



## Executive

**Monday, 15 November 2010 at 7.00 pm**

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

### Membership:

#### Lead Member Councillors:

#### Portfolio

John (Chair)	Leader/Lead Member for Corporate Strategy and Policy Co-ordination
Butt (Vice-Chair)	Deputy Leader/Lead Member for Resources
Arnold	Lead Member for Children and Families
Beswick	Lead Member for Crime Prevention and Public Safety
Crane	Lead Member for Regeneration and Economic Development
Jones	Lead Member for Human Resources and Diversity, Local Democracy and Consultation
J Moher	Lead Member for Highways and Transportation
R Moher	Lead Member for Adults, Health and Social Care
Powney	Lead Member for Environment, Planning and Culture
Thomas	Lead Member for Housing and Customer Services

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

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

# Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

**Item** **Page**

**1 Declarations of personal and prejudicial interests**

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

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

**3 Matters arising (if any)**

**4 Petitions**

A petition has been received from the Elms Court/Elms Gardens Action Group in respect of the proposals for the redevelopment of the adjacent allotment site. Agenda Item 16 refers.

**5 Deputations (if any)**

**Children and Families reports**

**6 Commissioning of the specialist Child and Mental Health Service (CAHMS) in Brent 2011-13** 9 - 14

Officers are seeking exemption from full tender requirements and seek approval from the Executive to commission Central and North West London NHS Foundation Trust to deliver this service on a one year contract from 1 April 2011 to 31 March 2012, with an option to extend the contract for a further one year until 31 March 2013.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Arnold  
**Contact Officer:** Krutika Pau, Director of  
Children and Families  
Tel: 020 8937 3126 [krutika.pau@brent.gov.uk](mailto:krutika.pau@brent.gov.uk)

**Environment and Neighbourhood Services reports**

**7 Libraries transformation project** 15 - 22

The Libraries Transformation Project is a One Council project to improve the quality of library provision in Brent, while contributing to the Council's

need to meet efficiency targets in response to reductions in funding. The number of library buildings in the borough will be reduced, enabling resources to be concentrated on the best located libraries. An enhanced core library offer for residents will be established that provides value for money and reflects the needs of all customers. Online and digital services will be expanded to widen access and comparable services will be provided to those who are unable to visit a library. Libraries will be co-located with council services and local agencies to provide community hubs with cultural activity.

*Appendix also below*

**Ward Affected:** All Wards;  
**Lead Member:** Councillor Powney  
**Contact Officer:** Sue McKenzie, Arts, Libraries and Heritage  
Tel: 020 8937 3144 sue.mckenzie@brent.gov.uk

**8 Waste and street cleansing - street cleansing efficiency savings 23 - 28**

This report presents options for efficiency savings in the council's street cleansing operation. This work represents part of the outcome of the One Council Waste and Street Cleansing Review.

**Ward Affected:** All Wards;  
**Lead Member:** Councillor Powney  
**Contact Officer:** Chris Whyte, Environment Management  
Tel: 020 8937 5342 chris.whyte@brent.gov.uk

**9 Waste collection strategy 29 - 46**

At its meeting in August the council's Executive approved public consultation on a revision of the council's Waste Strategy which had been undertaken as part of the council's Improvement and Efficiency Programme. This report presents the outcome of that consultation and seeks Executive approval to implement the Strategy.

*Appendix B circulated separately.  
Appendix also below.*

**Ward Affected:** All Wards;  
**Lead Member:** Councillor Powney  
**Contact Officer:** Chris Whyte, Environment Management  
Tel: 020 8937 5342 chris.whyte@brent.gov.uk

**10 Changes to the waste disposal levy mechanism 47 - 56**

This report describes a proposed change to the current mechanism for

payment to the West London Waste Authority (WLWA) for the disposal and treatment of waste. WLWA approved the change at their meeting on the 21<sup>st</sup> July 2010. WLWA's 6 constituent Boroughs, including Brent, need to formally confirm their acceptance of the new arrangements. It is intended the new mechanism (Pay as You Throw) should take effect from 1 April 2011.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Powney  
**Contact Officer:** Chris Whyte, Environment  
Management  
Tel: 020 8937 5342 [chris.whyte@brent.gov.uk](mailto:chris.whyte@brent.gov.uk)

## Housing and Community Care reports

### 11 Awards of new contracts to incumbent providers of housing support services for people with mental health needs 57 - 64

This report seeks an exemption from the tendering requirements of Contract Standing orders in relation to contracts for housing support services for people with mental health needs, in accordance with Contract Standing Order 84. It further seeks approval to negotiate and award new contracts to the existing providers for a period of one year commencing from 1st December 2010 with an option to extend for a further period of up to one year.

*Appendix also below*

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Thomas  
**Contact Officer:** Zakia Durrani, Supporting  
People  
Tel: 020 8937 2393 [zakia.durrani@brent.gov.uk](mailto:zakia.durrani@brent.gov.uk)

### 12 Call off contract from London Collaborative Procurement Framework Agreement for the provision of Community Equipment Service 65 - 72

This report requests approval pursuant to the Council's Contract Standing Orders for the award of a call off contract from a framework agreement following a successful collaborative procurement exercise for the provision of a Community Equipment Service through a consortium of London Boroughs led by the Royal Borough of Kensington and Chelsea (RBKC).

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor R Moher  
**Contact Officer:** Krutika Pau, Director of  
Children and Families  
Tel: 020 8937 3126 [krutika.pau@brent.gov.uk](mailto:krutika.pau@brent.gov.uk)

**13 Authority to invite tenders for the procurement and management of temporary accommodation** 73 - 82

This report seeks authority pursuant to the Council's Contract Standing Orders 88 and 89 to invite tenders to conclude a framework agreement for the Procurement and Management of Temporary Accommodation pursuant to the Council's Private Managed Accommodation Scheme (PMA). The proposed framework agreement will commence in April 2011 for the duration of two years with an option to extend for up to two years.

**Ward Affected:**

All Wards;

**Lead Member:** Councillor Thomas

**Contact Officer:** Martin Cheeseman, Director of Housing and Community Care

Tel: 020 8937 2341

[martin.cheeseman@brent.gov.uk](mailto:martin.cheeseman@brent.gov.uk)

**14 Authority to agree recommendations from the London Councils to manage projected overspend on the Taxicard Scheme** 83 - 98

This report requests that the Executive delegates authority to the Director of Housing and Community Care to agree to the proposals recommended and presented by the London Councils to the Transport and Environment Committee (TEC) on 14<sup>th</sup> October 2010 to address the cost pressures within the taxicard scheme and pull the spend back in line with the budget for 2010/11.

**Ward Affected:**

All Wards;

**Lead Member:** Councillor R Moher

**Contact Officer:** Alison Elliott, Housing and Community Care

Tel: 020 8937 4230

[alison.elliott@brent.gov.uk](mailto:alison.elliott@brent.gov.uk)

**15 Young people and teenage parent accommodation based services and floating support services** 99 - 104

This report updates Members on the procurement process of two frameworks for teenage parent based accommodation services and floating support services and of two frameworks for young people based accommodation services and floating support services since approval to tender was given at the Executive meeting on 15 June 2009.

**Ward Affected:**

All Wards;

**Lead Member:** Councillor Thomas

**Contact Officer:** Marilyn Nortey-Silke, Supporting People

Tel: 020 8937 2268

[marilyn.nortey-silke@brent.gov.uk](mailto:marilyn.nortey-silke@brent.gov.uk)

**16 Disposal of former allotment site adjacent to 19 Elms Gardens, Sudbury, and establishment of new replacement allotment site at Gladstone Park Gardens** 105 - 114

This report seeks authority to dispose of a former allotment site for residential development to support the redevelopment of the Barham Park Estate and to the consequent creation of a new replacement allotment site. This report acknowledges a petition received from residents living near the site, which raises a number of concerns and which objects to the sale of land for housing. This report addresses those concerns.

**Ward Affected:** Sudbury;  
**Lead Member:** Councillors Powney and Thomas  
**Contact Officer:** James Young, Property and Asset Management, Robert Johnson, Strategy and Regeneration  
Tel: 020 8937 1398, Tel: 020 8937 2269  
james.young@brent.gov.uk,  
robert.johnson@brent.gov.uk

**17 Brent Local Development Framework - revised Local Development Scheme** 115 - 120

This report asks Executive to endorse the proposed Local Development Scheme (LDS). It sets out the timetable for the preparation, consultation on, and adoption of documents which will comprise the Council's Local Development Framework.

**Ward Affected:** All Wards;  
**Lead Member:** Councillor Powney  
**Contact Officer:** Ken Hullock, Policy and Research Team  
Tel: 020 8937 5309 ken.hullock@brent.gov.uk

**18 South Kilburn regeneration acquisition of additional land** 121 - 186

This report provides an update of progress of the regeneration of South Kilburn since the Report to the Executive meeting on 23<sup>rd</sup> June 2010. It also seeks member's decisions for a range of items in order to progress the regeneration objectives for the South Kilburn estate.

*Appendices also below*

**Ward Affected:** Kilburn; Queens Park;  
**Lead Member:** Councillor Crane  
**Contact Officer:** Martin Cheeseman, Director of Housing and Community Care, Andrew Donald, Director of Regeneration and Major Projects  
Tel: 020 8937 2341, Tel: 020 8937 1049  
martin.cheeseman@brent.gov.uk,  
andrew.donald@brent.gov.uk

## 19 Strategy for primary school developments

187 -  
202

This report clarifies the strategy and options for delivering sufficient primary school places utilising the School's Capital Programme and the Basic Need Safety Valve Funding.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Crane and Arnold  
**Contact Officer:** Krutika Pau, Director and  
Children and Families  
Tel: 020 8937 3126  
krutika.pau@brent .co.uk  
Andrew Donald, Director of Regeneration and  
Major Projects  
Tel: 020 8937 1049  
andrew.donald@brent.gov.uk

### Central reports

## 20 Inspiring Brent: Brent Councils programme for the London 2012 Games 203 - 212

This report provides an update on the delivery of Brent's Action Plan for the London 2012 Games which has been developed by the 2012 Steering Group. The report outlines key achievements to date and areas we want to develop to a secure a legacy for Brent. The report outlines developments in the London 2012 City Operations Programme and the role Brent will be required to play in delivering successful Games.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor John  
**Contact Officer:** Zerritha Brown, London 2010  
Manager  
Tel: 020 8937 5315  
zerritha.brown@brent.gov.uk

## 21 Internal Audit Provision 2011 onwards

213 -  
220

This report seeks approval for the council to enter into a contract with the London Borough of Croydon for the provision of internal audit services via Deloitte as set out in paragraph 3.11 to 3.12 for a two year period from April 2011 to March 2013. The anticipated cost of this contract over two years, including inflationary uplift is £577,675.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Butt  
**Contact Officer:** Simon Lane, Audit and  
Investigations  
Tel: 020 8937 1260 simon.lane@brent.gov.uk

**22 Authority to award contract for the provision of revenues and IT support** 221 - 254

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

*Appendix also below*

**Ward Affected:** All Wards;  
**Lead Member:** Councillor Butt  
**Contact Officer:** Margaret Read, Head of Revenues and Benefits  
Tel: 020 8937 1521  
margaret.read@brent.gov.uk

**23 Reference of item considered by Forward Plan Select Committee (if any)**

**24 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.

**25 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:

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

- Libraries Transformation project (Agenda Item 7)

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

- Waste Collection strategy (Agenda Item 9)
- Authority to invite tenders for the procurement and management of temporary accommodation (Agenda Item 13)

Information relating to the financial or business affairs of any particular person (including the Authority holding the information):

- Award of new contracts to incumbent providers of housing support services for children with mental health needs (Agenda Item 11)
- Authority to award contract for the provision of revenues and IT support (Agenda Item 22)



*(Related reports circulated separately)*

**Date of the next meeting: Monday, 13 December 2010**



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
  - Toilets are available on the second floor.
  - Catering facilities can be found on the first floor near The Paul Daisley Hall.
  - A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

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## LONDON BOROUGH OF BRENT

### MINUTES OF THE EXECUTIVE Monday, 18 October 2010 at 7.00 pm

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

APOLOGIES: Councillors Beswick

ALSO PRESENT: Councillors Brown

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

Councillor Thomas declared a personal and prejudicial interest in the item on the award of contract for Brent Civic Centre and left the room during discussion of the item.

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

RESOLVED:-

that the minutes of the previous meeting held on 14 September 2010 be approved as an accurate record of the meeting.

#### 3. **Matters arising (if any)**

None.

#### 4. **Deputations (if any)**

The views of petitioners were heard under item 6 below.

#### 5. **Update on implementing the new policy for allocation of early years' full time places**

Councillor Arnold introduced the report which sought to delay implementation of a new policy for the allocation of early years full time places based on need from September 2011 as agreed by the Executive in February 2010.

RESOLVED:-

that the introduction of the new policy for allocating full time early years places be implemented from September 2012.

## 6. **Petition against reduced staffing levels at Alperton Cemetery**

Mrs Thompson spoke on behalf of visitors to the cemetery and in support of the petition submitted to the Council. She reminded the Executive that Alperton Cemetery was named cemetery of the year in 2007. She asked why the visitors to the cemetery were not consulted about the changes which were only found out about by talking to the workmen working in the cemetery. Since the changes had been introduced there had been vandalism and it was very upsetting to those that had loved ones buried there. Another petitioner added that she had gone to the cemetery that evening and found the gates unlocked after the closing time of 5pm with youths congregating because of the lack of security. She added that the grass cutting had been carried out poorly and it was very disappointing to see what was happening to the cemetery.

The Leader thanked the petitioners for attending the meeting.

The Leader referred the petition received by the Council. The report before the Executive dealt with the concerns raised by the petitioners over the reduction in staffing levels at Alperton Cemetery.

Councillor Powney referred to the two principle concerns raised by the petitioners. Following the Council's reorganisation the landscaping function had been transferred to the Parks Service and he undertook to pass on the concerns raised. Regarding the security aspect he confirmed that the gates should be locked and that therefore this also needed to be taken up. However he added that upon introducing these measures the police had been consulted and had not raised any issues.

Councillor Brown spoke as ward councillor in support of the concerns raised by the petitioners.

It was agreed that officers should meet with representatives of the petitioners to communicate to them what action would be taken to address their concerns and in light of this it was also agreed that the position should be reviewed in 6 months time.

RESOLVED:-

- (i) that the contents of the petition received and the concerns of the petitioners regarding the security issues and levels of maintenance at Alperton Cemetery be noted;
- (ii) that the current status of security at Alperton Cemetery be noted;
- (iii) that the information set out in the report submitted on why the changes to the service have occurred be noted;
- (iv) that no reinstatement of staffing levels at the present time be undertaken but that a further report be submitted after the new arrangements have been in operation for 6 months.

## 7. **Furniture charging policy for homeless households**

Councillor Thomas introduced the report which sought to amend the existing policy for charging homeless households in relation to the removal, storage and delivery of their belongings

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

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

RESOLVED:-

- (i) that the proposed changes to the schedule of charges for the removal, delivery and storage of homeless households' belongings be approved, as outlined in paragraph 3.20 of the report submitted and the exemptions policy be adopted, as outlined in paragraph 3.25 of the report;
- (ii) that the schedule of charges and the exemptions policy as set out in paragraphs 3.20 and 3.25 of the report submitted be approved and implemented with effect from 29 November 2010 for all new requests for assistance and for existing goods in storage.

## **8. Brent Section 75 Partnership Agreement**

The report before the Executive outlined discussions with the Central and North West London NHS Foundation Trust with regard to a fundamental review of partnership arrangements and proposed an extension to the current partnership arrangement.

Councillor R Moher introduced the report and added that because of the government's proposals for changing the way health provision would be delivered in the future, the proposal provided for a break clause.

RESOLVED:-

- (i) that an extension of the existing partnership arrangement with Central and North West London NHS Foundation Trust be agreed for a period of 5 years from 1 January 2011;
- (ii) that the existing partnership agreement with Central and North West London NHS Foundation Trust be amended to incorporate the inclusion of the mental health services for older people resources into the partnership agreement;
- (iii) that the Director of Housing and Community Care, in consultation with the Director of Finance and Corporate Services be authorised to resolve any outstanding issues with Central and North West London Mental Health Foundation NHS Trust prior to entering into the extension period detailed in (i) above.

## **9. Award of contract for Brent Civic Centre Contractor**

Councillor John introduced the report on the award of the contract to design and build the new Civic Centre.

A supplementary report was tabled at the meeting. The Borough Solicitor advised that in taking a decision on the matter, the Executive could resolve to take the tabled paper in public.

The Assistant Director for the Civic Centre stated that four tenders for the contract had been received and a lot of work had gone into evaluating them against set criteria. He was recommending the award of the contract to Skanska Construction UK Ltd.

The Executive also had before them appendix 2 and 3 to the report which were not for publication as they 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 the information).

RESOLVED:-

- (i) that the supplementary report tabled at the meeting be taken in public;
- (ii) that the design and build contract for the Civic Centre be awarded to Skanska Construction UK Limited;
- (iii) that the Assistant Director (Civic Centre) with the Director of Legal and Procurement be authorised to finalise the terms of appointment.

(Councillor Thomas had declared an interest in the above item and withdrew from the meeting room during discussion on the item)

#### 10. **2010/11 Revenue Budget**

Councillor Butt introduced the report which updated the Executive on the position of the 2010/2011 revenue budget. He pointed out where the pressures were on the budget and that the relevant directors had been tasked to reduce any overspends.

RESOLVED:-

- (i) that the latest budget position in 2010/11 be noted;
- (ii) that all directors ensure that spending is kept within budget and that measures are taken, in consultation with relevant Executive portfolio holders, to achieve this;
- (iii) that the virements shown in Appendix B to the report submitted be agreed.

#### 11. **White Paper, "Equity and Excellence: Liberating the NHS" - council response**

Councillor R Moher introduced the report which attached the Council's response to the Government's White Paper, *Equity and Excellence – Liberating the NHS*. The Director of Housing and Community Care added that the Council's response was very comprehensive and reflected the discussions at overview and scrutiny.

RESOLVED:-

that the Council's response to the NHS White Paper, *Equity and Excellence – Liberating the NHS*, included at appendix 1 to the report submitted, be endorsed.

## 12. **Annual Complaints Report 09/10**

The Director of Policy and Regeneration introduced the report about complaints against Brent Council. He said that the report showed good performance in dealing with complaints at stage 3 but that more work needed to be done to resolve complaints at stage 1.

Appendices to the report had been circulated separately.

RESOLVED:-

that the report be noted.

## 13. **Authority to award contracts for banking services, card acquiring and bill payment services**

Councillor Butt introduced the report which sought authority to award contracts for the provision of Banking, Card Acquiring and Bill Payment services.

The Executive also had before them appendices 2 and 4 to the report which were not for publication as they contained the following category of exempt information as specified in Schedule 12 of the Local Government (Access to Information Act) 1972:

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

RESOLVED:-

- (i) that a contract for the provision of banking services be awarded for five years with an optional two year extension to National Westminster Bank Plc, to commence on 1 April 2011;
- (ii) that the contract for Card Acquiring be awarded for five years three months with an option to extend for two years to National Westminster Bank Plc to commence on 2 January 2011;
- (iii) that a contract for Bill Payment Services be awarded for five years with an option to extend for two years to allpay Limited to commence on 1 April 2011.

14. **The redevelopment and leasing of the Eton Grove Nursery and Youth and Community Centre**

Councillor Butt introduced the report on the redevelopment of the Eton Grove Nursery, Youth and Community Centre.

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

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

RESOLVED:-

- (i) that the redevelopment proposals of the existing site of the Eton Grove Nursery and Youth and Community Centre be agreed as set out in the report submitted, subject to compliance with the procedures in respect of the disposal of public open space as set out in (ii). below and to the grant of planning permission and other requisite consents;
- (ii) that the Director of Environment and Neighbourhood Services be authorised to commence and comply with the procedure set out in Section 123(2A) of the Local Government Act 1972 by publishing a public notice in the local newspaper on two consecutive publication dates of the Council's intention to dispose of public open space comprising the Eton Grove Nursery and Youth and Community Centre and in particular to consider any objections made to the disposal, and unless there are objections received, which in her opinion are significant, to implement the proposed disposal;
- (iii) that if such objections deemed to be significant are received then a further report be submitted to the Executive for consideration;
- (iv) that the Head of Property and Asset Management be authorised to agree the necessary terms as shall be in the best financial interests of the Council for the leasing of the completed development.

15. **Authority to appoint to a framework for leaseholder right to buy insurance and to award a call-off contract**

Councillor Butt introduced the report relating to the appointment of an insurance provider to the West London Alliance framework in respect of Right to Buy insurance for leaseholders and the award of a contract to that supplier by Brent Council.

