brent is polarised. The proportion of local residents who abstain from alcohol is, at thirty one per cent, almost twice as high as the national average. However, the proportion of the population who are estimated to be high risk drinkers is, at seven percent, slightly higher than the national average.

There is a strong drug and alcohol treatment and recovery sector in Brent. Nationally, Brent is ranked in the top quartile for the number of drug users that successfully completed their drug treatment. Forty percent of alcohol users in treatment services successfully completed their treatment. A cornerstone of this success is the involvement of our service users, not only in monitoring quality of services and shaping commissioning decisions but also in actually delivering services to support recovery.

Recovery champions and BSAFE

B3 is a service user led organisation which provides services to Brent Council to support recovery from substance misuse

Their Recovery Champions course runs for 2 days a week over 5 weeks for those who are completing their recovery and aftercare programmes. The course covers a range of opportunities for Champions to improve their skills and knowledge, such as peer support, service monitoring, volunteering and advocacy. Graduates act as peer mentors, undertake mystery shopping, participate in the DAAT and deliver the BSAFE weekend service.

In 2013/14, forty eight Recovery Champions graduated from the course. Public Health England have identified the programme as an example of good practice in not only sustaining individual recovery but encouraging others to lead drug and alcohol free lives.

BSAFE provides social support to service users and their families in Brent at weekends and is entirely run by ex service users

Eating well

While the nuances of what constitutes a healthy diet are debated in the popular and scientific literature, the benefits of five portions of fruit and vegetables a day are uncontested. Unfortunately, Public Health England estimate that only thirty seven per cent of people in Brent are achieving their 5-a-day.

Eating well depends upon knowledge, skills and opportunities. Set against this are the increasing opportunities to eat badly. These include the apparent saturation of our high streets with food takeaways.

Brent Students and Takeaway Food

To inform the Council's planning policies, the Council public health team undertook a survey of secondary school students to explore associations between the presence of fast food takeaways close to the school and students' use of takeaways and general food knowledge.

In the seven schools that participated, all year 7 and year 10 students were surveyed. Nearly two and a half thousand students responded resulting in a unique insight into student behaviour.

Students who attended schools less than 400m from a takeaway ate more takeaways at lunch, on the journey home from school and at home for their evening meal with their family.

The survey supports the policy of a buffer zone around schools which the Council is now implementing.

Physical activity

Too few people in Brent are sufficiently physically active to protect their health. Average levels of physical activity in Brent are considerably less than for England or for London.

It is recommended that adults should undertake muscle strengthening activities and at least two and a half hours of moderate intensity aerobic activity each week. Meeting these recommendations reduces the risk of heart disease, stroke and type 2 diabetes by up to 50%. However, over half the adult population of Brent undertake less than thirty minutes of moderate intensity activity each week.

Regular physical activity is also associated with improved mood and a reduction in the risk of dementia and depression.

Green gyms

In the summer of 2013, six outdoor gyms were installed in parks in Brent to encourage, facilitate and promote physical activity among residents. The gyms are located in Chalk Hill, Gibbons Recreational Ground, Roe Green Park, King Edward VII Park, Gladstone Park and Tiverton Park.