RESOLVED:-

- (i) that Acumis be appointed to the West London Alliance single-provider framework for leaseholder right to buy insurance with effect from 1 November 2010, with the framework running for a period of three years;



- (ii) that Acumis be awarded a contract for the provision of insurance to Brent right to buy leaseholders for a period of three years commencing 1 November 2010;
- (iii) that the observations made by leaseholders, set out in paragraph 3.20 and Appendix 3 of the report submitted in response to the leaseholder consultation notice dated 20 August 2010 regarding the proposal to award the contract to Acumis be noted.

**16. Printing Review Tender Results**

Councillor Butt introduced the report relating to the provision of a managed print service covering all office printing and all printing currently undertaken by the Print Shop.

The Executive also had before them appendices 6, 7 and 8 to the report which were not for publication as they 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 a contract for a managed print service be awarded to Xerox (UK) Limited to start on 3 January 2011 to last for a period of four years with the option to extend the contract for a further two years.

**17. Reference of items considered by Forward Plan Select Committee (if any)**

None.


**18. Any Other Urgent Business**

None.

The meeting ended at 7.40 pm

A JOHN  
Chair

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	<p style="text-align: center;"><b>Executive</b> 15 November 2010</p> <p style="text-align: center;"><b>Report from the Director of Children and Families</b></p>
For Action	Wards Affected: ALL
<p style="text-align: center;"><b>Commissioning of the specialist Child and Adolescent Mental Health Service (CAMHS) in Brent 2011-13</b></p>	

## 1.0 Summary

- 1.1 The Child and Adolescent Mental Health Service is a jointly funded statutory service commissioned by NHS Brent and Brent Council. This specialist Mental Health service, which includes provision for social care, learning disabilities and adolescent care, is commissioned to supplement the core Child and Adolescent Mental Health Service service provided by NHS Brent.
- 1.2 The jointly-funded service is currently delivered by Central and North West London NHS Foundation Trust at a total cost of £864,494.72 per annum (total Council and NHS funding). The current contract is due to expire on 31 March 2011. For delivery to continue, this High Value (see 5.2) service is required to undergo a full tender in order to comply with the Council's Standing Orders, unless the Executive grant an exemption from tendering.
- 1.3 For the reasons detailed in section 3 of this report, Officers are seeking exemption from full tender requirements and seek approval from the Executive to commission Central and North West London NHS Foundation Trust to deliver this service on a one year contract from 1 April 2011 to 31 March 2012, with an option to extend the contract for a further one year until 31 March 2013. By recommissioning the existing provider for a further year, it is considered that there will be minimal disruption to delivery for vulnerable users while the review reaches its conclusions and recommendations are implemented.

## 2.0 Recommendations

The Executive are requested to:

- 2.1 Approve an exemption from the usual tendering requirements of Contract Standing Orders in relation to the joint Council and NHS Child and Adolescent Mental Health Service, on the basis that there are good operational reasons for doing so as set out in section 3 of the report.

2.2 Award a contract jointly with NHS Brent for the joint Council and NHS provision of Child and Adolescent Mental Health Services to the current provider, Central and North West London NHS Foundation Trust, for the period 1 April 2011 to 31 March 2012 with an option to extend the contract for a further one year until 31 March 2013, which would be utilised, should timescales indicate the need for a further extension to be implemented.

### **3.0 Detail**

3.1 The current contract with Central and North West London NHS Foundation Trust (hereafter referred to as CNWL) for the delivery of a specialist Child and Adolescent Mental Health Service (hereafter referred to as CAMHS) is due to expire on 31 March 2011. This existing contract was awarded following approval from the Executive in March 2010 to award the contract to the existing provider without proceeding through the full tendering arrangements. This was on the basis that a comprehensive review of all Mental Health services in Brent would be taking place and a new service configuration be explored for April 2011 onwards. The Executive approved a contract value of £1,006,504.31. However, Officers succeeded in negotiating further efficiencies resulting in a final contract value of £864,494.72 for 2010-11.

3.2 The current and proposed contract with CNWL relates to the delivery of appropriate, accessible and comprehensive specialist CAMHS for children and young people up to the age of 18, in particular those known to social care and those with disabilities. Services are provided on the basis of a personalised needs led assessment in order that interventions are appropriate to the individual. Clinical interventions are in the form of both specialist 1:1 support and group work. Assessment and treatment are provided by child and adolescent psychiatrists, clinical psychologists, nurses, child psychotherapists, family therapists, play therapists and occupational therapists. The service is delivered in multidisciplinary assessment clinics, schools, Children and Families Social Care offices, community settings and homes. Over the last year, the service has supported an average caseload of 400 children and young people per quarter.

3.3 The specialist service is commissioned to complement the core CAMHS service commissioned and funded by NHS Brent. The aim of the core service is to provide assessment and treatment in the context of emotional, developmental, environmental and social factors to service users suffering from mild to moderate mental health disorders. This service is provided to children, young people and families in clinics and community settings.

3.4 The Joint Commissioning Board, a sub group of the Brent Children's Partnership, are assessing the current use of resources within both the specialist and core CAMHS contracts. This review of Mental Health services in Brent encompasses services currently commissioned by both Brent Council and NHS Brent. The scope of the review includes children, adolescents, younger and older adults, people with learning disabilities as well as drug and alcohol service users. The aim of the review, as it relates to child and adolescent mental health services, is to assess the potential for greater integration with Local Authority Children's services as well as deliver early intervention services at a locality level within current resource levels. The

review further aims to identify areas of duplication across the two CAMHS contracts in order to achieve efficiencies and best value for both NHS Brent and Brent Council. Therefore the review could result in a decision to continue the existing service with a new specification, or introduce significant changes to the way that Mental Health services are provided in the borough. This could include pooling Brent Council and NHS Brent resources in order to commission a single CAMHS contract covering both core and specialist provision.

- 3.5 The Local Authority contribution to the specialist CAMHS contract is £532,545.92 per annum. NHS Brent contribute a further £331,948.80, while providing £2.5 million for the core CAMHS contract. Given that the majority of funding towards both contracts is derived from the NHS, it would be more appropriate to apply NHS procurement procedures to commissioning any future service. NHS commissioning guidelines state that Commissioners should first work with existing NHS providers to deliver efficiencies and improve or redesign services, before considering external procurement. This is to minimise risk of disruption to care arrangements and avoid de-stabilisation of existing NHS providers. As a result, the Commissioners are seeking to work with CNWL to meet the needs identified in the review, and achieve efficiencies identified by both commissioning bodies (NHS Brent and Brent Council).
- 3.6 It was intended that the review would be completed in time to allow implementation in the 2011-12 financial year. However, it is now clear that there is insufficient time to complete a comprehensive review and enable any recommendations to successfully proceed through new NHS governance procedures before April 2011. Similarly, early discussions are required to determine the arrangements for establishing a pooled budget, should this be the most appropriate method for achieving the required efficiencies. Under these circumstances, it is not possible to implement a revised service model and pooled budget until at least the financial year 2012/13. At this point, the full outcome of the review will be known, a future service model will have been agreed, and the Commissioners will have had the opportunity to work with the existing provider(s) to evaluate their capacity and capability and achieve key milestones in implementing the new model.
- 3.7 The future of this service will also be affected by the NHS White Paper issued by the coalition government in July 2010: 'Equity and excellence: Liberating the NHS'. This White Paper introduced significant changes to NHS commissioning procedures, placing a greater emphasis on the role of GPs and expanding their responsibilities to include the commissioning of a greater number of local services, including CAMHS. Although GP representatives have expressed an interest in working with CNWL, further consultation is required to ensure that any service redesign reflects their vision for the future of CAMHS in Brent. Two Brent GPs have been identified to represent their colleagues in the review process, and needs assessment will incorporate GP's understanding and perspective on the quality and accessibility of current CAMHS provision in the borough.
- 3.8 In view of the service review described in paragraph 3.4 and 3.6, and the changes to NHS commissioning outlined in paragraph 3.7, this report recommends that this one year contract (with an option to extend by a further year) should not be subject to a tender process for the following reasons and be recommissioned with the current provider:

- The Mental Health Review will not be in a position to report its findings, and present the necessary recommendations within the full spectrum of new NHS Brent governance procedures, until 2011. This does not provide sufficient time to enter formal procurement and award a contract which would enable the establishment of a reconfigured service by 1 April 2011.
- The NHS White Paper issued in July 2010 transferred the responsibility for commissioning for CAMHS from PCTs to GP consortia. The Review must take time to ensure GPs are on board with recommendations arising from the review and reflect their views and requirements into any future service redesign to ensure sustainability of the future model.
- CAMHS involves working alongside some of the most vulnerable children and young people within Brent. The commissioning of a new Service Provider in April 2011, and potentially again in April 2012 following the review, could prove disruptive and detrimental for such users.
- Service users and professionals are aware of where and how to access current CAMHS services. If a new provider was sought, it would require months of publicity to promote the new service so that both users and professionals are aware of the revised arrangements.
- Brent Council provide £532,545.92 per annum for specialist CAMHS in Brent, supplementing the £2.5 million per annum provided by NHS Brent for both the core and specialist services. In this context, it is most appropriate to use NHS procurement processes and guidelines. These guidelines state that Commissioners should first work with the existing NHS provider to deliver efficiencies and improve or redesign services, before considering an external procurement procedure and inviting bids from alternative providers. A formal approach to reviewing an existing service enables the Commissioners to maintain continuity of care for vulnerable users while achieving necessary changes or efficiencies. In particular, the Commissioners will seek to address any duplication between the core contract and this contract.
- The commissioners are confident in the standard of service delivered by CNWL. CNWL are an experienced provider who met their service delivery targets throughout 2009-10.

3.9 Therefore this report recommends an exemption from the tendering requirements of Contract Standing Orders to enable CNWL to be commissioned to deliver the existing service for a further one year (2011-12) with the provision for an extension to deliver in 2012-13. This is being requested should the review be subject to unavoidable delays and consequently be unable to provide a comprehensive response in time for the 2012-13 commissioning year.

3.10 The Commissioners are confident in the standard to care provided by CNWL, and the breadth of resources at their disposal. CNWL currently provide tier 3 or specialist CAMHS services to five of the eight PCTs belonging to the North West Sector CAMHS Consortium. The consortium is made up of eight boroughs in the north and west of London, including Brent. CNWL deliver core

and targeted CAMHS services on behalf of NHS Brent as well as the provision of specialist CAMHS to four other boroughs in the sector. In line with current arrangements, CNWL will continue to be performance managed through a service level agreement with rigorous, quarterly monitoring arrangements.

#### **4.0 Financial Implications**

- 4.1 There are no financial implications from this report. The report relates to the service to be provided in 2011/12 and 2012/13. The funding has already been identified and will be drawn from a joint budget with NHS Brent and the Local Authority. The Local Authority contribution is £532,545.92 and the NHS Brent contribution is £331,948.80 to the specialist CAMHS contract. In addition, NHS Brent, commission a further £2.5 million worth of core specialist CAMHS services for children and young people in Brent.
- 4.2 Any High Value CAMHS contracts beyond April 2013 will be subject to further reports to the Executive.

#### **5.0 Legal Implications**

- 5.1 The Council is under an obligation to secure that there are mental health services in place for children in accordance with its general duties to safeguard and promote the welfare of children within their area who are in need, under section 17 of the Children Act 1989. The Council is also under a duty to provide advice and counselling for children in need while they are living with their families, under Schedule 2 of the same Act.
- 5.2 All contracts for services exceeding £500,000 in value are classified as High Value contracts under Contract Standing Orders. Here the Council element of the service is £532,545.92 per annum for 2011/12. Such a contract is required by Contract Standing Orders to be tendered. Where any contract is proposed not to be tendered, then only the Executive can approve this under Standing Order 84, on the conditions that there are good operational and / or financial reasons for doing so. Here the operational reasons are set out in paragraph 3.8 of this report, and Members need to be satisfied that the reasons are sufficient to justify an exemption from the usual tendering requirements of Contract Standing Orders.
- 5.3 In addition, Members can only grant an exemption from tendering where there is no breach of the European public procurement requirements. Mental health services are Part B services under the Public Contracts Regulations 2006 and so the contract is subject only to partial application of the regime. Most importantly, there is no requirement to advertise and tender a Part B contract in accordance with the Regulations. However as a Part B service it will still require notification of the contract award to the EU Publications Office.

#### **6.0 Diversity Implications**

- 6.1 This contract relates to the delivery of specialist CAMHS for children and young people known to social care services, those with learning disabilities and young people aged up to their 18<sup>th</sup> birthday with mental health problems and disorders. The presence of mental health problems is a known risk factor which can result in vulnerability and associated behaviours.

- 6.2 The aim of this provision is to enable practitioners in the Children and Families department, and other agencies such as schools and GPs, to access a range of flexible and responsive therapeutic services for vulnerable children and young people who present with family breakdown, social crisis, neglect, absent parenting and or socially unacceptable behaviour and including those with learning disabilities and associated mental health problems. Current service users are representative of the ethnic and cultural diversity in Brent.
- 6.3 The service will ensure that children and young people with mental health problems and disorders have access to timely, integrated, high quality, multidisciplinary mental health services to ensure effective assessment, treatment and support, for them and their families. Provision is delivered on the basis of a personalised needs led assessment of individual children and young people in order that interventions are appropriate and targeted to those most in need.
- 6.4 The failure to approve the award of this contract could lead to the withdrawal of services from some of the most vulnerable children and young people in Brent. Those most at risk include young people known to social services and children and young people with learning disabilities.
- 6.5 CNWL are an NHS foundation trust with a robust Single Equality Scheme and Action Plan and substantial experience of delivering mental health services in Brent. In January 2005, the Department of Health launched *Delivering Race Equality in Mental Health*, a five-year action plan to deliver equality of access, equality of experience and equality of outcome for BME communities in mental health. CNWL were selected as one of 17 pilot sites to to research and test out new ways of working with service users and carers from Black and Minority Ethnic communities and find new ways of involving these communities in developing more appropriate mental health services. A comprehensive evaluation of this work has now been completed. Furthermore, quarterly monitoring data for the joint contract for specialist CAMHS indicates that the caseload supported by CNWL is representative of the population of Brent.

## **7.0 Staffing Implications**


- 7.1 This service is currently provided by an external provider and there are no implications for Council Officer staff arising from continuation of the contract.

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	<p style="text-align: center;"><b>Executive</b> 15 November 2010</p> <p style="text-align: center;"><b>Report from the Director of Environment and Neighbourhoods</b></p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p><b>Libraries Transformation Project</b></p>	

## Appendix 3 is not for publication

### 1.0 Summary

1.1 The Libraries Transformation Project is a One Council project to improve the quality of library provision in Brent, while contributing to the Council's need to meet efficiency targets in response to reductions in funding. The number of library buildings in the borough will be reduced, enabling resources to be concentrated on the best located libraries. An enhanced core library offer for residents will be established that provides value for money and reflects the needs of all customers. Online and digital services will be expanded to widen access and comparable services will be provided to those who are unable to visit a library. Libraries will be co-located with council services and local agencies to provide community hubs with cultural activity. In order to do this the project will deliver:

- Modern, multi functional, library buildings
- A realignment of resources to achieve both improvements and efficiencies
- A clear definition of what residents can expect from their library service, wherever they live, based on an assessment of user needs
- A review of digital provision and online services in libraries
- Staff training to equip a multi skilled workforce
- Savings to the Council in the region of £1 million

1.2 This report recommends a public consultation on the future of Brent's library service.

### 2.0 Recommendations

- 2.1 That Members note the proposals of the Libraries Transformation Project at 3.3
- 2.2 That Members approve public consultation on the proposals
- 2.3 That Members agree the submission of a further report to the Executive in April 2011, setting out the consultation results and final recommendations on the future of the library service.

### **3.0 Detail**

#### **3.1 Brent's Library Service today:**

Brent Libraries provides a public library service from twelve library buildings across Brent and a home visit service for people who are unable to visit a library. The service also deposits outreach collections in adult homes, nurseries and community centres. Services on offer to customers include:

- Books, e-books, CDs, DVDs and downloads for loan in a range of formats and languages including all the latest bestsellers
- Information services including access to council services through Brent Contact points
- 24 hour online access to library catalogue, account management and information sources
- Free public internet and Wi-Fi in every library
- An ICT learning centre at Willesden Green
- Skills for Life and ESOL support classes
- School visit programmes and homework clubs
- A year round programme of events and activities, including cultural celebrations, reading promotions, Summer Reading Scheme, reading groups, Family Learning sessions, ICT for older people, health advice sessions,
- Study space
- Art exhibitions, displays and workshops

The service currently costs just under £6 million per year in revenue budget: £3,000,000 of that budget consists of staffing costs whilst only £550,000 is spent on books: 9% of the total budget. *Appendix 2* sets out a table of cost per library visit at each library building

Brent has 12 library buildings, some within short walking distance of each other. Half are badly located and in need of substantial updating. Town centre library refurbishments at Kingsbury and Harlesden have been extremely popular with residents and have seen usage rise by over 50%. The shared service approach with council partners in multi functional library buildings, such as shared premises with OSS and BACES enables improvement and increases usage. Efficiencies are being achieved through use of technology and shared services/procurement with other London boroughs.

## Summary of drivers for change

- Economic situation and impending public sector spending cuts
- 12 library buildings not sustainable: need to concentrate resources on successful ones
- Only 9% of budget spent on books
- Argument proved that location and quality of buildings affect usage
- Limited capital available to improve library buildings
- Logic of libraries linking to emerging localities
- Huge opportunities for landmark facilities at Civic Centre and Willesden Green
- Shared service approach already successful (Kingsbury, Harlesden)
- Opportunities to share services with neighbouring boroughs

### 3.2 Library Strategy 2008-2012

Brent Council's Library Strategy 2008-2012 was adopted by the Executive in January 2008. Officers had initially recommended that the borough would be better served by fewer but better resourced libraries and that some libraries should be closed to achieve this. However, Members were not willing to reduce the number of libraries and, instead, agreed to provide additional revenue to keep twelve library buildings open. Progress against the objectives of the current Library Strategy has been very good. *Appendix 1* shows a list of achievements to date. However, there are a number of new issues and opportunities that have arisen since the strategy was agreed that meant a revision of the strategy was appropriate. These include

- The council's improvement and efficiency programme which aims to improve significantly the way we deliver services to our residents and the need to make efficiency savings of at least £90m across the Council.
- The new organisational vision for Brent Council, including the proposed five localities, where libraries have a major role to play as gateways to council services and community hubs.
- Brent's new Civic Centre will include a new 'central' library for the borough; the Library Strategy recognised that a review of libraries would be needed once the site and size of the new library had been agreed.
- Plans are being developed for Willesden Green Library Centre as a cultural hub and council service centre for the south of the borough.
- It is possible that a third pool for the borough will be built in Kingsbury, providing an opportunity for co-locating a library.
- The London Libraries Change Programme, linked to the Capital Ambition funded cultural improvement programme, has highlighted a number of opportunities for shared services and potential efficiencies across London.

### 3.3 Proposals

The new strategy will address the following:

1. Rationalisation of resources by closing six library buildings that are poorly located and have low usage: Barham Park, Cricklewood, Neasden, Tokyngton, Kensal Rise and Preston.
2. A commitment to ensuring that residents have high quality library facilities in accessible locations.
3. A review of staffing and development of a staff training programme to ensure that staff are equipped to meet customer needs.
4. The development of a clear offer to residents of what they can expect from their library service, regardless of where they live, in terms of the loan of books and other items, downloads, e-books and online services, accessibility and community engagement.
5. A review of back office processes and development of proposals to share functions with other London boroughs.
6. The development of a strategy to ensure that, where libraries are proposed for closure, residents are offered alternatives to regular activities where possible. The strategy will also address the issue of partner organisations who deliver services in libraries scheduled for closure.
7. The development of a clear approach to voluntary organisations who wish to present a robust business case for running library services in vacant buildings (subject to agreement of building owners and at no cost to the Council).

### 3.4 Consultation

The public consultation will run from November 29<sup>th</sup> 2010 until March 4<sup>th</sup> 2011. There will be a series of public meetings to specifically address the Libraries Transformation project and it will also be presented the Area Consultative Forums. There will be an online survey available throughout the period. Consultation with libraries staff will run concurrently.

## 4.0 Financial Implications

- 4.1 The project is likely to deliver revenue savings to Brent Council in the region of £1million.
- 4.2 Capital receipts will be dependant on disposal of redundant buildings, some of which have restrictive covenants. The table below sets out latest market value of the five buildings, which is subject to change.