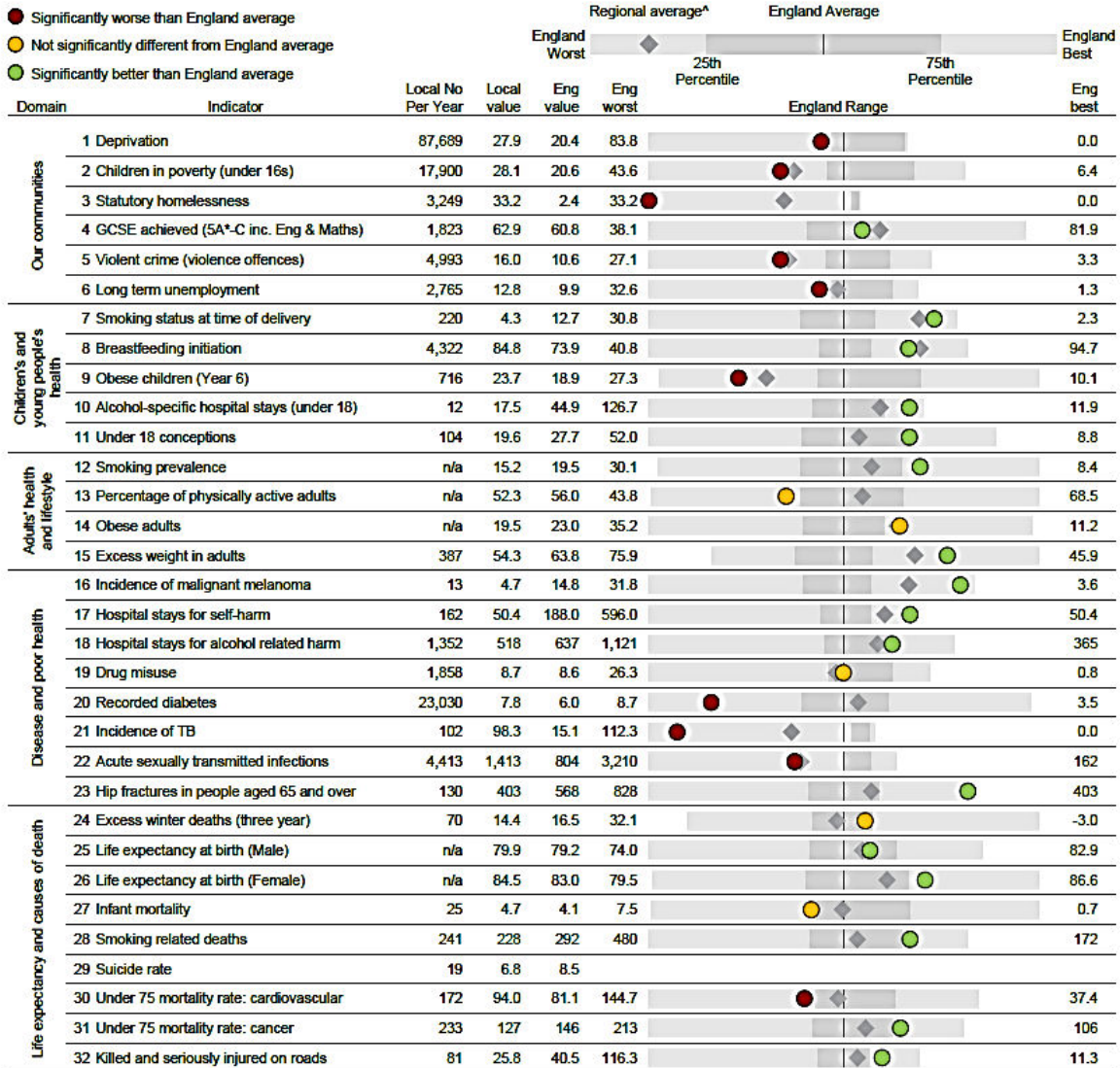
Eight hundred and seventy eight outdoor gym users took part in an evaluation of the gyms which showed very positive results. Forty one percent of users had increased their activity levels; twenty six percent of those using the green gyms had previously been active less than three times a month, and of those over eighty two percent are now active weekly;

Photograph of the Leader using the green gym

Map showing the location of the green gyms

Health Summary for Brent

The chart below shows how the health of people in this area compares with the rest of England. This area's result for each indicator is shown as a circle. The average rate for England is shown by the black line, which is always at the centre of the chart. The range of results for all local areas in England is shown as a grey bar. A red circle means that this area is significantly worse than England for that indicator; however, a green circle may still indicate an important public health problem.