<b>Library</b>	<b>Revenue cost (2009/10)</b>	<b>Building market value</b>	<b>Issues to consider</b>
<b>Neasden</b>	238,000	0	Leased until 2022
<b>Barham Park</b>	179,740	313,890	Trust
<b>Tokyngton</b>	189,990	694,848	
<b>Kensal Rise</b>	186,100	772,034	Covenant
<b>Preston</b>	176,000	640,524	
<b>Cricklewood</b>	183,700	724,765	Covenant

- 4.3 Five of these buildings are in need of substantial repair and the estimated costs over the next 20 years are as follows, according to the latest asset management surveys:

<b>Neasden</b>	192,000
<b>Barham Park</b>	90,000
<b>Tokyngton</b>	160,000
<b>Kensal Rise</b>	488,000
<b>Preston</b>	93,000
<b>Cricklewood</b>	151,000
<b>Total</b>	<b>1,174,000</b>

## 5.0 Legal Implications

- 5.1 Library authorities have a statutory duty under section 7 of the Public Libraries and Museums Act, 1964, to provide a “comprehensive and efficient library service for all persons desiring to make use thereof”. The Public Library Service Standards effectively articulate the nature of the “comprehensive and efficient”

service required of the Council and make clear its responsibilities under the Act. The Secretary of State for Culture, Media and Sport has extensive default powers under section 10 of the Act, exercisable where there has been a complaint or where she has reason to believe that a library authority may be failing to carry out its duties.

- 5.2 It is crucial that the Council consults the public since their views need to feed into decisions on the future shape of library services in the borough. Staff will also be consulted as any plans will affect them too. It may be necessary to carry out statutory consultation with unions and others and further advice can be provided on this. In conducting the staff consultation, it will be made clear what the possible implications will be for staff. Any implications will be reported to Members enabling them to make a fully informed final decision.

## **6.0 Diversity Implications**

- 6.1 A full Equalities Impact Assessment is being carried out and will be included in the final report to Executive once consultation has taken place.

## **7.0 Staffing/Accommodation Implications**

- 7.1 A reduction in the number of library sites will necessitate a review of staffing across the service, which will be carried out in accordance with the Council's Managing Change policy. Staff and trade unions will be fully consulted.

## **Background Papers**

Library Strategy 2008-2012

## **List of Appendices**

Appendix 1 - Achievements against the Library Strategy 2008-2012

Appendix 2 - Cost per visit comparison

Appendix 3 Not for Publication

## **Contact Officers**

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## Appendix 1

### Progress against Library Strategy 2008-2012


Library Strategy Recommendation Jan 2008	Progress
Increase libraries revenue budget by £300,000 from 2008/09.	Additional revenue achieved from April 2008
Capital investment in modernisation of libraries, starting with Kingsbury Library, Harlesden Library, Neasden Library and the Town Hall Library.	<p>Kingsbury Library Plus opened April 2008            Neasden Library Plus opened 2009            Harlesden Library Plus opened March 2010</p> <p>Plan for new Civic Centre include a library that will replace the current Town Hall Library.</p> <p>All Brent libraries will have self service technology by 2011</p> <p>Willesden Green Library - plans for cultural/customer service centre being developed.</p>
Increased partnership and shared services	<p>Shared services/buildings developed with BACES (two sites), OSS (three sites) and Children's Centres (1 site)</p> <p>Brent key partners in London Libraries Change Programme</p>
Cessation of Mobile Library service from April 2008	Achieved 2008
Review of Home Visit Service	Alternative options being considered, including option to share delivery with other boroughs.
Improve opening hours from Autumn 2008 following public consultation	Opening hours standardised and increased by 12 hours since September 2008
Review of structures and working practices by 2008 to ensure a responsive, fully equipped service for the 21 <sup>st</sup> Century.	Restructure agreed and implemented in 2009 with savings of £250k.
Introduce marketing programme with dedicated marketing officer post by April 2008.	It has not been possible to identify budget for a dedicated marketing post. A marketing programme is in place with support from Central Communications.

## Appendix 2

### Libraries performance v cost 2009/10

<b>Library</b>	<b>Visits per year</b>	<b>Cost per visit (£)</b>
<b>Willesden Green</b>	<b>499,070</b>	<b>0.90</b>
<b>Ealing Road</b>	<b>261,000</b>	<b>1.20</b>
<b>Harlesden</b>	<b>200,000 (est)</b>	<b>1.60</b>
<b>Kingsbury</b>	<b>205,000</b>	<b>1.80</b>
<b>Town Hall</b>	<b>166,955</b>	<b>2.50</b>
<b>Neasden</b>	<b>117,604</b>	<b>2.30</b>
<b>Kilburn</b>	<b>103,027</b>	<b>2.40</b>
<b>Preston</b>	<b>95,591</b>	<b>2.40</b>
<b>Barham Park</b>	<b>62,507</b>	<b>2.90</b>
<b>Cricklewood</b>	<b>48,786</b>	<b>3.70</b>
<b>Tokington</b>	<b>46,990</b>	<b>3.90</b>
<b>Kensal Rise</b>	<b>45,755</b>	<b>4.00</b>



	<p style="text-align: center;"><b>Executive</b> 15 November 2010</p> <p style="text-align: center;"><b>Report from the Director of Environment and Neighbourhood Services</b></p>
	Wards All
<b>Waste and street cleansing review – street cleansing efficiency savings</b>	

## 1.0 Summary

- 1.1 This report presents options for efficiency savings in the council's street cleansing operation.
- 1.2 This work represents part of the outcome of the One Council Waste and Street Cleansing Review.

## 2.0 Recommendations

- 2.1 That the Executive note and approve three options (not mutually exclusive) for delivering efficiency savings in the street cleansing operation.
- 2.2 That the Executive note the officers' response to the independent review of the street cleansing service undertaken by consultants, Gordon Mackie Associates.

## 3.0 Detail

- 3.1 The purpose of the Waste and Street Cleansing Review is twofold – to seek to deliver an enhanced waste service and to identify and implement options for generating efficiency savings. It is intended the Review should deliver £1.2million savings and that these should be notionally split as follows;

Street Cleansing - £700K  
Waste Collection - £500K

- 3.2 Proposals for waste collection were considered by the August Executive Committee and these are currently the subject of public consultation. If these are eventually approved for implementation they will deliver £1million annual savings, just short of satisfying the combined annual target.

## 4.0 Street Cleansing Options

4.1 Options for street cleansing have now been developed through discussion with the council's waste services contractor, Veolia. These offer a combined saving of £545K and are not mutually exclusive.

4.2 There is a risk that any change to the operation could lead to deterioration in cleansing standards, particularly at the interface of cleansing zones or in areas of high footfall. This may manifest itself in more noticeable accumulations of litter, particularly during busy periods. There would be an onus on StreetCare Officers to monitor this to ensure Veolia still complied with remediation times set out in the contract.

1- Decrease of sweeping frequency on Zone 5's (from 3 to 2/weeks)	£	
465k PA		
2- Rebalancing of the PM shift service	£	40k
PA		
3- Further integration of special collections and cleansing	£	
40k PA		

4.3 **Option 1 Decrease of sweeping frequency on Zone 5's. ANNUAL SAVING £465K.**

This is the main proposal, with the principle being a decrease in Zone 5 (residential) sweeping frequency from three times to twice per week.

Whilst this option was allowed for in the Invitation to Tender document that was drafted by the council in 2006 there remains some doubt as to whether the council can swap options during the life of the contract. This issue is addressed in more detail in paragraph 7.0 Legal Implications. In effect, bidders were asked to price for cleansing of all Zone 5s three times a week as well as cleansing of all Zone 5's twice per week, the difference between the two options being £444,100 in 2007 which would be the equivalent of £465,692.51 in 2009-10 prices (with a 0.51% 2009 uplift).

This change would necessitate making around 30-35 operatives' positions redundant on the Veolia contract. In the current economic climate it may be difficult for Veolia to re-deploy these personnel elsewhere. The redundancy consultation period would be 90 days. The one-off cost of these redundancies is likely to be up to £80K. However, with a 4 month period for implementing the changes, Veolia may have opportunity for natural wastage and other redeployment options to mitigate this impact.

In addition, the change needed would require a major contract variation. The contract has been organised around the delivery of a number of services, and some recent investment decisions (fleet renewal, satellite depot refurbishment) have been made with the view that the cleansing service would continue as it currently is.

The contractor has argued that any decrease in the sweeping frequency in Zone 5 areas may undermine the ability to deliver some seasonal activities such as winter maintenance, North Circular Road bi-monthly cleaning and Wembley event cleaning, all of which rely operationally, to some extent, on the established core resource.

In consequence the contractor has suggested that a decrease in the sweeping frequency in Zone 5 areas is likely to require the introduction of an additional seasonal sweeping resource to mitigate the effect on standards which may come at additional cost.

- Summer season sweeping and weed control – up to £200k.
- Leaf collections - an extra £60k.

The original contract options for two sweeps and three sweeps per week in Zone 5 areas did not identify the need for this additional resource to cope with summer pressures, weed control and leaf collections. Officers are of the opinion these proposed extra costs do not contractually apply and can be discounted.

Allowing for the 90 day consultation period, the change would take 4 months to implement. The intended start date is 1st April 2011.

#### 4.4 **Option 2 Rebalancing of the PM shift service: ANNUAL SAVING £40K.**

The principle of this change is a reduction in the afternoon shift service and the introduction of a late evening/night sweeping mobile crew to compensate.

Officers are of the opinion that the afternoon shift service could be re-balanced to maximise the efficiency of crews. The use of mechanised sweeping equipment on main roads at peak hours could be avoided and shifted to later in the day. 2-3 operatives' positions would be made redundant (total redundancy cost - £5k).

The change would take 3 months to implement. The intended start date is 1<sup>st</sup> February 2011.

#### 4.5 **Option 3 Further integration of special collections and cleansing: ANNUAL SAVING £40k PA.**

The principle of this change is the integration of bulky waste collection teams with the street cleansing mobile crews.

The street cleansing service is currently organised into seven "villages" with each village having dedicated management and resource. The special collection service could be integrated in the villages where most special collections occur. This may result in the loss of 2-3 operatives' positions (total redundancy cost - £5k). Implementation may only be possible if the number of requests for bulky waste collections remains near its current level. There is a risk that the reinstatement of free collections will significantly increase the number of requests. It may be prudent to wait until the service stabilises before considering this particular change.

Allowing for the bulky waste service to stabilise, the change would take 4 months to implement. The intended start date is 1<sup>st</sup> April 2011.

#### 5.0 **Independent Review of the street cleansing operation by Gordon Mackie Associates.**

In addition to developing these proposals, officers considered the recommendations of an independent review of the service undertaken by external consultants, Gordon Mackie Associates. This specifically questioned the following:

1. The appropriateness of the 'village' approach to service delivery.
2. The relatively high Veolia management costs associated with the contract.
3. The relatively high cost per cleansing operative.

In response:

1. The current contract was specifically designed to improve cleansing standards. This openly required the application of an increased level of resource. The results have been noticeable, not only in the reduced number of “remedy points” but also in terms of complaints, NI195 scores and resident satisfaction. In officers’ opinion, the basis of this – the reason it is operationally manageable – is the contractor’s well established ‘village’ approach (which has also been implemented in Camden and Westminster). Brent is currently subdivided into seven “Urban Villages”, each with dedicated management and resource. This allows for closer monitoring and control and creates a sense of identity and belonging within the workforce. It also reduces ‘dead miles’ i.e. wasted time travelling to different parts the borough from one central depot. This approach best allows for a quick and efficient response to any arising issue. This may be even more relevant if the general level of resource is decreased as part of this review.

Officers recommend this system is retained.

2. The high management cost can be attributed to the ‘village’ approach.
3. The basis of the ‘cost per operative’ comparison is not made clear. Wide variations are likely if the method for calculating costs is not consistent. Some boroughs may require a high level of ‘out of hours’ work and incur high overtime spend (this is relevant with respect to event day cleansing in Brent). This will inflate the unit cost.

## 6.0 Financial Implications

Should all 3 options be accepted, then the potential full year saving is £545K, £155K less than the intended target. Members are reminded that the waste collection review is likely to achieve a larger proportion of the combined savings target than had been anticipated.

The savings are not net of redundancy costs. These represent an additional one off cost of up to £90K, a maximum of £80k in respect of Options 1, and £5k in respect of each of Options 2 and 3.

The implementation period associated with each option varies and this will impact on the level of saving realised this year.

## 7.0 Legal Implications

The procurement of the Waste Management Contract was subject to the Public Contract Regulations 2006 (commonly referred to as the EU procurement rules). The EU procurement rules also place limitations on the extent to which a contract can be varied before it is so different from the original deal which was entered into that it is effectively a new contract which requires re-tendering under the EU regime. The issue is whether the changes in the contract are considered to be ‘material’.

There is a potential that the contract variation may be challenged by an aggrieved contractor on the basis that the variation has required a fundamental renegotiation of pricing of the street cleansing element of the services and is a fundamental change in the way in which the services will be provided. However, it is arguable that the variation is not material as the scope and nature of the contract remain unchanged as the overall services to be provided under the contract remain the same.

Additionally, the potential variation in contract price per annum is minimal in the context of a contract value of £15.8m. It is open for members to weigh up any potential

for a successful challenge under the EU procurement rules against the need to make savings on the contract.

It is recommended that the Council issues a voluntary transparency notice in OJEU, before giving effect to any contract variation, to protect itself against the risk of the contract variation being declared ineffective by the courts under the Public Contracts (Amendment) Regulations 2009. It would however still be open for an aggrieved contractor to claim damages if they were to make a successful challenge.

#### **8.0 Diversity Implications**

None

#### **9.0 Staffing/Accommodation Implications**

None


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Director of Environment & Neighbourhood Services

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	<p style="text-align: center;"><b>Executive</b> 15 November 2010</p> <p style="text-align: center;"><b>Report from the Director of Environment and Neighbourhood Services</b></p>
Wards affected: All	
<b>Waste Collection Strategy</b>	

## Appendix C is “Not for Publication”

### 1.0 Summary

1.1 Central to the policy programme of the new administration is an increased focus on sustainability and environmental improvement. That programme includes a number of specific goals relating to waste including reducing the council’s reliance on landfill and increasing the recycling rate to 60%.

1.2 At its meeting in August the council’s Executive approved public consultation on a revision of the council’s Waste Strategy which had been undertaken as part of the council’s Improvement & Efficiency Programme. This report presents the outcome of that consultation and seeks Executive approval to implement the Strategy. This:

- ◆ Will offer radical improvements in the waste collection and recycling services provided to all Brent residents
- ◆ Will deliver a step change in the recycling rate towards the goal of 60%
- ◆ Will deliver long term efficiency savings in excess of £1 million each year

1.3 The report also presents a draft implementation plan that sets out how the proposed changes will be introduced.

1.4 This report also describes the programme of procurement that is required.

### 2.0 Recommendations

2.1 That the Executive note the response from the public consultation on the revised Waste Strategy as described in this report and at Appendix A.

2.2 That the Executive approve the formal adoption and implementation of the revised Waste Strategy as described in this report and at Appendix B.

- 2.3 That the Executive note the proposed draft implementation plan for the revised Waste Strategy as described in paragraph 7.0 of this report.
- 2.4 That the Executive note the programme of procurement required to implement the revised Waste Strategy as described in paragraphs 8.0 of this report.
- 2.5 That the Executive agree variation to the existing Waste Services contract with Veolia as set out in Appendix C of this report.

### **3.0 Detail**

- 3.1 A central theme of the policy programme of the new administration is around sustainability and environmental improvement. A key commitment is to the development of a Green Charter and within that to seek to improve recycling rates to 60%.
- 3.2 As part of the Council's Improvement & Efficiency Programme, a review was undertaken of the Council's waste strategy (the "Review"). The Review aimed to promote reuse and recycling, improve resident satisfaction, reduce the carbon footprint of the waste collection service, help reduce the amount of waste in landfill and meet national performance indicators. It was agreed that the best method for delivering this Review, particularly with respect to waste collection, was through a revision of the council's Waste Strategy, consistent with the waste hierarchy (Reduce, Reuse, Recycle).
- 3.3 In addition to this focus on improvement of the service and its outcomes, the review sought to identify and implement options for generating efficiency savings. It was intended the Review should deliver £500K savings in waste collection and disposal and meet the administration's green commitment to increasing recycling rates across Brent to 60%.

### **4.0 Waste Collection and Disposal – The Review**

#### **4.1 Background**

The Review's objectives with respect to waste collection and disposal were as follows:

#### ***Develop a revised waste collection strategy to identify service objectives and new policies to:***

- Promote and encourage the production of less waste.
- Increase recycling rate to 40% by 2011, to 45% by 2015 and to 50% by 2020 to ensure future National Indicators for waste are met.
- Reduce reliance on landfill.
- Reduce the carbon footprint of waste collection operations.
- Improve residents' satisfaction with waste collection services.
- Deliver a more inclusive and accessible range of services.



***Generate around £500k annual efficiency savings in waste collection and disposal.***

**4.2 Current Situation**

4.3 Brent has invested heavily in its recycling service in recent years, with the result that the recycling rate has improved from 6% in 2003 to 22% in 2006/07. Progress since then has been slower and now seems to have stalled under the existing system at around 28% in 2009/10. A central theme of the policy programme of the new administration is around sustainability and environmental improvement. A key commitment is to the development of a Green Charter and within that to seek to improve recycling rates to 60%.

4.4 It was clear that radical change in the current arrangements would be needed to meet the Council's obligations and the administrations ambitions.

4.5 Reducing collection costs per tonne and ensuring further expansion is financially sustainable was a significant consideration in developing new service options. It was clear that any one system alone would not achieve the required savings and achieve the improved recycling rate required. A mix of options needed to be considered. Fundamental changes to the methods currently used to collect waste are required for the new Administration to meet its goal.

4.6 Officers, therefore, researched a full range of options and combinations of options. This work included engagement with partners and stakeholders and the commissioning of consultants to undertake a technical appraisal of shortlisted options.

**5.0 Waste Collection and Disposal Proposals.**

5.1 At its August meeting, the Executive approved public consultation on one preferred option, specifically designed to deliver the improvement that is needed.

A 3-bin collection system for the majority of households was proposed. This will potentially deliver a 53% recycling rate in Year 4. The revised collection system is comprised of an expanded service to all low-rise properties, collecting a wider range of items including mixed plastics and tetrapaks, and the introduction of a recycling collection service for the first time to some 15,000 high rise properties. In particular:

**For low rise properties:**

Overall a weekly collection will be maintained, however different streams will be collected each week. These would be:

- **Residual stream:** Alternate weekly collection using existing wheeled bin.' No side waste' policy introduced.

- **Dry recycling:** New bin to collect recyclable materials co-mingled (mixed) on an alternate weekly schedule – to include cardboard.
- **Organic streams:** Green bins retained for 60,000 properties. Extension of the weekly scheme to cover the remaining 28,000 properties. New properties to receive food waste collection only. All 88,000 households will receive a kitchen caddy. Cardboard removed.
- **Communications:** Increase on communications spend to £120k in year 1 and then down to £60k/pa.

#### **For high rise properties:**

- Extension of the scheme to cover all flatted properties. Move to co-mingled collections.
- Delivery of some refuse to an unsorted waste materials recovery facility (a MRF)
- Organic waste collections from suitable properties only.
- Increase on communications spend to £78k in year 1 and then down to £26k/pa.

#### **Other elements**

- Targeted work to remove trade waste from household stream
- Targeted work to maintain high participation and capture rates
- Targeted work to minimise contamination of kerbside containers
- Retention of compulsory recycling.

5.2 A specialist waste model was used to analyse the likely outcome taking all the factors into account. The model showed that it is still unlikely that Brent will be able to achieve a 60% recycling rate by introducing the above elements alone. However, by working with the West London Waste Authority (WLWA) further progress can be made through the development of alternative treatment facilities.

5.3 A number of variables exist that will impact on recycling rates (e.g. waste arisings, levels of public engagement, the availability of alternative treatment facilities) Further progress may be made if a recycling incentive scheme is introduced. The draft Strategy pledges that officers will investigate suitable systems for future application in Brent.

#### **5.4 Factors to be considered.**

In approving these proposals for consultation, Members were asked to be mindful of the following:

- All households will see an increase in the range of materials collected which will provide an improved and expanded service that will improve the council's recycling rates overall and make savings.
- Residents will receive a weekly waste collection with refuse and dry recycling collections scheduled on an 'alternate weekly' basis. It is clear this policy must be embraced if recycling rates are to be improved.