Indicator Notes

1 % people in this area living in 20% most deprived areas in England, 2010 2 % children (under 16) in families receiving means-tested benefits & low income, 2011 3 Crude rate per 1,000 households, 2012/13 4 % key stage 4, 2012/13 5 Recorded violence against the person crimes, crude rate per 1,000 population, 2012/13 6 Crude rate per 1,000 population aged 16-64, 2013 7 % of women who smoke at time of delivery, 2012/13 8 % of all mothers who breastfed their babies in the first 48hrs after delivery, 2012/13 9 % school children in Year 6 (age 10-11), 2012/13 10 Persons under 18 admitted to hospital due to alcohol-specific conditions, crude rate per 100,000 population, 2010/11 to 2012/13 (pooled) 11 Under-18 conception rate per 1,000 females aged 15-17 (crude rate) 2012 12 % adults aged 18 and over, 2012 13 % adults achieving at least 150 mins physical activity per week, 2012 14 % adults classified as obese, Active People Survey 2012 15 % adults classified as overweight or obese, Active People Survey 2012 16 Directly age standardised rate per 100,000 population, aged under 75, 2009-2011 17 Directly age sex standardised rate per 100,000 population, 2012/13 18 The number of admissions involving an alcohol-related primary diagnosis or an alcohol-related external cause, directly age standardised rate per 100,000 population, 2012/13 19 Estimated users of opiate and/or crack cocaine aged 15-64, crude rate per 1,000 population, 2010/11 20 % people on GP registers with a recorded diagnosis of diabetes 2012/13 21 Crude rate per 100,000 population, 2010-2012 22 Crude rate per 100,000 population, 2012 (chlamydia screening coverage may influence rate) 23 Directly age and sex standardised rate of emergency admissions, per 100,000 population aged 65 and over, 2012/13 24 Ratio of excess winter deaths (observed winter deaths minus expected deaths based on non-winter deaths) to average non-winter deaths 1.08.09-31.07.12 25 At birth, 2010-2012 26 At birth, 2010-2012 27 Rate per 1,000 live births, 2010-2012 28 Directly age standardised rate per 100,000 population aged 35 and over, 2010-2012 29 Directly age standardised mortality rate from suicide and injury of undetermined intent per 100,000 population, 2010-2012 30 Directly age standardised rate per 100,000 population aged under 75, 2010-2012 31 Directly age standardised rate per 100,000 population aged under 75, 2010-2012 32 Rate per 100,000 population, 2010-2012 ^ "Regional" refers to the former government regions.

More information is available at www.healthprofiles.info Please send any enquiries to healthprofiles@phe.gov.uk

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 Brent	<p style="text-align: center;">Cabinet 10 November 2014</p> <p style="text-align: center;">Report from the Chief Finance Officer</p>
For Action	Wards Affected: ALL
Authority to award contracts for the supply of gas and electricity	

Appendix 1 is Not for Publication

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 procuring these contracts and recommends to whom the contracts should be awarded.

2.0 Recommendations

- 2.1 That Cabinet award the contract for the Supply of Electricity to Npower Limited and Kent County Council for four years from 1st October 2016 via a call-off from the LASER framework.
- 2.2 That Cabinet award the contract for the Supply of Gas to Total Gas and Power Limited and Kent County Council for four years from 1st October 2016 via a call-off from the LASER framework.

3.0 Detail

Background

- 3.1 The council currently buys its gas and electricity through the “LASER” framework, established by Kent County Council. The current contracts commenced on 1st October 2012, and expire on 30th September 2016.

3.2 The council's corporate buildings, streetlighting, and housing properties are included in the contract. Many of Brent's schools also opt in to the arrangement.