- Organic waste collections will remain weekly.
- Weekly collections of both waste streams are not feasible if we are to reduce the amount of waste going to landfill. Weekly collections of both streams would double the collection resource and would not incentivise residents to make maximum use of the dry recycling bin. This would increase collection costs, stall recycling performance and may subject the council to increased disposal costs, whilst running against the waste hierarchy.
- A limit on side waste is also needed. This means that only waste that fits into the bin will be collected. This is a policy that has been proved to work in authorities achieving high recycling rates.
- A 3-bin system is an increase on the current container provision. The existing green box offers inadequate capacity and is unsuitable if progress is to be made. Additional capacity is to be welcomed. The only households that will need to accommodate 3 bins are those currently served by the organic waste service, i.e. those properties already deemed to be of a suitable size and to have large gardens. Smaller and more tightly packed properties will simply need to accommodate a new dry recycling bin to replace the box (similar footprint) and a food waste container, and variations in arrangements may be needed in special circumstances.
- Cardboard transfers from the organic service to the dry recycling service and thus coverage increases to include 80,000 properties. This will be welcomed by residents as a service enhancement.
- Implementation will require the procurement and distribution of a large number of containers, a process which must underpinned by a sustained period of promotional activity. This will be a complex and lengthy operation.
- The timetable for the procurement and distribution of bins is dependent on waiting times and 'slots'. These are influenced by levels of demand and may lead to delay.
- The timetable is also dependent on the procurement of new vehicles. This may similarly be affected by levels of demand.
- Increasing the amount of organic waste that is composted is dependent on officers procuring additional reprocessing capacity.
- Collecting dry recycling waste co-mingled (mixed) is dependent on officers procuring the appropriate reprocessing capacity.
- Delivering refuse to a MRF is dependent on officers securing that sorting capacity.

- Maintaining high levels of participation and material capture will require a reprioritisation of the work of the council's StreetCare Officers and the StreetCare Waste Policy Team.
- Monitoring and eliminating contamination of recycling containers will similarly require a reprioritisation of work.
- Removing trade waste from the household stream will require a reprioritisation of the work of StreetCare's enforcement team. The saving will be greatly reduced if this work is not undertaken for any reason.
- In essence, the ongoing work of StreetCare's waste management function will be to support the development and implementation of the new Waste Strategy.

## **5.5 Other Policies**

The recommended option, together with a range of supporting policies, was incorporated into the Draft Waste Strategy. This revised document is available in full at Appendix B and should be read in conjunction with this report. The Draft Waste Strategy has now been consulted upon.

## **6.0 Consultation**

The public consultation was undertaken between August 31<sup>st</sup> 2010 and October 20<sup>th</sup> 2010. The results are set out in full in Appendix A. The process and the main outcomes are summarised below.

### **6.1 Method**

The Draft Strategy along with a questionnaire was directly mailed to the following groups:

- StreetWatchers
- Brent Youth Parliament
- Residents Associations
- Greater London Authority
- West London Waste Authority
- Environmental Groups
- Other Council Departments
- Housing Associations.

The Draft Strategy and questionnaire were made available online. The questionnaire was also included as an insert in the October edition of the Brent Magazine.

In addition, officers presented the proposals at all five Area Consultative Forums during September and October.

An electronic version of the questionnaire was also issued to the Brent Citizens' Panel, Brent Housing Partnership, community networks and Brent Sustainability Forum members. Notification of the consultation was given across the council through the Insight Magazine, Take 5 and the Brent Brief and Brent Staff Panel.

Information stalls were also present at the Brent summer festivals.

## 6.2 Results

Analysis of the results of the Consultation can be found in Appendix A.

The consultation generated 1,180 responses. 900 paper copies of the questionnaire were received along with 280 online responses. The main high level results from the consultation questionnaire are:

69% of respondents agree that new and bigger containers will help reduce the amount of waste sent to landfill.

54% of respondents agree that only waste that is placed into grey bins should be taken.

69% of respondents agree the council should consider rewarding residents who recycle.

71% of residents think the new service will be more convenient.

82% of respondents agree the new service will mean less waste is landfilled.

58% of respondents agree food waste collections at some flats will improve the local area.

### Other comments

There is concern amongst residents about the need to accommodate an additional bin, particularly in areas where space is limited or at converted properties. **Officers will survey all areas where this is likely to be a problem. Whilst there is a need to make the service as universal as possible, officers will consider other options where appropriate, e.g. smaller bins, shared bins.**

The move to a co-mingled collection was questioned. One environmental group explained they would prefer the council to retain a source-separated service. They argue that this method best provides good quality material for recycling. **Officers are satisfied that co-mingled collections provide greater collection capacity and higher recycling rates. All the top performing local authorities in the UK operate co-mingled collections.**

There is some dissatisfaction about the move to less frequent residual waste collections, with particular concern expressed about the potential for

increased vermin and other public health issues. There is also some anxiety about the potential for increased fly-tipping. **Residents will still receive a weekly collection of organic waste. Extra capacity is provided for other waste. Fly-tipping will need to be monitored. Extra emphasis on enforcement and engagement will be needed.**

There is widespread support for the increase in the range of materials to be collected by the dry recycling service.

The extension of the food waste service to more households is welcomed.

Respondents would like to see more priority given to waste reduction and re-use initiatives. **Officers recognise this and will develop annual Waste Reduction and Re-use Plans.**

Residents welcome the expansion of the flats recycling service.

It is clear that residents would like to see better communication about waste and recycling. They ask that non-English speaking communities and properties let by landlords receive more targeted messages. They urge the council to use pictorial information wherever possible.

Some groups claim the consultation period was inadequate and have asked that it be extended. **The consultation ran for 7 weeks and was widely advertised. Key stakeholder groups were directly contacted.**

Residents have given support for the compulsory recycling policy but ask that it be better enforced. **Officers recognise the importance of proper monitoring and enforcement. The council's will continue to maintain its emphasis on education and positive promotion and will use strict enforcement only as a last resort.**

An environmental group specifically suggest the council should charge for garden waste collections and make separate food waste collections more widely available. They also ask that the council undertake summer environmental health audits to check the implications of fortnightly residual waste collections. **Charging would reduce participation and inhibit the council's composting performance. Officers recognise separate food waste collections are beneficial. This is the basis for providing such a service to 30,000 households. Officers have used national evidence and are satisfied that alternate weekly collections pose no increased health risk.**

The strategy is broadly endorsed by both the Greater London Authority (GLA) and the West London Waste Authority (WLWA). The GLA support the strategy's focus on reduction and re-use, its high recycling and composting targets and the potential for introducing incentive schemes for residents. They suggest the council should consider making some provision for the collection and recycling of commercial waste. They endorse the council's output-based approach to developing its strategy, i.e. using cost and carbon output as a basis for developing waste management services. They approve the council's

commitment to link communications and behaviour change activities with the Recycle for London programme. WLWA welcome and support the overall strategy. They say the policies support those already set out in their joint strategy. They also welcome the focus on waste reduction and re-use and endorse the council's approach to communications. WLWA's response is attached at Appendix D.

### 6.3 Conclusions

Officers consider that the consultation responses broadly support the view that the Draft Waste Strategy does not need to be fundamentally changed. There appears to be general agreement with the purpose and objectives of the Strategy.

## 7.0 **Waste Collection and Disposal - Implementation**

Implementation will commence as soon as Executive approval is given.

The implementation will comprise 4 elements of work – procurement, developing operational procedures, communications and the roll-out of the new service itself.

In terms of procurement, officers must purchase the necessary vehicles, containers and sorting capacity (detail is given at 8.0). There is also a need to secure additional local depot space to support the distribution of containers. Officers are investigating the potential for utilising a piece of council-owned land near Laxcon Close which is currently let to a skip-hire company.

There is a need to develop a range of service protocols to specify how the new service must be delivered. Officer working groups will be established to develop and document formal procedures. This will include the reorganisation of collection rounds.

A comprehensive communications plan will be developed to fully support the roll-out of the new service.

The roll-out itself is likely to take 6-8 weeks. This will be managed jointly by council officers and the appointed container suppliers. Veolia will commence collections as soon as all containers are in place.

The draft programme is set out below.

<b>Activity</b>	<b>Programme</b>	
<b>Procurement</b>	<b>Vehicles</b>	<b>Dec 2010 – Sep 2011</b>
	<b>Containers</b>	<b>Dec 2010 – July 2011</b>
	<b>Treatment Capacity</b>	<b>Dec 2010 – July 2011</b>
	<b>Depot Space</b>	<b>Dec 2010 – March 2011</b>
<b>Operational</b>	<b>Service Procedures Developed</b>	<b>Nov 2010 – July 2011</b>
<b>Communications</b>	<b>Annual Plan Developed</b>	<b>Nov 2010 – March 2011</b>

<b>Roll-out</b>	<b>Bin Distribution</b>	<b>September / October 2011</b>
	<b>New Collections Commence</b>	<b>October 2011</b>

## 8.0 Procurement

In order to implement the proposed changes, officers must procure new and additional collection vehicles, a range of new waste containers and capacity to sort mixed recyclable waste at a MRF. The timetable for this procurement is dependent on supplier waiting times and 'slots'. These are influenced by levels of demand and may lead to delay.

### Vehicles

There is a need for new vehicles – both for the dry recycling service and the organic waste service.

#### Dry recycling vehicles

With a lead time of up to 9 months, the acquisition of these vehicles will lead the overall procurement programme. There is provision within the existing Waste Services Contract for Veolia to undertake this procurement on the council's behalf, thus taking advantage of their preferential bulk purchasing arrangements. These vehicles will either be retained by Veolia should they win the next contract or transfer to any new contractor at book value.

#### Organic waste vehicles

10 Brent-owned organic waste vehicles must be replaced by January 2012 to comply with emissions legislation. Officers are investigating whether compliance can be attained through modification rather than replacement of these vehicles. If this can happen, then the potential saving will increase. If not, then the cost of procuring these is factored into the cost model. Again, there is provision within the existing Waste Services Contract for Veolia to purchase these vehicles.

### Containers

The required containers will be purchased using an approved and established procurement framework. Officers will develop a specification and will give notice to tenderers as soon as the Waste Strategy is formally adopted. Officers will seek subsequent Executive approval to award the container contract once a preferred supplier has been selected.

### Waste Treatment

Waste sorting capacity at a MRF may be provided by Veolia through a legal variation to the existing Waste Services Contract.

## 9.0 Conclusions



9.1 In conclusion, the revised Waste Strategy has been endorsed through public consultation and is potentially able to improve the council's recycling rate and deliver an annual saving of over £1million within 3 years.

## 10.0 Financial Implications

10.1 The proposals come at a net cost in 2001/12 but generate a £923K saving in Year 2 of implementation.

This saving is based on a comparison with the current method which requires an additional cost of £242k per annum from year 2 onwards for the replacement of the 10 organic waste vehicles. The replacement of these vehicles is still required in the proposed method and therefore will be met from the forecast savings.

The financial implications of implementing the recommended waste collection options have been developed through discussion with Veolia but can only be considered as indicative at this time. An officer from Finance and Corporate Resources was a member of the project team and verified that the Veolia cost model was a reasonable estimation of the likely costs of each option. The final costs will be the subject of further negotiations with Veolia.

10.2 The cost of the new dry recycling vehicles is based on Veolia making this investment and depreciating the value of these vehicles over 7 years. The vehicles would transfer (at book value) to either Brent or any incoming contractor at the end of the current contract.

10.3 The cost of new containers has also been calculated. It is possible that these should be financed through a leasing arrangement over 5 years to avoid a significant 'up front' capital outlay. Again, however Brent Finance will consider options for funding the estimated £1.7m capital cost of new containers and the estimated financing costs of these containers have been built into the cost model.

10.4 Whilst the costs have been developed through discussion with Veolia they remain indicative only. A number of issues remain unresolved and will need to be explored further as the project progresses and the operational requirements become better understood.

10.5 There will be minimal other costs in 2010-11 (printing, publicity, etc), and these will be contained within existing budgets.

10.6 The summary of comparative costs between the existing service (i.e. no change) and the preferred scenario is as follows:

	Year 1 Oct'11	Year 2 2012	Year 3 2013	Year 4 2014	Year 5 2015	Year 6 2016	Year 7 2017	Year 8 2018
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<b>Scenario 00</b>								
% Diversion	28.3%	28.7%	29.0%	29.4%	29.4%	29.4%	29.4%	29.4%

Waste Collection Strategy – Executive 15<sup>th</sup> November 2010 V7.0

Collection K£ PA	6,170	6,170	6,170	6,170	6,170	6,170	6,170	6,170
Other Costs K£ PA	80	322	322	322	322	322	322	322
Treatment K£ PA	7,743	8,326	8,914	9,496	10,110	10,723	11,337	11,950
<b>Total k£ PA</b>	<b>13,993</b>	<b>14,818</b>	<b>15,406</b>	<b>15,988</b>	<b>16,602</b>	<b>17,215</b>	<b>17,829</b>	<b>18,442</b>

#### Scenario 6B

% Diversion	41.3%	49.0%	51.8%	53.1%	53.1%	53.1%	53.1%	53.1%
Collection K£ PA	5,932	5,694	5,694	5,694	5,694	5,694	5,694	5,694
Other Costs K£ PA	918	711	711	711	711	723	711	418
Treatment K£ PA	7,632	7,490	7,709	8,020	8,416	8,812	9,208	9,604
<b>Total k£ PA</b>	<b>14,482</b>	<b>13,896</b>	<b>14,115</b>	<b>14,426</b>	<b>14,822</b>	<b>15,230</b>	<b>15,614</b>	<b>15,716</b>
Saving	-495	923	1,292	1,563	1,781	1,986	2,216	2,726

The Year 1 net cost of £495K assumes implementation from October 2011. The full year cost/savings comparison for implementation in each of the months from October

2011 to March 2012 is set out below. This shows the net cost will rise by roughly £60K for every 1 month's delay. If implementation slips to April 2012 the Year 1 cost will be 140K and all savings will slip one year.

OCT	NOV	DEC	JAN	FEB	MAR
-495	-553	-611	-670	-728	-786

It must also be noted that there may be one-off costs associated with the disposal of obsolete vehicles, but these are not possible to estimate at this stage. Redundancy costs have been estimated at £100K in the first year of implementation.

## 11.0 Legal Implications

11.1 Section 357 of the Greater London Authority Act 1999 ('the Act') requires the Council to notify the Mayor of London when it proposes to make amendments to an existing waste contract. Officers will need to ensure that they comply with the requirements of the Act when undertaking consultation on proposals for the waste collection.

11.2 It is proposed that the Council procure containers using an approved and established framework agreement established by another contracting authority. Contract Standing Order 86 (d) indicates that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority where the framework agreement is recommended by the relevant Chief Officer provided that the Borough Solicitor has advised that participation is legally permissible and approval to participate has been obtained from the Director of Finance and Corporate Resources save that any High Value contract may only be awarded on the approval of the Executive. As any contract for containers called off a framework would be a High Value contract, Executive approval will be required prior to letting such contract.

11.3 It is proposed that the Council vary its existing contract with Veolia with regard to Waste Treatment. Further legal implications are contained in Appendix C of this report regarding this issue.

## **12.0 Staffing/Accommodation Implications**

12.1 Maintaining high levels of participation and material capture will require a reprioritisation of the work of the Council's StreetCare Officers.

12.2 Monitoring and eliminating contamination of recycling containers will similarly require a reprioritisation of work.

12.3 Removing trade waste from the household stream will require a reprioritisation of the work of StreetCare's Enforcement Team.

## **Appendices**

Appendix A	Draft Waste Strategy Consultation Results
Appendix B	Draft Brent Waste Strategy 2010 – 2015
Appendix C	Legal Implications
Appendix D	WLWA response to consultation.

## **Background Papers**

1. SLR Consulting Report
2. Draft Waste Strategy – Policy Summary
3. Waste Collection – Options Development

## **Contact Officers**

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**Household Waste Collection Strategy Survey  
Interim Topline Summary as at 1 November 2010**

**1. To what extent do you agree or disagree with the following statements about the proposed waste collection service?**

	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Total
	PERCENTAGE					
The new and bigger recycling bin and the new food waste collection scheme will help me reduce the amount of waste that I send to landfill:	43.6%	25.8%	9.2%	7.6%	13.7%	100%
In order to reduce the amount of waste that ends up in landfill, only the waste that fits in the grey bin should be taken:	28.0%	26.1%	12.9%	16.7%	16.4%	100%
The Council should explore opportunities to reward residents who recycle regularly and without contamination:	40.7%	27.9%	14.1%	9.3%	8.0%	100%

**2. To what extent do you agree or disagree with the following statements on the new recycling service for blocks of flats?**

	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Total
	PERCENTAGE					
The new recycling service will reduce the time and effort required to recycle as one bin will accept all the materials that I can recycle:	39.5%	31.5%	18.9%	3.2%	7.0%	100%
The introduction of new materials for recycling will allow me to send less waste to landfill:	54.6%	27.5%	10.9%	2.1%	4.9%	100%
The introduction of the new food waste collection scheme for suitable blocks of flats will improve my local area:	32.1%	26.1%	29.3%	4.3%	8.2%	100%

**3. Can you think of any good examples of waste minimisation that the Council should consider?**

Total Responded to this question:	65.3%
Total who skipped this question:	34.7%
Total:	100.0%

**4. Please use this space for other comments you may have on the waste strategy:**

Total Responded to this question:	68.1%
Total who skipped this question:	31.9%
Total:	100.0%

**5. Are you....?**

Responses

Male:	43.4%
Female:	56.6%
Total Responded to this question:	87.8%
Total who skipped this question:	12.2%
Total:	100.0%

**6. What is your age group?**

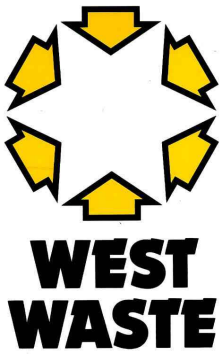
Responses

Under 18:	0	0.0%
18-24:	3	1.1%
25-34:	56	19.8%
35-44:	54	19.1%
45-54:	71	25.1%
55-64:	62	21.9%
65-74:	30	10.6%
75+:	7	2.5%
Total Responded to this question:	283	88.4%
Total who skipped this question:	37	11.6%
Total:	320	100.0%

**7. Which one of these groups do you feel you belong to?**

Responses

Asian Indian:	32	12.0%
Asian Pakistani:	5	1.9%
Asian Bangladeshi:	1	0.4%
Asian Other:	2	0.8%
Black African:	0	0.0%
Black Caribbean:	3	1.1%
Black Other:	5	1.9%
Chinese:	4	1.5%
Mixed White and Asian:	0	0.0%
Mixed White and Black African:	0	0.0%
Mixed White and Black Caribbean:	0	0.0%
Mixed Other:	3	1.1%
White British:	150	56.4%
White Irish:	11	4.1%
White Other:	39	14.7%
Other Ethnic Group:	11	4.1%
Total Responded to this question:	266	83.1%
Total who skipped this question:	54	16.9%
Total:	320	100.0%



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**West London  
Waste Authority**

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Telephone 020 8587 1770  
Fax 020 8560 5684

jimbrennan@westlondonwaste  
.gov.uk

Date: 19<sup>th</sup> October 2010

Your ref:

Dear Sir / Madam,

**Household waste and recycling collection strategy consultation**

Thank you for the opportunity to comment on your new collection strategy. The Authority welcomes and supports your new strategy and we look forward to working with you to deliver the stretching, but achievable targets that you have set yourselves.

The strategy document itself is well researched and presents clearly the evidence base for the policies that you are planning to adopt. Your new vision to improve services is clearly stated and easy to understand. Your proposed policies support those in the West London Waste Authority Joint Municipal Waste Management Strategy, and indeed, in some areas exceed the current targets, and address the goals in the Authority's new vision.

The focus on waste minimisation and re-use is welcomed. With our new Waste Minimisation Coordinator in place the Authority is able to provide a sub regional lead in this area providing a joined up message and efficiencies where possible across the six constituent boroughs. Your own annual plans and projects will need to be developed with this in mind.

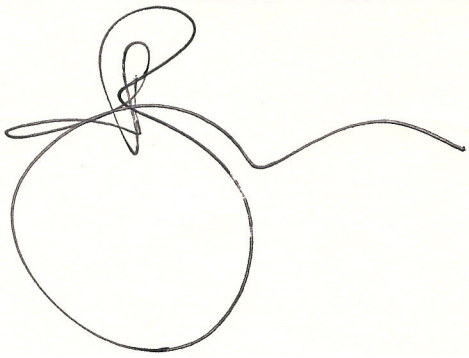
As your agents for the provision of the Household Re-use and Recycling Centre, we share your vision for its future development and look forward to working with you to provide even greater opportunities for residents to recycle, compost and re-use. We will also be keen to understand and address the recent dip in customer satisfaction survey results.

The support and engagement of your residents will be vital in achieving your targets; hence your communications plans will be vital. As well as informing residents of new service improvements, your communications plan should include for feedback on results achieved, celebration of successes and provide a means of thanking residents for their co-operation and support.