3.3 The current spend per annum is shown in the table below:

Energy	Annual Spend
Brent buildings gas	£733,000
Brent buildings electricity	£1,003,000
Streetlighting electricity	£1,314,000
Schools electricity	£950,000
Schools gas	£650,000
Housing electricity	£841,000
Total	£5,491,000

3.4 There are currently 39 schools who buy gas through the council's contract, and 51 who buy their electricity. Officers have presented to school bursars the benefits of using the council's contract with LASER for their energy buying with the aim of encouraging further schools to opt in to the arrangements. The council charges an administration fee to the schools of approximately 1% of the consumption element of invoices. This equated to approximately £50,000 in 2013/2014.

3.5 Given the expiry of existing gas and electricity contracts in 2016, Officers have been considering procurement options available to the council. In selecting the procurement method for the council's energy from 1st October 2016, the option of carrying out a stand alone procurement, either to contract directly with suppliers or through a broker was considered. It was decided that procuring through a framework agreement established by a Public Sector Buying Organisation (PSBO) would be preferable for the following reasons:

- PSBO frameworks are used by multiple organisations, and the aggregation of volumes enables:

- o strong competition at the point of procurement due to the attractiveness of the large amount of business
 - o the elimination of “take or pay”¹ clauses
 - o the appointed supplier to go to market frequently thereby taking advantage of falling prices and minimising the risk of increasing prices in a volatile market.
- PSBOs bring expertise to the process that is not available within the council. PSBOs have their own specialist buyers, and most offer flexible contracts.
 - The costs to the council of the procurement process are minimised.
 - The costs to the council of contract management are minimised.
 - There is transparency around the activities of PSBOs.
 - PSBO frameworks are used by publicly funded organisations, and therefore the contracting arrangements have an appropriate level of risk for a local authority.

3.6 There are several PSBOs that have and will continue to have frameworks in place for the purchasing of gas and electricity. These are:

CCS	Crown Commercial Service (formerly Government Procurement Service GPS)
ESPO	Eastern Shires Purchasing Organisation
LASER	Kent County Council
NEPO	North Eastern Purchasing Organisation
YPO	Yorkshire Purchasing Organisation

3.7 Of these, NEPO and YPO buy significantly smaller aggregated volumes, and therefore do not go to market as frequently and are not as well resourced in energy buying as other PSBOs. Smaller PSBOs do not necessarily buy sufficient volume for the employment of independent buying advisors to be viable, and as a result tend to be supplier led. They may also have less separation of the buying and audit functions.

3.8 ESPO customers buy their gas through the same framework as LASER customers, and their electricity contracts also use LASER’s buying

¹ Clauses that restrict the customer’s ability to reduce demand below a committed level. These are usually set at 10%, and if demand falls below this, the customer is still required to pay for 90% of the commitment.

service and therefore there would appear to be little advantage to using ESPO in preference to LASER.

The London Energy Project

- 3.9 The London Energy Project (LEP) is funded by 4 regional authorities and 30 boroughs, including Brent, and has the aim of achieving value for money and efficiencies through smarter energy buying, improved administration process and carbon reduction.
- 3.10 LEP authorities currently use either the CCS or the LASER framework. In January 2012, the LEP evaluated the services provided by these two organisations against a Statement of Requirements, to ensure that they provide their customers with effective price risk management and value for money energy supply contracts consistently over a period of time. They looked in particular at their capability to deliver aggregated, flexible, risk managed (FLEX) contracts, and found that both organisations' contracts provide access to benefits which would not otherwise be available to customers if they were to operate as individual or small groups of authorities or via a private sector energy broker, namely:
- Financial benefits of volume aggregation;
 - Favourable terms and conditions;
 - Transparency of fees and charges.
- 3.11 The contracts provide access to specialist expertise and processes and are OJEU compliant. Both CCS and LASER have robust energy buying and risk management governance procedures providing the necessary controls over operations.
- 3.12 Substantial research, detailed analysis and assessment of the entire public sector energy spend through the Pan Government Energy Project (PGEP) and through LEP demonstrated that FLEX contracts delivered best value for the public purse.