Finally, when your consultation is complete and you begin the detailed service planning for change and implementation it is important that you involve the Authority as early as possible to allow us to put in place any additional capacity that you may require at organic and other waste treatment plants.


I look forward to working in partnership with you to deliver the targets that you have set in your new strategy.

Yours sincerely,

A handwritten signature in black ink on a light yellow background. The signature is highly stylized, starting with a large, loopy 'J' that loops back down and around to the left. A horizontal line extends to the right from the top of the 'J', followed by a wavy line that ends in a small hook.

Jim Brennan  
Director



	<p><b>EXECUTIVE</b>  <b>15 November 2010</b></p> <p><b>Report from the Director of          Environment and Neighbourhood          Services</b></p>
Wards affected <b>1.0</b>	
<p><b>Changes to the waste disposal levy mechanism</b></p>	

## 1.0 Summary

- 1.1 This report describes a proposed change to the current mechanism for payment to the West London Waste Authority (WLWA) for the disposal and treatment of waste.
- 1.2 WLWA approved the change at their meeting on the 21<sup>st</sup> July 2010.
- 1.3 WLWA's 6 constituent Boroughs, including Brent, need to formally confirm their acceptance of the new arrangements.
- 1.4 It is intended the new mechanism (Pay as You Throw) should take effect from 1 April 2011

## 2.0 Recommendations

- 2.1 That the Executive note the rationale behind the switch to a new levy mechanism.
- 2.2 That the Executive agree the new "Pay as You Throw" levy mechanism be adopted for implementation in 2011-12

## 3.0 Detail

- 3.1 The council, along with other 5 other constituent boroughs, pays the West London Waste Authority annually for the disposal and treatment of collected waste. This payment is known as the waste disposal levy.
- 3.2 The current levy mechanism is based on a set levy (in three parts covering household waste (apportioned on estimated tonnages), Civic Amenity site waste (apportioned on the previous year's tonnage) and other costs (apportioned on council tax base), supplemented by Section 52(9) charges and the payment of COWSLOPS rebates:
- 3.3 **Section 52(9) charges** come from Section 52(9) of the Environmental Protection Act 1990. It allows a Waste Disposal Authority to be reimbursed by Waste Collection

Authorities (i.e. the Boroughs) for disposal of Commercial & Industrial waste collected within the WDA area. In practice, Section 52(9) charges are made for all waste above the tonnages agreed by each borough for household waste and Civic Amenity site trade waste as part of the Levy.

**3.4 COWSLOPS** stands for Collected Organic Waste Statutory Levy Offset Payment Scheme and this recognises the lower costs of disposal that WLWA has for segregated waste such as organic waste. Boroughs fund this through the Levy and get it back by raising invoices to the WLWA.

3.5 This 3-part system is not considered ideal. It is based variously on estimated tonnages, historic tonnages and the council tax base, none of which reflect actual waste disposed of. Estimates are submitted prior to each financial year. The main disadvantages of this approach are:

- It does not provide an immediate reward for diversion from landfill
- It makes forecasting and accounting extremely complicated
- It does not offer a flexible response to changes in waste arisings
- It does not provide responsive management information
- It creates an administrative burden around invoicing and rebates.

3.6 Any approach that could focus more on waste tonnages actually deposited for disposal or treatment, rather than predicted tonnages, would give the council better opportunity to influence its waste disposal costs.

### **Review**

3.7 In order to initiate change WLWA and the boroughs established a review to:

- Identify and evaluate alternative mechanisms to the current Levy regime
- Consider whether the current COWSLOPS regime could be improved or be replaced with something more equitable and effective

3.8 To facilitate the review and ensure full engagement and involvement of all seven partners, several workshop sessions were held to:

- Ensure that all partners had a full understanding of waste finance issues and terminology
- Identify options for change
- Evaluate and assess those options, in terms of advantages and disadvantages and financial impact
- Draw conclusions and recommend a way forward.

3.9 Four main options for a viable levy mechanism were determined as:

- The default levy mechanism as per current legislation, where the levy is set and allocated on the basis of previous actual waste tonnages and council tax base. Any service changes or innovations brought in by Boroughs would not yield benefits for a further two years

- The status quo, which is an enhanced version of the default mechanism where credit is given to Boroughs for their actions on organic waste diversion through the COWSLOPS rebate regime
- A levy mechanism that operates as now, but with a more refined organics rebate regime that is more equitable in terms of costs and covers more methods of treatment that divert organic waste from landfill
- A “pay as you throw” levy mechanism, similar to the one recently implemented by Western Riverside Waste Authority (WRWA) whereby Boroughs have a charge for Authority overheads and fixed costs, but all costs relating to the disposal of waste are charged monthly in arrears, based on the actual tonnages delivered to the Waste Authority in that period. **Under this mechanism, there would be no need for Section 52(9) charges or a COWSLOPS rebate.**

3.10 The default mechanism option was disregarded almost immediately as this was seen as a retrograde step for all partners. The remaining three options were assessed using non-financial criteria agreed by all the partners. These criteria were also weighted in terms of importance.

3.11 The criteria were chosen for their relevance to the mechanism and how important aspects of waste disposal (and its cost) may be affected by any change. The criteria are laid down in the table below. More details on the rationale behind the choice of criteria can be found at **Appendix I**.

Criteria
Quick response to changes
Aids budget monitoring
Ease of estimation / Responsive Management Information
Allows uptake of new waste streams
Administrative burden of invoicing/rebates
Encourages recycling
Encourages waste minimisation
Encourages composting
Encourages recovery / re-use
Tried and tested mechanism
Transparency / ease of understanding
Recovery of the Authority fixed costs
Equity across Boroughs
Consistency of rates

The scores from the evaluation exercise are shown in the table below (full details can be seen at **Appendix I**).

Criteria	Status quo	Enhanced Rebate Scheme	"Pay as you throw"
% Score	52%	59%	72%
Ranking	3	2	1

As can be seen, the “Pay as You Throw” option is clearly the most favourable option in non-financial terms.

- 3.12 The financial implications of a move to such a mechanism are vitally important and needed to be taken into consideration. With a change in emphasis on the basis and allocation of costs across the six Boroughs, it is likely that there will be “winners” and “losers”, in terms of increased or decreased levy payments. Depending on the size of the change in allocation, this may be acceptable as the longer term benefits of a mechanism which instantly rewards diversion from landfill and waste minimisation should outweigh short-term increases in cost for a particular Borough.
- 3.13 A financial model was developed to show how the new levy mechanism will work in practice and to give comparisons with the current levy system. Finance officers and officers from each of the Boroughs have reached consensus on the principles and design of the new levy. The financial impact on individual Boroughs that will result from this move to a new type of mechanism are minor and have been assessed as acceptable by all constituent Boroughs’ officers, in return for a more adaptive and responsive levy mechanism – one that immediately rewards Boroughs for increased diversion from landfill.
- 3.14 The table below shows the impact of the change in levy mechanism by re-casting the 2010 Budget using the new mechanism and comparing it to the current Levy.

Changes for the constituent Boroughs range from an increase of 2.1% to a decrease of 1.4%. Brent would benefit from a 0.3% reduction in total cost (incidentally, recent data shows waste tonnages to be less than had been forecast this year). The levy will continue to include a fixed cost (estimated £1.7million for Brent) to cover WLWA’s operational overheads – staff, premises, vehicles, etc. This will be apportioned on the council tax base.

	PROPOSED Total under "Pay as You Throw" £0	CURRENT Current Levy £0	CURRENT s52(9) £0	CURRENT COWSLOPS £0	CURRENT Comparative Cost £0	CURRENT Difference £0	% change
Brent	9,462	9,410	715	-638	9,487	-25	-0.30%
Ealing	10,003	9,827	609	-542	9,894	109	1.10%
Harrow	6,339	6,983	257	-845	6,395	-56	-0.90%
Hillingdon	7,607	7,930	145	-425	7,650	-43	-0.60%
Hounslow	8,640	7,952	907	-100	8,759	-119	-1.40%
Richmond	6,632	6,539	275	-316	6,498	134	2.10%
	<b>48,683</b>	<b>48,641</b>	<b>2,908</b>	<b>-2,866</b>	<b>48,683</b>	<b>0</b>	

- 3.15 The positive point to note is that since this new mechanism focuses on waste tonnages actually deposited for disposal or treatment, rather than predicted tonnages, Brent has the opportunity to influence its costs better than before. As a result, any comparative increase in costs indicated in the table will be directly affected by any changes that Brent makes to its services.

### **Next Steps**

- 3.16 From both the non-financial options appraisal and assessment of the financial implications by WLWA and the constituent Boroughs, officers recommend a move to a “Pay as You Throw” levy mechanism.

- 3.17 This is a fundamental shift in the way the Levy mechanism operates, and the next step towards adoption and implementation of “Pay as You Throw” is therefore for the constituent Boroughs to adopt the new mechanism in readiness for the start of the 2011-12 Budget Review.
- 3.18 It is intended the new “Pay as You Throw” mechanism will take effect from 1 April 2011.

#### **4.0 Financial Implications**

- 4.1 The financial implications are set out in sections 3.13-3.16 of this report. By way of illustration, re-casting the 2010 Budget using the new mechanism and comparing it to the current levy shows the council would have benefited from a 0.3% reduction in the total annual cost. As described, this new mechanism focuses on waste tonnages actually deposited for disposal or treatment, rather than predicted tonnages. The council will therefore be better able to influence costs particularly through implementing any change to the service that might divert waste from landfill.
- 4.2 Currently, the waste levy budget sits centrally with Finance and Corporate Resources whilst the budget for Section 52(9) and COWSLOPS is held by StreetCare. As these various charges are rationalised through the proposed introduction of ‘Pay as You Throw,’ this gives an opportunity to review budgetary arrangements for waste disposal.

#### **5.0 Legal Implications**

Under the Joint Waste Disposal Authorities (Levies) (England) Regulations 2006, the amount levied by a Waste Disposal Authority may be made “in such proportions as all the constituent councils may agree”. Therefore a new levy mechanism can be adopted only with the unanimous support of all the constituent Boroughs. Failure to achieve universal approval will mean that the current or default mechanism would continue to apply.

#### **6.0 Staffing/Accommodation Implications**

None

#### **Appendices**

Appendix I Levy Options Appraisal

#### **Contact Officers**

Chris Whyte  
Head of Environmental Management 020 8937 5342

SUE HARPER  
Director of Environment and Neighbourhood Services

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Criteria	Comments
Quick response to changes	Any levy mechanism should not hinder a Borough's efforts on recycling, landfill diversion or waste minimisation. Boroughs should see an almost instant benefit for any innovation or improvement
Aids budget monitoring	With the present system of an estimated waste tonnage, supplemented by section 52(9) charges for additional tonnage, it has been difficult to predict an accurate outturn position, both for the Boroughs and the Authority. A new mechanism should improve this situation
Ease of estimation / Responsive Management Information	Linked to the point above, in any mechanism there will need to be an estimation of tonnages for the year. A mechanism that can encourage this and timely and accurate management information would be beneficial
Allows uptake of new waste streams	A levy mechanism needs to be flexible enough to cope with the introduction of new waste streams for materials being diverted from landfill, by whatever means
Administrative burden of invoicing/rebates	The current mechanism means an exchange of invoices between partners, so any new one should look to minimise the need for invoicing, etc.
Encourages recycling	Any mechanism should promote improved recycling and quickly reward efforts on this
Encourages waste minimisation	As above, the same is true for waste minimisation
Encourages composting	As the two points above
Encourages recovery / re-use	The current mechanism makes no allowance for the "reward" of recovery and/or re-use, but any new one should do
Tried and tested mechanism	There would be a risk to the partnership if any mechanism adopted did not have a history of success elsewhere
Transparency / ease of understanding	The current mechanism is fairly complex and hard to follow – a new mechanism should improve on this

Criteria	Comments
Recovery of the Authority fixed costs	It is vital that any mechanism adopted does not leave the Authority and its unavoidable costs exposed
Impact on LATS apportionment	A levy mechanism should provide a clear audit trail for the equitable and accurate apportionment of LATS, be that for purchase of LATS, their sale or the application of LATS penalties
Equity across Boroughs	With the current mechanism, there has been concern that the rebate scheme does not always provide equitable compensation for an individual Borough's efforts
Consistency of rates	If a mechanism provides for a schedule of rates to be charged dependent on how waste is treated, then those rates must be accurately calculated and be consistently applied, i.e. one rate for all partners for a particular waste treatment



<b>Criteria</b>	<b>Status quo</b>	<b>Enhanced Rebate Scheme</b>	<b>"Pay as you throw"</b>
Quick response to changes	6.00	6.00	12.00
Aids budget monitoring	12.99	11.13	14.84
Ease of estimation / Responsive Management Information	14.13	14.13	14.13
Allows uptake of new waste streams	7.72	11.58	15.44
Administrative burden of invoicing/rebates	16.00	14.00	12.00
Encourages recycling	12.00	14.00	16.00
Encourages waste minimisation	12.42	12.42	16.56
Encourages composting	8.28	12.42	12.42
Encourages recovery	3.86	11.58	11.58
Tried and tested mechanism	12.15	9.72	4.86
Transparency / ease of understanding	8.86	4.43	17.72
Recovery of the Authority's fixed costs	14.84	14.84	11.13
Impact on LATS apportionment	9.42	14.13	18.84
Equity across Boroughs	9.14	13.71	18.28
Consistency of rates	8.86	13.29	17.72
<b>TOTAL SCORE</b>	<b>156.67</b>	<b>177.38</b>	<b>213.52</b>

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	<p style="text-align: center;"><b>Executive</b> 15 November 2010</p> <p style="text-align: center;"><b>Report from the Director of Housing and Community Care</b></p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p><b>Awards of new contracts to incumbent providers of housing support services for people with Mental Health needs.</b></p>	

**Appendix 1 to this report is not for publication**

## **1.0 Summary**

### **1.1**

This report seeks an exemption from the tendering requirements of Contract Standing orders in relation to contracts for housing support services for people with mental health needs, in accordance with Contract Standing Order 84. It further seeks approval to negotiate and award new contracts to the existing providers for a period of one year commencing from 1st December 2010 with an option to extend for a further period of up to one year.

## **2.0 Recommendations**

2.1 The Executive to approve an exemption from the tendering requirements of Contract Standing Orders pursuant to Contract Standing Order 84 for the reasons set out in paragraph 5 of this report in order to allow for the direct award of new contracts for housing support services as set out in paragraph 2.2 of this report.

2.2 The Executive to delegate authority to the Director of Housing and Community Care to directly award to the existing service providers as listed in Appendix 1 to this report, new contracts for housing support services for people with mental health needs for the period from 1<sup>st</sup> December 2010 to 30<sup>th</sup> November 2011 with the option to extend until 30<sup>th</sup> November 2012. .

2.3 Note that the Director of Housing and Community Care will negotiate contract price reductions with regard to the new contracts providing that service quality can be maintained.

## **3.0 Background – Supporting People**

- 3.1 The Supporting People (SP) programme is a national programme to commission the provision of housing-related support for vulnerable people to help gain, increase or maintain their independence. Supporting People funds the provision of 'floating support services' and (support to service users in their own home where the Support Worker moves to support someone else when support is no longer needed) and 'accommodation based services' (support tied to accommodation where the service user living in a hostel or supported housing scheme receives support as a condition of occupation).
- 3.2 The Supporting People programme commenced in April 2003. The funding for 2010/11 is £12.36 million. The Comprehensive Spending Review October 2010 has announced a small reduction of 12% over 4 years in the Supporting People Grant nationally. However, full details of the allocation of local grant, and the approach to be taken regarding the SP grant contribution to overall Council savings requirements, have yet to be agreed. In this context it has not yet been possible to set a budget for future Supporting People services, including for the future contract prices for these services. However, it is clear that savings will be required, and negotiations have already started with providers to deliver short term savings.
- 3.3 At the Executive meeting on 29<sup>th</sup> of May 2007, approval was given to set up the Supporting People Commissioning Framework which set out a procurement programme for SP services over a five-year period. This involved the completion of a Strategic Review of groups of services according to client groups to inform future procurement, commissioning and tendering of SP services. At the end of 2007 a Strategic Review of services for Mental Health was completed and was reported to the Supporting People Commissioning Body in February 2008.
- 3.4 The Strategic Reviews of services for Mental Health which were formally reported in 2008 recommended that the existing housing support services should be procured going forward by way of a framework arrangement in accordance with Contract Standing Order 84. The Executive meeting in 26<sup>th</sup> of May 2009 agreed to give approval for pre-tender considerations and criteria to be used to evaluate tenders for the procurement of three framework agreements for housing support services for people with mental health needs. However, the procurement exercise was terminated because tenderers were unable to fulfil Pre-Qualification Questionnaire requirements within the reduced cost requirements so the Executive is asked to allow exemption from tendering and the direct award of interim new contracts to allow time for re-tendering to take place.
- 3.5. The recent Comprehensive Spending Review funding reductions mean that Supporting People funding over the next 4 years is currently uncertain. Service providers may need to deliver short and medium term contract price savings of up to 25%. We are exploring ways of addressing this in partnership with the West London Alliance and when future procurement options are appraised, our intention is to re-commence the tendering process as soon as possible by the end of 2011. In the meantime current providers are willing to

make immediate efficiencies to deliver short term savings and to continue to deliver services that are strategically relevant.

- 3.6 The Core Strategy Group and strategic Commissioning Body partners, including Brent Probation and NHS Brent, met in August 2010 and agreed that services for people with mental health needs could be negotiated to generate immediate savings to allow time for contract re-tendering to take place.

**4. Current Pattern of Supporting People (SP) Funded Provision of Mental Health Housing Support**

- 4.1 The SP grant spent on specialist mental health housing support services is £2.32 million per year (20010-11), about 18.4% of the annual SP budget.

The number of users of Mental Health services receiving specialist SP services has increased by 60% since 2003, (within a reducing budget) with approximately 441 users at any one time now receiving services specifically for those with a mental health need. Adult Social Care and Brent NHS provide additional funding of approximately £2.87m.

- 4.2 The range of SP funded Mental Health housing support services provided in Brent includes:

<b>Accommodation based services:</b>	<b>Floating Support/Outreach Services:</b>
An Accommodation based service for users with Dual Diagnosis (severe and enduring Mental Health issues with or without substance misuse). (11 Units)	Outreach service focusing on support to Move-On within the Borough - (75 users)
Accommodation based services consisting of shared schemes/group Homes (161 Units),	A Floating support service to focus specifically on users who have resided in Group homes for a lengthy period of time as well as providing support to the community (183 + users)
Purpose built self contained accommodation (10 units), Accommodation used by Brent HRC (Housing Resource Centre) to house users with Mental Health needs who have made a Homeless Application (20 units).	
Total (192 users)	Total (258 users)
<b>Grand total of 450 Users</b>	

4.3 Supporting People contracts with mental health providers are currently in place for the financial year 2010/11 for the provision of housing support services. These current contracts were approved by the Executive to operate until 30<sup>th</sup> September, 2010 and since expiration date the providers have continued to provide the housing support services by way of implied contracts. Please see Appendix 1

5.0 **Justification for exemption from immediate tendering and for negotiating savings with current providers**

5.1 The proposal is to carry out a negotiation exercise with existing providers in order to enter into new contracts for a maximum of 2 years. To support this, criteria for contract negotiations have been developed, including price, quality, value for money and outcomes. The aim is to negotiate contract savings of up to c25% over the period of the new contracts with minimal impact on service delivery and outcomes.

5.2 We are also assessing future procurement options with partners in NHS Brent and the West London Alliance, who have a good track record of savings delivery in Housing and Adult Social Care services. The West London Alliance is currently looking at a range of potential Supporting People savings projects across the sub-region, including joint procurement. Once these procurement options been appraised our intention is to recommence the tendering of these housing support services. It is hoped that this will happen quite quickly but flexibility is sought in relation to the proposed new contracts for this reason (one-year contracts with the option to extend for up to a further one year). The option to extend where this is needed will only be exercised if the services remain strategically relevant and providers have performed satisfactorily.

5.3 Current discussions with providers are demonstrating that good short term savings and value for money will be achieved, and that performance indicators and outcome measures can be improved. A new specification has been agreed to improve the strategic relevance of the services. Providers are willing to remodel services where necessary to support local, national priorities and commissioning strategies.

5.4 The strategic Supporting People Commissioning Body partners which include NHS Brent, Children and Families Dept and Probation , support the position set out in this report and the proposed recommendations.

6. **Monitoring**

6.1 Supporting People services are monitored by the Supporting People Unit. The current providers are required to submit quarterly monitoring data on their performance to the Supporting People Team and attend regular meetings for this. Additionally, the Supporting People team also conduct an annual Quality Assessment Framework review of the service.