Comparing CCS and LASER frameworks

- 3.13 Kent County Council procures energy on behalf of public bodies through framework agreements established by a procurement body that it established, known as LASER. LASER has recently tendered and awarded on behalf of Kent County Council new single supplier frameworks for gas and electricity, to run from 1st October 2016 to 30th September 2020. The gas supply contract has been awarded to Total Gas and Power Limited, and the electricity contract to Npower Limited.
- 3.14 The service provided by LASER can be a fully managed service, including bill validation and supporting customer services operations.

LASER does offer a procurement only service, but the majority of their customers opt for the fully managed service. Brent currently has some properties in the fully managed service.

- 3.15 The London Energy Project has produced a benchmark report for the performance of the LASER contracts from 2010-2013, and it found that LASER delivered effective to very good performance, i.e. the commodity price achieved against the average market prices that were available correlated well.
- 3.16 A benchmark report has also been produced for the CCS contracts, but this is not available to non-CCS customers for reasons of commercial confidentiality.
- 3.17 The benchmark report also found that:
- Aggregated, flexible, risk managed (Flex) procurement has been effective in controlling commodity costs and remains the most appropriate price risk management strategy currently available.
 - Spot purchased gas and electricity contracts (the principle alternative to Flex contracts) was not effective in controlling commodity costs. With the exception of very small/low consuming supplies, the use of fixed term fixed price contracts presents a significant risk.
- 3.18 The statements in paragraph 3.17 reinforce those made earlier in this report about the advantages of flexible contracts over fixed term fixed price for the procurement of energy.
- 3.19 Paragraphs 3.5 – 3.12 support the proposed use of one of the two major public frameworks, CCS and LASER. It is proposed that the new LASER framework is used for the procurement of the council's gas and electricity from October 2016. Appraisal of the options indicates that either CCS or LASER frameworks will deliver the best value for money for the council, and of these LASER is the preferred option for the following reasons:
- LASER has performed well to date (2013 Benchmark Report attached at Appendix 1);
 - CCS do not provide the managed service that Brent currently uses;
 - There would be a cost of change in moving from one organisation to another.
- 3.20 A decision relating to the council's award of call off contracts is required now, nearly two years in advance of the supply, because the energy is

purchased “flexibly” in advance, in order to achieve the best market prices. In this context, “flexibly” means that energy is purchased by the supplier from the markets at varying prices during the term of the contract, and the price is passed on to the council. Flexible contracts on average deliver a contract nearer the market price over time than non-flexible ones.

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, based on current consumption levels, is £5,491,000 per annum, The actual annual value will be subject to price changes in the energy markets, the actual energy rates secured under the contract, and increases/decreases in consumption levels.
- 4.3 The cost of these contracts will be funded from the relevant departmental budgets.

5.0 Legal Implications

- 5.1 The Laser frameworks (the “Frameworks”) are single supplier frameworks. Whilst the Frameworks have been awarded (to NPower Limited for the supply of electricity and to Total Gas & Power Limited for the supply of gas), organisations will only be able to call off their energy supply from the Frameworks from 1st October 2016 for a four year term.
- 5.2 Under the Public Contracts Regulations 2006 (“the EU Regulations”) the procurement of energy is a supply contract. Laser advertised the Frameworks in accordance with the EU Regulations. The OJEU notices stated that the Frameworks would be available to be used by a range of public bodies including local authorities. The council is therefore entitled to access the Frameworks. Accessing a framework already set up in compliance with the EU Regulations means that the Council does not have to run its own tender exercise in compliance with the EU Regulations.
- 5.3 For frameworks established by another contracting authority and not Brent, Standing Orders 86 (d) provides that the Director of Legal and Procurement must advise that participation in the Framework Agreement is legally permissible. From information provided by

LASER, the Director of Legal and Procurement confirms that participation in the Frameworks is legally permissible