6.2 It is proposed that the future monitoring of contracts will be more service user centred, outcome focussed and assess how services are meeting good quality service standards within the resources available. Providers will be required to submit regular monitoring data to inform the National Performance Indicator data set. All monitoring will be carried out by the Supporting People team and will also draw on stakeholder feedback.

## **7.0 Financial Implications**

7.1 The Supporting People Grant totals £12.36 million per year which funds housing support provided by a range of agencies in Brent. The SP grant spent on specialist mental health housing support services is £2.32 million per year (2009-10), about 18.4% of the annual SP budget.

7.2 Contract negotiations for these services would ensure that a saving of £232,000 are likely to be possible over the next two years and any future agreed contract sums are less than the current contract prices where possible, and that the such savings would not have an adverse impact on Health, Adult Social Care and Probation. There is also scope to remodel services which will cater for people with critical and enduring mental health needs.

7.3 There are no additional financial implications arising from the recommendations set out in this report.

## **8.0 Legal Implications**

8.1 The report recommends that all the Supporting People Services for the Mental Health client group should be exempt from the normal requirements of tendering set out in Contract Standing Orders.

8.2 The authority for the Executive to grant an exemption from tendering requirements is in Contract Standing Order 84, and this requires that the Executive can only grant the exemption where there are good operational and financial reasons for doing so. The Executive therefore needs to consider whether the grounds stated constitute good operational and financial reasons for not tendering. Normally the fact that service providers are performing well is not sufficient to replace the requirement for tendering. Neither would any potential savings to the Council justify not opening a procurement to competition. .

8.3 In considering the recommendations in this report Members also need to be satisfied that the proposed course of action will deliver Best Value for the Council. One of the clearest ways of demonstrating Best Value is through periodic tendering of contracts..

8.4 These services are Part B services under the Public Contracts Regulations 2006 (the EU Regulations) and are thus exempt from the full tendering requirements of the EU Regulations. However award of a Part B contract is subject to over-riding obligations of fairness and transparency and there is

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Meeting  
Date

Version no.  
Date

certainly EU case law to suggest that even part B contracts should be subject to some form of advertising. However this is subject to an analysis of the nature of the service and whether there is likely to be cross-Europe interest. This appears to be unlikely owing to the nature of the services under reference so the risk of a challenge by the European Community is low. However the risk of a successful challenge by local service providers cannot be discounted. The limitation of the contract period for the new contracts, the fact that a previous tender exercise was undertaken albeit aborted and a proposal to open the procurement of the service to competition going forward (which process would have been completed and contracts awarded by the expiration date of the new contracts) are all be mitigating factors which may assist the Council's defence if indeed legal challenge occurs.

- 8.5 Approval should have been obtained from the Executive for the entering into of new contracts prior to the expiration date of the existing contracts on 30<sup>th</sup> September, 2010. The present implied contracts with the existing service providers were not approved by the Executive.
- 8.6 As the level of funding for the proposed new contracts is not guaranteed, a risk could arise and in order to mitigate this a term will be inserted in the new contracts to give the Council the right to terminate the contracts prior to their expiration date with notice in the absence of fault where it is found that there is insufficient funding.

## **9.0 Diversity Implications**

- 9.1 Contracts currently require providers of housing support services to deliver services which are:
- culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent;
  - able to offer service users a male or female Support Worker where specifically requested
  - are able to undertake partnering arrangements with local community groups and specialist providers
- 9.2 The new contracts will continue to require providers to deliver services in this way
- 9.3 An Equality Impact Assessment looking at the potential impact of price reductions are in progress. The outcome of these will be considered when agreeing contract price reductions, to minimise untoward impact.

## **Background Papers**

Supporting People Grant Conditions (CLG)  
Brent Supporting People Strategy 2005/10 and updates 2010-14  
Strategic Review of Mental Health services (May 2008) and updates 2009



**Contact Officers**

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MARTIN CHEESEMAN  
Director of Housing and Community Care

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**Executive**  
15 November 2010

**Report from the Director of  
Housing and Community Care**

Wards Affected:  
ALL

**Authority to award a call off contract from London  
Collaborative Procurement Framework Agreement for the  
provision of Community Equipment Service**

## 1. Summary

- 1.1. This report requests approval pursuant to the Council's Contract Standing Orders for the award of a call off contract from a framework agreement following a successful collaborative procurement exercise for the provision of a Community Equipment Service through a consortium of London Boroughs led by the Royal Borough of Kensington and Chelsea (RBKC).

## 2. Recommendations

- 2.1. That the Executive notes the award of framework contract to Medequip Assistive Technology Limited (Medequip) for the provision of Community Equipment Services (the Framework) following a collaborative procurement exercise carried out by the Royal Borough of Kensington and Chelsea.
- 2.2. That the Executive approves the award of a call off contract from the Framework to Medequip for the provision of a Community Equipment Service to the London Borough of Brent for the period from 1<sup>st</sup> July 2011 up to 31<sup>st</sup> March 2015 with provision for extension as set out in the Framework agreement.
- 2.3. That the Executive delegates the authority to the Director of Housing and Community Care and the Borough Solicitor to finalise the Access Agreement required under the Framework to establish contractual terms with Medequip and the Royal Borough of Kensington and Chelsea.

## 3. Background

- 3.1. The Community Equipment Service in Brent is currently run through a partnership between the Council and the Brent Teaching Primary Care Trust (also known as NHS Brent). There is a partnership agreement between the Council and PCT under powers set out in section 75 of Health Act 2006

which includes a pooled budget. Both parties contribute equally to the pooled budget. The Council is the lead body for the partnership and as such awarded the current contract for supply of Community Equipment for use by both the Council and the PCT.

- 3.2. Local authorities are required by law to assess ordinary residents who present themselves in need of social care. Based upon a needs assessment carried out by a professional such as an occupational therapist, fair access criteria and the financial position of the individual resident, local authorities are required to offer a range of services, one of which is the provision of Community Equipment Services so as to enable residents to remain living at home. Equipment can range from walking sticks through to bath aids and specialist beds. Due to legislation this service is not subject to means testing as it is part of the Government's health prevention agenda.
- 3.3. Similarly Primary and Acute Health Trusts need to provide equipment to meet the health needs of residents being cared for at home.
- 3.4. In 2000 the Department of Health (DH) published a recommendation to local authorities and health trusts that consideration should be given to the integration of their community equipment services into a single operation/service (Integrated Community Equipment Service – ICES). Although acceptance of the recommendation was not mandatory most London Authorities and the Primary/Provider Care Trusts (PCT) including the London Borough of Brent and Brent tPCT adopted the recommended model. Typically, a London Borough and its health partner issue and collect 10,000 plus pieces of equipment annually at a cost of £1.1m.
- 3.5. Each local authority/PCT in London (with the exception of RBKC and Hammersmith and Fulham) procured an ICES service provider independently. Due to the limited number of potential service providers a large number of local authorities ended up with a common provider (either Millbrook Healthcare or Medequip Assistive Technology). Brent Council's current contract is with Millbrook and the contract expires on 30<sup>th</sup> June 2011, though it has the potential for a contract extension of up to a year. A significant number of these arrangements across London are now due to be re-let. Under the current contract, there is provision of on-line ordering of equipment, and then supply and delivery of the equipment by Millbrook.
- 3.6. A number of London Boroughs have over the last nine months been working together to explore ways in which the Community Equipment Service can be more responsive to the needs of Service Users and how operational efficiencies can be achieved. The West London Consortium, now the London Consortium is a collaborative body made up of the Boroughs of Kensington and Chelsea, Camden, Brent, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow, Southwark, Wandsworth, Westminster, Barking and Dagenham and Ealing. These discussions have been led by the Royal Borough of Kensington and Chelsea (RBKC).
- 3.7 RBKC subsequently tendered a single-provider Framework for use by the

consortium of London Boroughs. The contract was expressed to be for the use of the health and local authorities. This report is now requesting authority for the Council to award a call-off contract to the Framework provider, Medequip. The move to the Framework will not change significantly the way in which either prescribers or service users use the community equipment service as the online ordering and subsequent delivery processes are similar.

- 3.8 The decision to move to the Framework rather than use the second year of the extension to the current contracted service was based upon the need to ensure that budget available to the Community Equipment Service was being used in the most cost effective manner and our understanding of other major factors such as the Department of Health Prescription Model (see paragraph 6.2 below), upcoming GP commissioning, the Government spending review; all factors that could reduce the budget and impact on our ability to negotiate value for money pricing, mean that a move to the consortium sooner rather than later will give the Borough those economies of scale. The ability to jointly work with local boroughs and health providers to provide a better service and allow the council to benefit from initiatives such as linking Council and Health IT systems to the ordering portal.

#### **4. Partnership Outcomes**

4.1. The envisaged advantages of Brent's participation in the Framework are:-

- 4.1.1. Lower costs by maximising the joint purchasing power of the participating local authorities, including the move to generic products;
- 4.1.2. Greater use of non standard stock thereby increasing the use of returned specials. Specials are bespoke or very specialised and expensive items of equipment (often paediatric) that are bought by the Community Equipment Service and have been returned by the user as they are no longer needed, Examples are paediatric chairs and specialised shower chairs.
- 4.1.3. Service efficiencies in terms of common processes and documentation;
- 4.1.4. A forward looking information system that supports future changes; and
- 4.1.5. Directly influencing service provider's contract management and developmental processes through the consortium of London boroughs.

#### **5. Contractual Arrangements**

- 5.1. The framework agreement was concluded between the Royal Borough of Kensington and Chelsea (RBKC) and Medequip with a start date of 1<sup>st</sup> April 2010. The contract was tendered and awarded according to RBKC standing orders and contract procedures. The prices for supply of equipment are those set out in nationally agreed standards.
- 5.2. In order to enter into a contractual relationship with Medequip, the Council will need to enter into a three-way Access Agreement with Medequip and RBKC. Under its existing section 75 agreement with the PCT, it is for the Council to let contracts for the delivery of the BICES. The framework agreement provides for a single call-off to be made, and this is what the Executive are recommended to award in this report. The implementation will allow for the contract to start on 1<sup>st</sup> July 2011 on the expiry of the current Millbrook contract. Notice on the current Millbrook contract needs to be given by Dec 31<sup>st</sup>, 2010.
- 5.3 The Framework also provides for the prices set out in the framework to be adjusted to allow for the application of TUPE. As set out in the legal comments, TUPE will apply to some staff of the current contractor.

#### **6. Use of Framework in Brent**

- 6.1. The proposed call-off contract from the Framework will be used for the provision of Community Equipment Service in Brent.
- 6.2. The Framework could be used by Brent to implement the Department of Health Transforming Community Equipment Services Prescription model in

Brent. This is a model whereby Community Equipment classed as a simple aid to daily living would be supplied by a retailer against a prescription given to the service user and paid for by the Community Equipment Service. The Community Equipment service has decided to bypass the Prescription model entirely and have removed all items classed as simple aids to daily living from the community equipment catalogue and have produced information signposting service users to local retailers who can supply the equipment.

6.3. The Framework should be more cost effective as the cost of a Brent only service, tendered separately, is estimated to cost 15% more than the Framework.

6.4. The Council is required to contribute to the Royal Borough of Kensington and Chelsea's costs in operating the Framework and this is in the sum of £20,179.00 per annum. This sum is based to an extent on the number of participating authorities. It is understood that these costs will be reviewed on an annual basis.

## **7. Key Risks**

7.1. Medequip have multiple sites across London significantly reducing the impact of losing a depot due to a disaster.

7.2. A risk log is reviewed by the project board monthly.

7.3 There is a risk that if local commissioning of health services transfers to GP practices, that volumes of health-related equipment ordered through the contract will fall. However this is a risk for the new provider as there are no guaranteed volumes in the new contract.

## **8. Financial Implications**

8.1. Establishing the framework agreement in itself will not present any financial implications, apart from the payment to RBKC referred to above. However, the BICES board and the Joint Executive Team will need to address a number of financial issues:-

8.1.1. The contract value will need to be contained within current budgets.

8.1.2. There will be the possibility of volume discounts dependent on the number authorities making use of the Framework agreement.

8.2. The service is operated as a pooled budget in partnership with Brent tPCT. Any increases/decreases in cost will have a knock on impact on each partner's contribution to the pool, this pooled budget may change or cease in the future.

8.3. The cost of participating in the Framework for Brent has been compared with our existing Community Equipment service and the estimates of procuring a standalone service. Using this frame Framework as a benchmark of 100%,

the cost of participating in the framework is similar to the cost of the current 4 year old tendered service and is significantly less than the cost procuring of a Brent only stand alone service exclusive of whose figures do not include the one- off £90k estimated tendering cost.

8.4. There are significant pressures on the current budget and a number of measures are being put into place to ensure that the service will work within its budget.

<b>Estimated Cost for BiCES</b>	<b>BiCES Budget</b>	<b>Cost of Options</b>
Current Millbrook Contract		97%
Framework Contract	£1,429,000	100%
Brent as a standalone service		115%

## **9. Legal implications**

9.1 When awarding the individual call-offs from a framework agreement, contracting authorities do not have to go through the full procedural steps in the EU Procurement Regulations again as long as they were followed properly in the setting up of the framework agreement. Where the Royal Borough of Kensington and Chelsea has gone through the full procedural steps in setting up the Framework then the Council is legally entitled to call-off a contract from the same.

9.2 The proposed call-off contract comes under the category of a high value contract and the Councils Contract Standing Order 86(d) states that the award of the same requires the approval of the Executive.

9.3 Pursuant to Sections 74 and Section 75 of the National Health Service Act 2006, local authorities and NHS bodies are required to work together to improve health and health care and provision is made for flexible funding and working arrangements to establish this. This would include, but is not limited to a pooled budget arrangement.

9.4 Approximately 9 employees of the existing service provider are said to be wholly or mainly occupied with the provision of the Community Equipment Service to the Council. These employees (unless they object to transferring) shall transfer to the employment of Medequip under the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). As such, their terms and conditions of employment shall be protected accordingly. The existing service provider will need to consult with them in accordance with TUPE and provide the relevant personnel information to Medequip. However because of the different way of supplying low-cost items of equipment under the new arrangement, it is possible that some of these employees will be redundant. As these employees relate to the second phase of implementation, the Council will need to work with Medequip and the current contractor as to how this process is best managed.



- 9.5 The client department does not appear to have not carried out an Equality Impact Assessment (EQIA) in relation to the proposed award of contract. It would also appear that the users of the service in question may be of diverse ethnic origin. Recent case law shows that rulings have been made against local authorities who have failed to consult with diverse groups that may be affected as result of a change in service provision. This presents a risk and the same can be mitigated by the client department proceeding to carry out an EQIA prior to the commencement of the call-off contract. Depending on the result of this, the use of the Framework may proceed. As the contract itself does not start until 1st July 2011 there is enough time to do this and make whatever adjustments are necessary.
- 9.6 A report has been submitted to the Borough Solicitor in accordance with the Council's Contract Standing Order 86 (d) (ii) and as regards the Council's proposed participation in the Framework. The Borough Solicitor has confirmed that it is legally permissible for the Council to participate in the Framework.
- 9.7 Pursuant to the Council's Contract Standing Order 86 (d) (ii), the Director of Finance and Corporate Resources and the Chief Officer also need to approve the Council's proposed participation in the Framework. If this has not been done before the date of the Executive meeting, then members will be advised orally at the meeting.

## **10. Diversity Implications**

- 10.1 An Equalities Impact Assessment may be required in relation to the award of the new contract (see paragraph 9.5 above).


## **11. Background papers**

The Royal Borough of Kensington and Chelsea, Key Decision Report dated 23 July 2009.Doc Ref KD03183R.pdf  
Analysis of Medequip Service in Brent Doc ref Medequip Brent.xls  
Framework Contract Agreement Document Folder

For further information contact Paul Rabin, Joint Pooled Fund Manager  
Brent integrated Community Equipment Service, 53-63 Wembley Hill Road  
Wembley, Middx, HA9 8BE, Tel: 020 8937 4466

**Martin Cheeseman**  
**Director of Housing and Community Care**

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 <p>The logo of Brent Council, featuring a central coat of arms with a shield, a crown, and two lions, surrounded by the words 'BRENT COUNCIL' in a circular arrangement.</p>	<p><b>Executive</b> 15 November 2010</p> <p><b>Report from the Director of Housing and Community Care</b></p>
<p>Wards Affected: [ALL]</p>	
<p><b>Authority to Invite Tenders for the Procurement and Management of Temporary Accommodation</b></p>	

**\*APPENDIX A IS "NOT FOR PUBLICATION"**

## **1.0 Summary**

1.1 This report seeks authority pursuant to the Council's Contract Standing Orders 88 and 89 to invite tenders to conclude a framework agreement for the Procurement and Management of Temporary Accommodation pursuant to the Council's Private Managed Accommodation Scheme (PMA). The proposed framework agreement will commence in April 2011 for the duration of two years with an option to extend for up to two years.

## **2.0 Recommendations**

2.1 The Executive to give approval to the pre - tender considerations and the criteria to be used to evaluate tenders for a framework agreement for the Procurement and Management of Temporary Accommodation as set out in paragraph 3.4 of the report.

2.2 The Executive to give approval to officers to invite expressions of interest, agree shortlists, invite Tenders for a framework agreement for the Procurement and Management of Temporary Accommodation and evaluate them in accordance with the approved evaluation criteria referred to in 2.1 above.

## **3.0 Detail**

3.1 The Council has a statutory duty to provide suitable temporary accommodation to homeless persons who are eligible and have a priority need for accommodation under part VII of the Housing Act

1996(as amended by the Homelessness Act 2002). There are currently just under 3,000 homeless households in various Temporary Accommodation (TA) schemes. Private Sector Leasing (PSL) schemes involve the Council leasing properties from the private sector and letting them to homeless households as temporary accommodation and the Council has a number of these. The proposed Private Managed Accommodation scheme is a type of Private Sector Leasing Scheme.

### 3.2 Temporary Accommodation Subsidy Changes

In 2009 the Department for Work and Pensions (DWP) introduced changes to TA Subsidy which would restrict PSL subsidy income to Local Housing Allowance (LHA) minus 10% plus a weekly £40 management fee. On the 1st April 2010, without any prior notification, DWP announced further changes to Housing Benefit (HB) subsidy for TA. This involved imposing a ceiling subsidy cap of £500 per week for inner London and £375 per week for everywhere else.

In addition to this, DWP has proposed that from 1<sup>st</sup> April 2011, the PSL subsidy formula will apply to Housing Association Leasing (HAL) schemes. The estimated cost to the Council of this change would be £900,000 for 2010/2011. To mitigate this cost, Brent Council will need to procure larger properties at a lower cost under the proposed PMA scheme. In Brent the HB changes have made it very difficult to procure four and five bed accommodation within the geographical boundaries of the Borough under any of Brent's existing TA leasing schemes.

For Bed and Breakfast (B&B) units the new subsidy cap is limited to the one bedroom LHA Rate, irrespective of the size of household placed by the Council. Current one-bedroom rates for LHA are as follows: £ 24.72 per night in the north of the Borough and £35.70 per night in the south of the Borough respectively and large losses are currently made on B&B placements.

### 3.3 The proposed PMA scheme will replace the majority of the current supply of B&B units. It is anticipated that the reduction in B&B usage will produce cost savings of approximately £440,000 over 12 months.

The PMA scheme will also provide the council with an additional supply of units that will be needed to house homeless households that can no longer be provided for under the HALS scheme. This particularly applies to larger households that require 4 and 5 bed properties.

### 3.4 The PMA scheme will utilise Housing Benefit subsidy to fund the lease and management costs of the scheme. The specification for the contract will incorporate improved property procurement and management standards agreed by the West London Alliance.

The scope of services will include a full property management service to include property acquisition, viewings and lettings processes, tenancy management, property inspections, administering decants, void periods and property handbacks and performance management.

The services under the proposed framework agreement will be provided by multiple providers. The Council will be the lead authority for the operation of the framework agreement. There will be provision for members of the West London Alliance to call off services from the proposed framework agreement. The major advantage of this for the Council is that a competitive price for the services can be achieved as a result of the potential combined buying power of the West London Alliance.

3.5 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

<b>Ref.</b>	<b>Requirement</b>	<b>Response</b>
(i)	The nature of the service.	To procure and manage temporary accommodation properties, let to homeless persons as nominated by the council through a framework agreement operated by multiple providers.
(ii)	The estimated value.	£2.6m based on the procurement of 500 unit's accommodation for a four year contract.
(iii)	The contract term.	8 <sup>th</sup> April 2011 for 2 years with the option to extend by up to a further 2 years.
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	<p>Formal tendering by way of a "Two-Stage Tender" process in accordance with the Council's Standing Order 96(c). Stage 1 – Call for expressions of interest and short-listing; Stage 2 – Issuance of invitations to tender.</p> <p>It is anticipated that this procurement will be of interest to the wider market so it will voluntarily be advertised through the Official Journal of the European Union (OJEU). Part 6 of the Council's Constitution – Financial Regulations – Paragraph 8.1.2 states that regard must be had to the Council's Contract Procurement and Management Guidelines (the "Blue Book"). Paragraph 7.3.4 of the Blue Book states that once a voluntary choice has been made to advertise in the OJEU then the EU Regulations (as enacted in the Public</p>

		Contracts Regulations 2006 [as amended]) must be followed in their entirety. Additionally, in order to attract local providers, the procurement will be advertised in the local press and on the Councils web site.	
v)	Executive	<b>Date of action</b>	<b>Date of completion</b>
	<b>Exec meeting Approval to proceed</b>	15/11/2010	15/11/2010
	Dispatch of OJEU notice/issue of PQQ	16/11/2010	16/11/2010
	PQQ Return Close Date	16/12/2010	16/12/2010
	PQQ Evaluation	16/12/2010	07/01/2011
	Issue invitation to tender	07/01/2011	07/01/2011
	Tendering period	07/01/2011	18/02/2011
	Tender close date	18/02/2011	18/02/2011
	Tender Evaluation/ Tender Appraisal Panel & Draft Recommendation Report to Democratic Services for Leaders briefing	19/02/2011	28/02/2011
	<b>Leaders Briefing</b>	28/02/2011	28/02/2011
	<b>Final Report to Democratic Services for despatch to Executive Meeting</b>	02/03/2011	02/03/2011
	<b>Brent Cabinet/ Executive meeting decision</b>	14/03/2011	14/03/2011
	<b>Conclusion of framework agreement and notices to successful and</b>	15/03/2011	15/03/2011

	<p><b>unsuccessful tenderers</b></p> <p><b>Standstill period (period of time that the Council will not be able to enter into any formal contractual arrangement with the successful tenderer[s])</b></p> <p><b>Contract start date</b></p>	<p>16/03/2011</p> <p>08/04/2011</p>	<p>06/04/2011</p> <p>08/04/2011</p>
(vi)	<p>The evaluation criteria and process.</p>	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's minimum requirements in relation to financial standing requirements, technical capacity, technical expertise and compliance with statutory requirements such as health and safety. Candidates who meet the Council's minimum requirements will be selected to tender and issued with invitations to tender.</p> <p>The Framework Agreement will be concluded on the basis of the most economically advantageous offer, with the tenders received to be evaluated against the evaluation criteria:</p> <ul style="list-style-type: none"> <li>○ Tendered Prices – 50% weighting</li> <li>○ Quality Assessment – 50% weighting based on the following criteria: <ul style="list-style-type: none"> <li>• Proposed staffing levels to deliver the service weighting 3%</li> <li>• Proposed method for delivering the specified housing management service Weighting 5%</li> <li>• Proposed method for delivering the specified voids management service weighting 10%</li> </ul> </li> </ul>	

		<ul style="list-style-type: none"> <li>• Procuring, repairing and maintaining properties and managing tenants in properties weighting 27% This is divided into to the following sub-criteria: <ul style="list-style-type: none"> <li>- Procuring – 9%</li> <li>- Repairs/maintenance – 10%</li> <li>- Complaints handling – 3%</li> <li>- Equal opportunities – 3%</li> <li>- Anti-social – 2%</li> </ul> </li> <li>• Implementation weighting 5% Divided into the following sub-criteria: <ul style="list-style-type: none"> <li>- Timetable to implement service – 3%</li> <li>- Electronic invoicing – 2%</li> </ul> </li> </ul> <p>Financial and legal considerations on tenders returned are to be given by the Housing Finance Team and representatives from the Council's Legal and Financial services respectively. Where required, these representatives will participate in the evaluation panel.</p> <p>A further report will be presented to the Executive seeking approval of the award recommendation.</p>
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the proposed contract. Financial Services have been consulted concerning this contract.
(viii)	The Council's Best Value duties.	The voluntary advertising of the procurement on the OJEU will attract competition from the wider market. Also, the conclusion of the framework agreement based on the most economically advantageous tender by way of a Two-Stage Tender process as detailed above. These will assist the Council in achieving best value for the proposed service.
(ix)	Any staffing implications, including TUPE and pensions.	None
(x)	The relevant financial, legal and other considerations.	See paragraphs 4.0 to 6.0 below



3.4 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with the Council's Contract Standing Order 88.

#### **4.0 Financial Implications**

- 4.1 Part 4, section 2.5 of the Council's Constitution states that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite expressions of interest, agree shortlists and invite tenders.
- 4.2 The estimated value of this 4 year contract is £2.6 million and will be funded entirely from Housing Benefit Subsidy.
- 4.3 The DWP have reduced temporary accommodation subsidy for all forms of temporary housing.
- 4.4 The introduction of the PMA scheme will mitigate the £900,000 cost that will arise from the reduction in temporary accommodation subsidy for Housing Association Leasing (HAL) schemes from the 1<sup>st</sup> April 2011.
- 4.5 The PMA scheme will replace the majority of the current supply of B&B units. The reduction in B&B usage will produce cost savings of approximately £440,000 over 12 months.

#### **5.0 Staffing Implications**

- 5.1 These services are currently provided by an external contractor and there are no implications for Council staff arising from tendering this contract. It has also been confirmed by a senior member of the Council's employment law team that there are no issues arising out of the Transfer of Undertakings (Protection of Employment Regulations) 2006 in relation to the proposed procurement.

#### **6.0 Legal Implications**

- 6.1 The requirement to provide accommodation to persons who are homeless and satisfy the qualifying criteria for assistance arises under Part VII of the Housing Act 1996 ("the 1996 Act") as amended by Homelessness Act 2002. The Council has a statutory duty pursuant to section 193 of the 1996 Act to provide temporary accommodation to homeless applicants who satisfy the following criteria: they are homeless or threatened with homelessness; they are eligible for assistance; they are in priority need of accommodation, they have a local connection with the Borough of Brent and they are not intentionally homeless. The circumstances in which the Council will cease to be subject to any such duty are set out in section 193(6)-(7B) of the 1996 Act, which include the applicant accepting an offer of

accommodation under Part VI of the 1996 Act under the Council's allocation scheme and accepting an offer of an assured tenancy from a private landlord. Unless the homeless applicant has a "restricted" person in their household where the restriction relates to that person's immigration status, the Council can also discharge its duty under section 193 of the 1996 Act by providing the homeless applicant a qualifying offer of an assured shorthold tenancy and the applicant is advised in writing in advance that he is under no obligation to accept such an offer of accommodation.

- 6.2 The Council also has a statutory duty under section 188(1) of the 1996 Act to secure that temporary accommodation is available to homeless applicants pending a decision regarding their homelessness application. This is where the Council is satisfied that such applicants are homeless, eligible for assistance and have a priority need for accommodation. That duty ceases once a decision is made and if the decision is that the applicant does not qualify for assistance under Part VII of the 1996 Act, the homeless applicant has the right to request a review of such a decision and in those circumstances the Council has the discretion (as opposed to duty) under section 188(3) of the 1996 Act to house the homeless applicant in temporary accommodation pending the review by the Council of its decision. If the decision is that the homeless applicant qualifies for assistance under Part VII of the 1996 Act, the Council is under a duty to provide temporary accommodation pursuant to section 193 of the 1996 Act as detailed in the previous paragraph.
- 6.3 The Procurement and Management of Temporary Accommodation is considered to be a part B service under the Public Contracts Regulations 2006 (PCR) and as such the application of the PCR to this procurement is limited. However as the Council has chosen to issue a voluntary notice in the OJEU, Part 6 of the Council's Constitution – Financial Regulations – Paragraph 8.1.2 states that regard must be had to the Council's Contract Procurement and Management Guidelines (the "Blue Book"). Paragraph 7.3.4 of the Blue Book states that once a voluntary choice has been made to advertise in the OJEU then the EU Regulations (as enacted in the Public Contracts Regulations 2006 [as amended]) must be followed in their entirety. This means that a formal tendering process as set out in the Public Contracts Regulation 2006 must be used as indicated in this report. In addition, the approval of the Executive is required to invite expressions of interest, agree shortlists and invite tenders as set out in paragraph 4.1 of this report.
- 6.5 Once the tendering process is undertaken Chief Officers will report back to the Executive in accordance with the Council's Contract Standing Orders, explaining the process undertaken in procuring the service and recommending the conclusion of the framework agreement.

## **7.0 Diversity Implications**

- 7.1 There are variations within the population of Brent in those applying for assistance as homeless persons. For example, those in the Black category made up just less than 20% of Brent's population in 2001, however they accounted for nearly half of all applications as homeless persons in 2002/3. Furthermore, those in the White category made up just over a fifth of all homeless persons applications, but were 45% of the population as recorded in the 2001 census. Reasons for these differences are complex and relate to a variety of social, economic and demographic factors, including income levels, family size, and quality of housing and patterns of tenure.
- 7.2 The Housing Resource Centre's Equality Impact Assessment regarding homelessness and lettings identified that current policy is specifically designed to ensure that those who are less able to access their own housing solutions are assisted

## **8.0 Background Papers**

- Report to the Policy Co- Ordination Group, 30<sup>th</sup> Sept 2010. Report Title: Likely impact of proposed changes to the Housing Benefit Group.

Any person wishing to inspect the above papers should contact:

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**Martin Cheeseman**  
**Director of Housing and Community Care**

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**Executive**  
15 November 2010

## **Report from the Director of Housing and Community Care**

Wards Affected:  
ALL

### **Authority to agree recommendations from the London Councils to manage projected overspend on the Taxicard Scheme**

#### **1.0 Summary**

- 1.1 This report requests that the Executive delegates authority to the Director of Housing and Community Care to agree to the proposals recommended and presented by the London Councils to the Transport and Environment Committee (TEC) on 14<sup>th</sup> October 2010 to address the cost pressures within the taxicard scheme and pull the spend back in line with the budget for 2010/11.

#### **2.0 Recommendations**

- 2.1 The Executive notes the recommended budget control measures that have been drawn up by the London Councils and presented to the TEC as detailed in section 3.6.3. of this report.
- 2.2 The Executive to delegate the authority to the Director of Housing and Community Care to agree to the recommended budget control measures with the London Councils to pull the spend back in line with the budget for 2010/11.

#### **3.0 Background – Taxicard Scheme**

- 3.1. The Taxicard Scheme was set up to allow London residents with a mobility impairment that prevents them from using buses or trains to travel in the contractors' licensed radio taxis – black cabs or Private Hire Vehicles at subsidised rates.

##### 3.2. Eligibility Criteria

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Meeting  
Date

Version no.1  
Date 29.10.10

- Resident within one of the participating London Boroughs
- The individual must be unable or virtually unable to use busses or trains due to severe sight impairment or blind, or have a permanent disability which seriously impairs their ability to walk. This is assessed based on either the applicant being in receipt of High Rate Mobility Component of DLA which is an automatic qualifying benefit for the scheme or the individual's GP confirming in their opinion the individual is unable/virtually unable to use public transport.

### 3.3. Scheme Administration:

The scheme is managed on behalf of the participating London Boroughs by the London Councils with funding from TfL and the Mayor. Residents submit their applications to their Local Authority for checking of eligibility and if eligible the forms are forwarded to London Councils for the cards to be issued.

### 3.4. Taxicard Fares and Subsidies:

- £1.50 cost to the individual taxi card member per trip for a fare up to £11.80 during the day, £12.80 evenings and weekends or £14.20 at night. The subsidised portion of the fare is then charged against the participating borough.
- Double swiping: Two subsidised fares can be used together on one trip allowing the individual to pay £3.00 for a fare up to the sum of £23.60. This is reported to be popular in the boroughs that allow the practice
- Additional trips: The scheme to date has permitted boroughs to allocate additional trips to members allocations, the cost for which has been borne across the participating boroughs

### 3.5. Level of Service Provision within Brent:

- Current number of Taxicard members in the borough = 4,228 as of April 2010
- Number of Brent residents actively using their taxicards = 1,598 as of April 2010
- Each Brent taxicard member has an allowance of 104 trips per year in monthly allocations of 8 trips ( Note: for a journey to and from a destination uses 2 trips)
- The facility to roll over trips not used in one to the next month was added for Brent taxicard members in 2010.
- Double swiping – the facility to use 2 trips on one long journey is available
- Additional trips have been allocated at the discretion of Social Care Managers over the years to individual Brent taxicard members.

### 3.6 Current Situation:

3.6.1 The Taxicard trips budget for 2010/11 is £19.2m, consisting of £13.04 from TfL and £6.16m from the boroughs. The year on year trip increase for the scheme as a whole from April – July 2010 is 16.4%. If this trend were to continue for the rest of the financial year, this would project 2.02m trips being undertaken by taxicard members across London. This equates to a spend of around £20.62m and a projected overspend of £1.42m for the scheme as a whole.

3.6.2 In Brent it had been noted in July 2010 that there has been a steady increase in the number of applications and activity rates amongst Brent taxicard members. Statistics on member numbers and activity rates in April 2010 indicated a 32.43% increase when compared with April 2009. Within the CSDP Team that administers the taxicard applications, it has been noted that there has essentially been a year on year rise in the number of applications:

April 07-08 =507 applications

April 08 -09 = 743 applications

April 09 -10 = 666 applications

April 10 – August 2010 = 400 applications with a forecast total of 850 for the year

3.6.3 London Councils in response to the increasing take up and use of taxicards prepared a report which was presented to the TEC on 14<sup>th</sup> October 2010. The report recommendations to the boroughs on measures to be implemented to bring the budget in line and to manage the projected overspend for 2010/11 as of 15<sup>th</sup> November 2010 are as follows:

- To increase the minimum customer contribution to £2.50 (£2.00 and £3.00 for LB Newham Saver and Standard trips)
- To reduce the maximum subsidy by £1.00 per trip (£5.00 for LB Newham Standard trips)
- To end double swiping. If individual boroughs wish to continue the practice they should fund the trips.
- That boroughs fund their own additional Taxicard trips

The report required that the TEC noted that the individual boroughs would need to formally agree to the proposals before London Council's could implement them; noted the financial impact on those boroughs that do not agree to the proposals; agreed that any borough that do not implement the changes will have their contributions from TfL capped at the 2009/10 rate plus pro rata increase related to agreed funding for 2010/11 and agrees that the scheme in any borough will be suspended if budgets are exceeded.

3.6.4. At the TEC meeting on 14<sup>th</sup> October in response to queries raised by the boroughs, the issues were deferred to the Executive Sub Committee scheduled to meet on 11<sup>th</sup> November and the decision on TfL funding has since been deferred to the full December TEC Committee with a view to the recommendations being implemented as of 1<sup>st</sup> January 2011.

### 3.7. Implications for Brent:

3.7.1. Raising the Minimum Member contribution and reduction in trip subsidy:  
It should be noted that the taxicard member rate of £1.50 per trip has not risen since the taxicard scheme came into existence 15 years ago. The saving to Brent based on the number of anticipated trips to be taken by members is calculated to be £37,822.

3.7.2. Ending Double swiping: Brent to date has permitted double swiping, which is understood to be popular with taxicard members in Brent, allowing assisted transport access to services and community services outside of the borough. Although it is acknowledged that for the taxicard member they will need to pay for longer journeys, the saving to Brent is forecast to be £19,635.00

## 4.0 Financial Implications

### 4.1. Current Funding Mechanism and contributions:

Contribution by the London Borough of Brent 2010/11	£168 532
Management Fee to London Councils	£28,525
TfL allocation 2010/11	£524,993
Total available Budget (excluding management fee)	<u>£693,525</u>

4.2. Given the rise in applications and taxicard members in Brent and the year on year increase in activity rates reported in April implying a 32.43% increase in Brent, London Councils have forecasted that the spend within Brent will exceed the total budget available:

Projected Spend for Brent in 2010/11	<u>£812,724</u>
Projected Budget Shortfall with no borough action:	<u>-£119,199</u>

Projected date that Brent will spend its budget with no preventive action: 6<sup>th</sup> February 2011

4.3. London Councils in their letter sent out on 26.10.10 to the nominated Borough Director or Assistant Director states that for those councils that implement all 3 measures to control spend, TfL will redeploy resources to those boroughs to cover any residual overspend that may arise should the measures not yield sufficient savings.

In the event that a borough does not wish to implement the recommended measures then the options will be for the individual borough to fund the overspend, which for Brent is forecast to be £119,199 or provide no additional



funding in which case London Councils have advised that they will have no alternative but to suspend the scheme for taxicard members in that borough. For Brent it is anticipated that this would be around the 6<sup>th</sup> February 2011. As has already been reported the Adult social care budget is already overspending and this additional potential overspend had not been previously accounted for. Therefore any additional costs cannot be found from the councils own resources, this potential overspend was not part of the

## **5.0 Legal Implications**

- 5.1 The Taxicard Scheme is managed by London Councils Transport and Environment Committee on behalf of the participating boroughs under the joint committee arrangements. However, the terms of the scheme, including matters relating to subsidies remain a matter for the individual Councils. Accordingly it remains for the Council to decide whether to agree the London Council proposals in relation to managing the budget.

## **6.0 Diversity Implications**

- 6.1 Staying active and participating in the local community promotes health and well being. The taxicard scheme is one of three forms of assisted transport/concessionary fares schemes in enabling Disabled People access to and around their immediate locality and London. Many People with Disabilities are on low incomes and so the taxicard scheme with its subsidized fares is of particular benefit in enabling greater choice and control over access to community services and support.
- 6.2. Due to the relative short notice since the detailed information came available from the London Councils, there has been insufficient time as yet to complete an Equalities Impact Assessment to look at the potential impact of the recommended measures upon taxicard members in Brent.

### **Background Papers**

London Councils Letter to Alison Elliott – Taxicard Budget 2010/11 – Proposals to address projected overspend  
London Councils – London Borough of Brent Individual Taxicard Budget Figures

### **Contact Officer**

Hilary Carter Principal Manager OT and Specialists, Housing and Community Care Department, 34 Wembley Hill Road, Wembley, Middx HA9 8AD,  
Tel:020 8937 4443

MARTIN CHEESEMAN  
Director of Housing and Community Care

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## Appendix 1

### London Borough of Brent – Individual Taxicard Budget Figures

Your Borough Budget 2010/11	£168,532
TfL Allocation 2010/11 *	£524,993
Combined Budgets 2010/11	£693,525
Taxicard Spend to August 2010/11	£352,530
Projected Borough Spend 2010/11	£812,724
Projected Budget Shortfall with no borough action	-£119,199
Estimated date your borough will spend its budget with no borough action	6 February 2011
Number of Projected Trips 1 January to 31 March 2011 **	24,513
Estimated Savings 1 Jan to 31 March 2011	
Increase the Minimum Member Charge from £1.50 to £2.50	£24,513
Reduce the Maximum Trip Subsidy by £2.00	£13,309
End Double-Swiping	£19,635
Management Charge Saving	£2,451
Combined Savings	£59,908
Budget Shortfall with borough action on all elements	-£59,291

\* The TfL allocation has been calculated using their contribution to your borough in 2009/10, increased pro rata to take into account a 2.7% budget increase and the amount that was refunded to TfL in 2009/10 because their budget was not fully spent.

\*\* Based on the number of trips taken from 1 January to 31 March 2010 with an increase of 27.05% (the increase of your trips April to August 2010 over the same months in 2009).

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Allison Elliott  
London Borough of Brent  
34 Wembley Hill Road  
Wembley  
Middlesex  
HA9 8AD

Contact: Tony O'Connor  
Direct line: 020 7934 9501  
Fax: 020 7934 9782  
Email: Tony.O'Connor@londoncouncils.gov.uk  
Date: Friday, 05 November 2010

Dear Allison,

### **Re: Taxicard budget 2010/11 - Proposals to address projected overspend**

Further to our previous letter dated 13 October 2010, I am writing to explain in more detail the implications for your borough of the projected Taxicard overspend.

The Transport and Environment Committee (TEC) on 14 October had been asked to consider measures to address the projected overspend on Taxicard in 2010/11 and to agree a new method of apportioning TfL funding from 2011/12 onwards. TEC decided to defer a decision on the spend measures to the TEC Executive Sub-Committee on 11 November. The decision on TfL funding was deferred to the full December TEC Committee.

The November TEC Executive will be asked to agree to recommend boroughs should:

- Increase the minimum member charge to £2.50 (there is an associated reduction in subsidy of £1 to make this work).
- Reduce the trip subsidy by a further £1.00 for all three tariff periods (subsidy would be £8.30 instead of £10.30 for a daytime trip)
- End double swiping unless the second swipe is paid for fully by boroughs.