- 5.4 The estimated value of both contracts called-off under the Frameworks is such that they will be classed as High Value Contracts under the Council's Standing Orders and Financial Regulations. Ordinarily the award of a High Value Contract under a framework agreement would require Cabinet approval but the Chief Finance Officer has delegated authority under the Constitution to approve an award under LASER frameworks even where the value of such award is in excess of £250k. This delegation was originally designed to deal with a non-flexible procurement method where energy procurements had to be made within a three hour window. The current flexible procurement approach which will also apply to the new Frameworks require the council to enter into tripartite agreements with both Kent County Council and NPower (for electricity) and Total Gas (for gas) with LASER acting as the council's agent to make the decision as to the actual point at which a block of energy will be purchased from NPower or Total Gas. In view of this different purchasing approach, it is considered more appropriate to obtain Cabinet approval to the proposed call-off contracts rather than relying on delegated powers.
- 5.5 As detailed in paragraph 5.4, to access the Frameworks the Council will need to enter into a tripartite agreement with the electricity/gas supplier, and Kent County Council. This agreement is a tripartite agreement as LASER has an ongoing role in the contract, not only in terms of the purchase of energy, but also the on going administration. This agreement records that the supplier will supply the electricity/gas purchased by LASER to the Council and will send the invoices to Kent County Council who operate a billing system and will invoice the Council. The duration of the tripartite agreement will be four years.
- 5.6 Members should note that this arrangement differs from a standard framework as Kent County Council through LASER have an ongoing role in the contract, both in regards to purchasing the electricity on behalf of the council throughout the life of the contract and in receiving and paying the invoices on the council's behalf. LASER receives a fee for these ongoing services. The legal status of these services provided by LASER is unclear. The preferred view is that the services are a separate component to the proposed call-offs, and entering into the services contract with Kent County Council is a condition precedent to Brent being able to contract with each supplier. As such, the contract with Kent County Council would be subject to the EU procurement regulations and the provisions of the Council's Standing Orders. These services would be Part B Services under the EU Procurement Regulations being "other services" not expressly listed. The procurement of these services would therefore not be subject to the full

requirements of the EU Regulations but would be subject to the overriding requirements of transparency and openness. These services would also be Medium Value Contract services under the Council's Standing Orders. However as the Framework cannot be entered into without these services being provided by LASER, these services would be covered by an exemption in paragraph 86(e) of the Council's Standing Orders which provides that no competitive tender process is required where there is only one provider. Therefore a competitive procurement process would not need to be followed. The alternative view is that the services provided by LASER are an integral part of the Frameworks and would therefore not be subject to any separate procurement requirement. For the purpose of this report, the lack of clarity as to the legal basis of the relationship with LASER is immaterial as no procurement of this element is required whichever view is taken.

6.0 Diversity Implications

- 1.1. There are no diversity issues resulting from this procurement process.

7.0 Staffing/Accommodation Implications

- 7.1 None.

8.0 Sustainability Implications

- 8.1 Renewable electricity – LASER's electricity contract contains a provision of cost-neutral renewable electricity for a portion of their total customer requirements. This is allocated out to customers as part of their supply but is not charged at a higher rate. In addition, the contract permits customers to buy additional renewable electricity should they require.
- 8.2 The new LASER contracts will provide customers with the ability to purchase Green Gas.

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Appendix 1 is Not for Publication

NOT FOR PUBLICATION


This part of this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

The pdf document "Appendix 1 2013 LEP VFM Benchmark Report LASER" is the body of Appendix 1.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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 <p>Brent</p>	<p>Cabinet 10 November 2014</p> <p>Report from the Chief Finance Officer</p>
<p>Wards Affected: ALL</p>	
<p>2014/15 Mid-Year Treasury Report</p>	

1. SUMMARY

- 1.1 This report updates Members on treasury activity during the 2014/15 financial year.

2. RECOMMENDATION

- 2.1 The Cabinet considers the 2014/15 mid-year Treasury report, which has been presented to the Audit Committee and will also be submitted to Full Council.

3. DETAIL

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 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

- 3.3 Growth in the UK continues, with unemployment falling and inflation remaining below the Monetary Policy Committee's (MPC) target. However, growth is not felt to be robust, as real pay is still not increasing, productivity shows no sign of rising and the balance of payments remains high by historical standards. Outside of the UK growth is still erratic in the US and the Eurozone is struggling to grow at all, with the malaise now having spread to the core economies. Doubts remain over the path of the Chinese economy and geopolitical risk has increased significantly over the last year.
- 3.4 Gilt yields (the rate of interest on UK government borrowing) fluctuated in response to events for the first half of the year. In the United States the Federal

Reserve continued to withdraw Quantitative Easing, but other events have produced downward pressure over the spring and summer. The movement in rates at which local authorities can borrow from the Public Works Loans Board (PWLB) is set out in the table below:

Period	31 March 2014	1 September 2014
1 year	1.3%	1.3%
5 year	2.8%	2.6%
10 year	3.7%	3.2%

- 3.5 The interest rate that the Council receives on money market deposits has risen gradually for deposits of between 1-12 months. Rates range from 0.35% at the shortest maturities to a little below 1% for one year.

DEBT MANAGEMENT

- 3.6 The Authority continues to qualify for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate). This is reviewed on an annual basis and has been confirmed as applying until 31 October 2014.
- 3.7 Alternative sources of long term funding to long-dated PWLB borrowing are available, but the Council will continue to adopt a cautious and considered approach to funding from the capital markets as the affordability, simplicity and ease of dealing with the PWLB represents a strong advantage. No loans have been raised so far this year as is shown in the table below and only Equal Instalment of Premium (EIP) amounts maturing have been repaid:

	Balance on 01/04/2014 £m	Debt Repaid £m	New Borrowing £m	Balance on 01/09/2014 £m
Long Term Borrowing	428.0	1.6	0.0	426.4
Average Rate %	4.69			4.70

- 3.8 At 1 September 2014 the Council had £426 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 continues to be more cost effective in the short-term to use internal resources, rather than undertake further long-term borrowing. By doing so, the Council is able to minimise net borrowing costs and reduce overall treasury risk.
- 3.9 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. Any borrowing options will continue to be assessed in conjunction with the Council's treasury advisor, Arlingclose.
- 3.10 No debt rescheduling has been undertaken in during the financial year as present discount rates make the costs involved unattractive.

INVESTMENT ACTIVITY

- 3.11 The Council gives priority to security and liquidity and aims to achieve a yield commensurate with these principles.

	Balance on 01/04/2014 £m	Investments Made £m	Investments Repaid £m	Balance on 1/09/2014 £m

Short Term Investments	110.7	615.1	561.8	164.0
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- 3.12 Security of capital has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2014/15. New investments were made with the following classes of institutions:

A- rated banks;
AAA rated Money Market Funds;
Other Local Authorities;
The UK Debt Management Office.

- 3.13 Counterparty credit quality was assessed and monitored with reference to Credit Ratings (the Council's minimum long-term counterparty rating of A- (or equivalent) across rating agencies Fitch, Standard & Poors and Moody's); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms; potential support from a well-resourced parent institution; share price.

BUDGETED INCOME AND OUTTURN

- 3.14 The Council's financing charges budget for the year is £26.3m, net of investment income of £0.6m and the latest estimate is that the Council will achieve this figure. The average cash balances, representing the Council's reserves and working balances, were £158m during the period, though the average for the whole year will be less than this because substantial government grants were received in April.

ICELANDIC BANK INVESTMENT UPDATE

Glitnir

- 3.15 On 16 March 2012 the Council received £4m of its original £5m deposit. A further £1m remains in a ring-fenced account in Icelandic Krone, pending a decision of the Icelandic Central Bank to enable its return. At present the residual deposit is earning interest although the final sum returned to the Council will be affected by currency movements.

Heritable

- 3.16 The Council's last receipt was £1.7m in August 2013, which means that only £0.6m of the original £10m deposit now remains outstanding. It is anticipated that a further distribution will be made during the autumn, although there is no indication as to likely amount or date.

COMPLIANCE WITH PRUDENTIAL INDICATORS

- 3.17 Officers confirm that they have complied with its Prudential Indicators for 2014/15, which were set in March 2014 as part of the Council's Treasury Management Strategy Statement (TMSS). Details can be found in Appendix 1.

4. FINANCIAL IMPLICATIONS

- 4.1 The report confirms that the Council's treasury management activity during the current financial year has been in accordance with the strategy and budget approved by the Council in 2014/15.
- 4.2 Opportunities to minimise current and longer-term costs will continue to be sought, commensurate with the overriding need to safeguard the Council's resources.

5 DIVERSITY IMPLICATIONS

- 5.1 No specific implications arising from this report.

6 STAFFING IMPLICATIONS

- 6.1 No specific implications arising from this report.

7 LEGAL IMPLICATIONS

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 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".

8 BACKGROUND

Annual Treasury Strategy – Report to Full Council as part of the Budget Report – March 2014.

9. CONTACT OFFICER

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Andy Donald
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Appendix 1

Prudential Indicator Compliance

Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Council to set an Authorised Borrowing Limit. This is a statutory limit which should not be breached. The Council's Authorised Borrowing Limit was set at £790m for 2014/15. The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The Operational Boundary for 2014/15 was set at £690m. The Chief Finance Officer confirms that there were no breaches to the Authorised Limit or the Operational Boundary so far this year; borrowing at its peak was £428m.

Upper Limits for Fixed Interest Rate and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2014/15	Maximum during 2014/15
Upper Limit for Fixed Rate Exposure	100%	100%
Upper Limit for Variable Rate Exposure	40%	0%

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. As is now normal practice, debt which has an option to recall debt or change the rate is shown at the earliest date on which the option can be exercised

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 1/09/14 £m	% Fixed Rate Borrowing as at 30/09/14	Compliance with Set Limits?
Under 12 months	40	0	19	5	Yes
12 months and within 24 months	20	0	50	12	Yes
24 months and within 5 years	20	0	43	10	Yes
5 years and within 10 years	60	0	25	6	Yes
10 years and above	100	0	289	67	Yes

Net Debt and the Capital Finance Requirement

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Authority should ensure that the net external borrowing does not exceed the total of the CFR in the preceding year plus the estimates of any additional increases to the CFR for the current and next two financial years.

The Authority had no difficulty meeting this requirement so far in 2014/15, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Total principal sums invested for periods longer than 364 days

This indicator allows the Council to manage the risk inherent in investments longer than 364 days.

The limit for 2014/15 was set at £20m. A deposit of £5m was made with another local authority for 18 months, but this is now less than a year to maturity. At 1 September 2014, the last maturity date in the deposits portfolio was 28 August 2015.

Credit Risk

This indicator has been incorporated to review the Council's approach to credit risk. The Council confirms it considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not the sole feature in the Authority's assessment of counterparty credit risk. The authority considers the following tools to assess credit risk, with advice and support from our advisers, Arlingclose:

- Published credit ratings of the financial institution and its sovereign;
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum.

The Council can confirm that all investments were made in line with a minimum long term credit rating of A- or equivalent, as set in the 2014/15 TMSS.

HRA Limit on Indebtedness

This purpose of this indicator is for the Council to report on the level of the limit imposed at the time of implementation of self-financing by the Department for Communities and Local Government.

HRA Limit on Indebtedness	31/03/2014 Actual £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m	31/03/2017 Estimate £m
HRA CFR	137	137	137	137
HRA Debt Cap (as prescribed by CLG)	199	199	199	199
Difference	62	62	62	62