It will also be recommended that boroughs pay for any additional trips given to their members over and above their normal allocation.

However, if it agrees to recommend some or all of the measures there will still be the need for individual boroughs to formally agree them. As boroughs will require some time to consider the options and make their decisions, and given the need to write to Taxicard members to inform them of any changes, it is unlikely to be practical to introduce these changes before 1 January 2011.

The impact of the first two proposed changes will be that single journeys will cost between £1 and £2 more. If you decide to end double-swiping, then a customer that currently takes a trip using a double-swipe, will pay considerably more for a trip of the same length in future as only one subsidy can be used.

The attached table provides you with your borough's figures including an estimate of how much each measure would save you. These figures estimate savings from 1 January to 31 March 2011. They have been calculated by taking the number of trips between these dates in 2010 and then applying your current projected annual percentage increase.

London Councils has also negotiated a further reduction in the Taxicard management charge per trip with Computer Cab from 1 October 2010 and the likely amount this will save you is in the attached table.

If you agree to implement all 3 measures these savings will substantially reduce the overspend as shown in the table, but may not yield enough savings in the remainder of 2010/11. However, it is possible that additional savings will be made if the changes lead to a slow down in growth because customers are taking fewer trips. We cannot reasonably estimate in advance how it will affect trip patterns in individual boroughs. We have estimated that the savings from double-swiping may only achieve 50% of the possible total as some customers may take additional single trips instead. Again this will only be known in the light of experience and the savings could be more. We will redeploy TfL resources to cover overspends where boroughs have taken steps to address the projected overspend.


London Councils is happy to write to your Taxicard members to inform them of the changes if you agree to them. However, the post is likely to be affected by the heavier quantities in December, and we suggest we should write in early December to give sufficient notice to your Taxicard customers, if the change is to take effect 1 January 2011. London Councils will therefore need to receive your written agreement (signed by a director or an assistant director) to the proposals by 25 November 2010 if you wish us to write to your customers on your behalf with a 1 January 2011 start date.

If your borough wishes to implement these changes in advance of their being considered by the TEC Executive you can of course do so. We would need written authorisation to implement the measures. In that case we would be able to write to your customers and implement the changes earlier than 1 January 2011.

If your borough does not wish to implement these measures you have the option to fund the overspend yourselves. If you choose not to make the changes recommended by TEC or put in extra money, London Councils will have no alternative but to suspend your borough scheme for the remainder of the financial year when your budget is spent. The estimated date by which your borough's budget would be spent is in the attached table.

If you require more information please contact Tony O'Connor, Project Manager by email: [tony.o'connor@londoncouncils.gov.uk](mailto:tony.o'connor@londoncouncils.gov.uk) or by telephone: 020 7934 9501.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Benton".

Stephen Benton  
Programme Director, Transport & Mobility

APPENDIX 3A

Taxicard Apportionment based on a three year modelled scenario

2012/2013 (66% POOL)

HRMCDLA	POPULATION	NO OF	%	PRO RATA	TfL ALLOCATION	TfL ALLOCATION	BOROUGH	COMBINED	PROJECTED	BOROUGH	BALANCE
BOROUGH		HRMCDLA	POP	% OF ALL	ON NO HRMCDLA	ON NO HRMCDLA	BUDGET	BUDGETS	OUTTURN	% OF SPEND	TO FUND
					100%	33%					
BARKING & DAGENHAM	168,900	5230	3.10%	3.41%	£449,328	£148,278	£336,113	£484,391	£ 1,136,822	29.57%	£ 652,431
BARNET	331,500	5240	1.58%	3.42%	£450,187	£148,562	£0	£148,562	£ 512,653	0.00%	£ 364,092
BEXLEY	223,300	4980	2.23%	3.25%	£427,849	£141,190	£62,264	£203,454	£ 152,312	40.88%	£ -
BRENT	270,600	5480	2.03%	3.58%	£470,806	£155,366	£168,532	£323,898	£ 757,402	22.25%	£ 433,504
BROMLEY	302,600	4830	1.60%	3.15%	£414,962	£136,938	£70,380	£207,318	£ 160,509	43.85%	£ -
CAMDEN	235,700	4240	1.80%	2.77%	£364,273	£120,210	£489,733	£609,943	£ 711,915	68.79%	£ 101,972
CITY OF LONDON	7,900	100	0.03%	0.07%	£8,591	£2,835	£45,282	£48,117	£ 23,796	100.00%	£ -
CROYDON	341,800	6640	2.15%	4.33%	£570,466	£188,254	£125,089	£313,343	£ 801,211	15.61%	£ 487,868
EALING	309,000	6350	2.21%	4.14%	£545,551	£180,032	£56,603	£236,635	£ 781,512	7.24%	£ 544,877
ENFIELD	287,600	5610	2.52%	3.66%	£481,975	£159,052	£40,890	£199,942	£ 146,868	27.84%	£ -
GREENWICH	222,900	6470	2.90%	4.22%	£555,860	£183,434	£21,353	£204,787	£ 528,541	4.04%	£ 323,755
HACKNEY	212,200	5130	2.42%	3.35%	£440,736	£145,443	£249,490	£394,933	£ 648,087	38.50%	£ 253,154
HAMMERSMITH & FULHAM	172,200	3520	2.04%	2.30%	£302,415	£99,797	£194,983	£294,780	£ 692,808	28.14%	£ 398,028
HARINGEY	226,200	4840	2.14%	3.16%	£415,821	£137,221	£103,867	£241,088	£ 562,501	18.47%	£ 321,413
HARROW	216,200	3760	1.74%	2.45%	£323,035	£106,601	£643,200	£749,801	£ 732,625	87.79%	£ -
HAVERING	230,100	5320	2.31%	3.47%	£457,060	£150,830	£383,101	£533,931	£ 876,278	43.72%	£ 342,347
HILLINGDON	253,200	4740	1.87%	3.09%	£407,230	£134,386	£46,164	£180,550	£ 63,731	72.44%	£ -
HOUNSLOW	222,600	4980	2.24%	3.25%	£427,849	£141,190	£132,840	£274,030	£ 413,775	32.10%	£ 139,745
ISLINGTON	190,900	5000	2.62%	3.26%	£429,567	£141,757	£189,893	£331,650	£ 504,163	37.67%	£ 172,513
KENSINGTON & CHELSEA	180,300	2460	1.36%	1.61%	£211,347	£69,745	£597,288	£667,033	£ 784,151	76.17%	£ 117,119
KINGSTON ON THAMES	160,100	1800	1.12%	1.17%	£154,644	£51,033	£42,112	£93,145	£ 539,930	7.80%	£ 446,786
LAMBETH	274,500	5580	2.03%	3.64%	£479,397	£158,201	£133,085	£291,286	£ 733,588	18.14%	£ 442,302
LEWISHAM	261,600	5980	2.29%	3.90%	£513,763	£169,542	£44,710	£214,252	£ 584,080	7.65%	£ 369,829
MERTON	201,400	2780	1.38%	1.81%	£238,839	£78,817	£115,208	£194,025	£ 503,711	22.87%	£ 309,686
NEWHAM	249,500	7160	2.87%	4.67%	£615,141	£202,996	£604,483	£807,479	£ 1,617,088	37.38%	£ 809,609
REDBRIDGE	257,600	5460	2.12%	3.56%	£469,088	£154,799	£0	£154,799	£ 942,942	0.00%	£ 788,143
RICHMOND	180,100	2110	1.17%	1.38%	£181,277	£59,822	£118,829	£178,651	£ 446,199	26.63%	£ 267,548
SOUTHWARK	278,000	6020	2.17%	3.93%	£517,199	£170,676	£129,123	£299,799	£ 1,063,825	12.14%	£ 764,027
SUTTON	187,600	3120	1.66%	2.04%	£268,050	£88,457	£70,632	£159,089	£ 443,072	15.94%	£ 283,984
TOWER HAMLETS	220,500	4520	2.05%	2.95%	£388,329	£128,149	£264,316	£392,465	£ 384,468	68.75%	£ -
WALTHAM FOREST	223,200	5260	2.36%	3.43%	£451,905	£149,129	£491,314	£640,443	£ 430,781	100.00%	£ -
WANDSWORTH	284,000	4440	1.56%	2.90%	£381,456	£125,880	£191,318	£317,198	£ 480,342	39.83%	£ 163,144
WESTMINSTER	236,000	4120	1.75%	2.69%	£353,964	£116,808	£1,020,000	£1,136,808	£ 1,200,000	85.00%	£ 63,192
<b>TOTALS</b>	<b>7,619,800</b>	<b>153,270</b>	<b>2.01%</b>	<b>100.00%</b>	<b>£13,167,960</b>	<b>£4,345,427</b>	<b>£7,182,195</b>	<b>£11,527,622</b>	<b>£20,361,688</b>		<b>£ 9,361,065</b>
					<b>£13,167,960</b>						
					<b>£13,167,960</b>	<b>£8,822,533</b>					

APPENDIX 3B

Taxicard Apportionment based on a three year modelled scenario

2013/2014 (33% POOL)

HRMCDLA	POPULATION	NO OF	%	PRO RATA	TfL ALLOCATION	TfL ALLOCATION	BOROUGH	COMBINED	PROJECTED	BOROUGH	BALANCE
BOROUGH		HRMCDLA	POP	% OF ALL	ON NO HRMCDLA	ON NO HRMCDLA	BUDGET	BUDGETS	OUTTURN	% OF SPEND	TO FUND
					100%	66%					
BARKING & DAGENHAM	168,900	5230	3.10%	3.41%	£449,328	£296,556	£336,113	£632,669	£ 1,136,822	29.57%	£ 504,153
BARNET	331,500	5240	1.58%	3.42%	£450,187	£297,123	£0	£297,123	£ 512,653	0.00%	£ 215,530
BEXLEY	223,300	4980	2.23%	3.25%	£427,849	£282,380	£62,264	£344,644	£ 152,312	40.88%	£ -
BRENT	270,600	5480	2.03%	3.58%	£470,806	£310,732	£168,532	£479,264	£ 757,402	22.25%	£ 278,138
BROMLEY	302,600	4830	1.60%	3.15%	£414,962	£273,875	£70,380	£344,255	£ 160,509	43.85%	£ -
CAMDEN	235,700	4240	1.80%	2.77%	£364,273	£240,420	£489,733	£730,153	£ 711,915	68.79%	£ -
CITY OF LONDON	7,900	100	0.03%	0.07%	£8,591	£5,670	£45,282	£50,952	£ 23,796	100.00%	£ -
CROYDON	341,800	6640	2.15%	4.33%	£570,466	£376,507	£125,089	£501,596	£ 801,211	15.61%	£ 299,615
EALING	309,000	6350	2.21%	4.14%	£545,551	£360,063	£56,603	£416,666	£ 781,512	7.24%	£ 364,845
ENFIELD	287,600	5610	2.52%	3.66%	£481,975	£318,103	£40,890	£358,993	£ 146,868	27.84%	£ -
GREENWICH	222,900	6470	2.90%	4.22%	£555,860	£366,868	£21,353	£388,221	£ 528,541	4.04%	£ 140,321
HACKNEY	212,200	5130	2.42%	3.35%	£440,736	£290,886	£249,490	£540,376	£ 648,087	38.50%	£ 107,711
HAMMERSMITH & FULHAM	172,200	3520	2.04%	2.30%	£302,415	£199,594	£194,983	£394,577	£ 692,808	28.14%	£ 298,231
HARINGEY	226,200	4840	2.14%	3.16%	£415,821	£274,442	£103,867	£378,309	£ 562,501	18.47%	£ 184,192
HARROW	216,200	3760	1.74%	2.45%	£323,035	£213,203	£643,200	£856,403	£ 732,625	87.79%	£ -
HAVERING	230,100	5320	2.31%	3.47%	£457,060	£301,659	£383,101	£684,760	£ 876,278	43.72%	£ 191,518
HILLINGDON	253,200	4740	1.87%	3.09%	£407,230	£268,772	£46,164	£314,936	£ 63,731	72.44%	£ -
HOUNSLOW	222,600	4980	2.24%	3.25%	£427,849	£282,380	£132,840	£415,220	£ 413,775	32.10%	£ -
ISLINGTON	190,900	5000	2.62%	3.26%	£429,567	£283,515	£189,893	£473,408	£ 504,163	37.67%	£ 30,755
KENSINGTON & CHELSEA	180,300	2460	1.36%	1.61%	£211,347	£139,489	£597,288	£736,777	£ 784,151	76.17%	£ 47,374
KINGSTON ON THAMES	160,100	1800	1.12%	1.17%	£154,644	£102,065	£42,112	£144,177	£ 539,930	7.80%	£ 395,753
LAMBETH	274,500	5580	2.03%	3.64%	£479,397	£316,402	£133,085	£449,487	£ 733,588	18.14%	£ 284,101
LEWISHAM	261,600	5980	2.29%	3.90%	£513,763	£339,083	£44,710	£383,793	£ 584,080	7.65%	£ 200,287
MERTON	201,400	2780	1.38%	1.81%	£238,839	£157,634	£115,208	£272,842	£ 503,711	22.87%	£ 230,869
NEWHAM	249,500	7160	2.87%	4.67%	£615,141	£405,993	£604,483	£1,010,476	£ 1,617,088	37.38%	£ 606,612
REDBRIDGE	257,600	5460	2.12%	3.56%	£469,088	£309,598	£0	£309,598	£ 942,942	0.00%	£ 633,344
RICHMOND	180,100	2110	1.17%	1.38%	£181,277	£119,643	£118,829	£238,472	£ 446,199	26.63%	£ 207,727
SOUTHWARK	278,000	6020	2.17%	3.93%	£517,199	£341,351	£129,123	£470,474	£ 1,063,825	12.14%	£ 593,351
SUTTON	187,600	3120	1.66%	2.04%	£268,050	£176,913	£70,632	£247,545	£ 443,072	15.94%	£ 195,527
TOWER HAMLETS	220,500	4520	2.05%	2.95%	£388,329	£256,297	£264,316	£520,613	£ 384,468	68.75%	£ -
WALTHAM FOREST	223,200	5260	2.36%	3.43%	£451,905	£298,257	£491,314	£789,571	£ 430,781	100.00%	£ -
WANDSWORTH	284,000	4440	1.56%	2.90%	£381,456	£251,761	£191,318	£443,079	£ 480,342	39.83%	£ 37,263
WESTMINSTER	236,000	4120	1.75%	2.69%	£353,964	£233,616	£1,020,000	£1,253,616	£ 1,200,000	85.00%	£ -
<b>TOTALS</b>	<b>7,619,800</b>	<b>153,270</b>	<b>2.01%</b>	<b>100.00%</b>	<b>£13,167,960</b>	<b>£8,690,854</b>	<b>£7,182,195</b>	<b>£15,873,049</b>	<b>£20,361,688</b>		<b>£ 6,047,217</b>
					<b>£13,167,960</b>						
					<b>£13,167,960</b>	<b>£4,477,106</b>					



APPENDIX 3C

Taxicard Apportionment based on a three year modelled scenario

2014/2015 (NO POOL)

HRMCDLA	POPULATION	NO OF	%	PRO RATA	TfL ALLOCATION	TfL ALLOCATION	BOROUGH	COMBINED	PROJECTED	BOROUGH	BALANCE
BOROUGH		HRMCDLA	POP	% OF ALL	ON NO HRMCDLA	ON NO HRMCDLA	BUDGET	BUDGETS	OUTTURN	% OF SPEND	TO FUND
					100%	100%					
BARKING & DAGENHAM	168,900	5230	3.10%	3.41%	£449,328	£449,328	£336,113	£785,441	£ 1,136,822	29.57%	£ 351,381
BARNET	331,500	5240	1.58%	3.42%	£450,187	£450,187	£0	£450,187	£ 512,653	0.00%	£ 62,466
BEXLEY	223,300	4980	2.23%	3.25%	£427,849	£427,849	£62,264	£490,113	£ 152,312	40.88%	£ -
BRENT	270,600	5480	2.03%	3.58%	£470,806	£470,806	£168,532	£639,338	£ 757,402	22.25%	£ 118,064
BROMLEY	302,600	4830	1.60%	3.15%	£414,962	£414,962	£70,380	£485,342	£ 160,509	43.85%	£ -
CAMDEN	235,700	4240	1.80%	2.77%	£364,273	£364,273	£489,733	£854,006	£ 711,915	68.79%	£ -
CITY OF LONDON	7,900	100	0.03%	0.07%	£8,591	£8,591	£45,282	£53,873	£ 23,796	100.00%	£ -
CROYDON	341,800	6640	2.15%	4.33%	£570,466	£570,466	£125,089	£695,555	£ 801,211	15.61%	£ 105,656
EALING	309,000	6350	2.21%	4.14%	£545,551	£545,551	£56,603	£602,154	£ 781,512	7.24%	£ 179,358
ENFIELD	287,600	5610	2.52%	3.66%	£481,975	£481,975	£40,890	£522,865	£ 146,868	27.84%	£ -
GREENWICH	222,900	6470	2.90%	4.22%	£555,860	£555,860	£21,353	£577,213	£ 528,541	4.04%	£ -
HACKNEY	212,200	5130	2.42%	3.35%	£440,736	£440,736	£249,490	£690,226	£ 648,087	38.50%	£ -
HAMMERSMITH & FULHAM	172,200	3520	2.04%	2.30%	£302,415	£302,415	£194,983	£497,398	£ 692,808	28.14%	£ 195,410
HARINGEY	226,200	4840	2.14%	3.16%	£415,821	£415,821	£103,867	£519,688	£ 562,501	18.47%	£ 42,812
HARROW	216,200	3760	1.74%	2.45%	£323,035	£323,035	£643,200	£966,235	£ 732,625	87.79%	£ -
HAVERING	230,100	5320	2.31%	3.47%	£457,060	£457,060	£383,101	£840,161	£ 876,278	43.72%	£ 36,117
HILLINGDON	253,200	4740	1.87%	3.09%	£407,230	£407,230	£46,164	£453,394	£ 63,731	72.44%	£ -
HOUNSLOW	222,600	4980	2.24%	3.25%	£427,849	£427,849	£132,840	£560,689	£ 413,775	32.10%	£ -
ISLINGTON	190,900	5000	2.62%	3.26%	£429,567	£429,567	£189,893	£619,460	£ 504,163	37.67%	£ -
KENSINGTON & CHELSEA	180,300	2460	1.36%	1.61%	£211,347	£211,347	£597,288	£808,635	£ 784,151	76.17%	£ -
KINGSTON ON THAMES	160,100	1800	1.12%	1.17%	£154,644	£154,644	£42,112	£196,756	£ 539,930	7.80%	£ 343,174
LAMBETH	274,500	5580	2.03%	3.64%	£479,397	£479,397	£133,085	£612,482	£ 733,588	18.14%	£ 121,106
LEWISHAM	261,600	5980	2.29%	3.90%	£513,763	£513,763	£44,710	£558,473	£ 584,080	7.65%	£ 25,608
MERTON	201,400	2780	1.38%	1.81%	£238,839	£238,839	£115,208	£354,047	£ 503,711	22.87%	£ 149,664
NEWHAM	249,500	7160	2.87%	4.67%	£615,141	£615,141	£604,483	£1,219,624	£ 1,617,088	37.38%	£ 397,465
REDBRIDGE	257,600	5460	2.12%	3.56%	£469,088	£469,088	£0	£469,088	£ 942,942	0.00%	£ 473,854
RICHMOND	180,100	2110	1.17%	1.38%	£181,277	£181,277	£118,829	£300,106	£ 446,199	26.63%	£ 146,092
SOUTHWARK	278,000	6020	2.17%	3.93%	£517,199	£517,199	£129,123	£646,322	£ 1,063,825	12.14%	£ 417,503
SUTTON	187,600	3120	1.66%	2.04%	£268,050	£268,050	£70,632	£338,682	£ 443,072	15.94%	£ 104,390
TOWER HAMLETS	220,500	4520	2.05%	2.95%	£388,329	£388,329	£264,316	£652,645	£ 384,468	68.75%	£ -
WALTHAM FOREST	223,200	5260	2.36%	3.43%	£451,905	£451,905	£491,314	£943,219	£ 430,781	100.00%	£ -
WANDSWORTH	284,000	4440	1.56%	2.90%	£381,456	£381,456	£191,318	£572,774	£ 480,342	39.83%	£ -
WESTMINSTER	236,000	4120	1.75%	2.69%	£353,964	£353,964	£1,020,000	£1,373,964	£ 1,200,000	85.00%	£ -
<b>TOTALS</b>	<b>7,619,800</b>	<b>153,270</b>	<b>2.01%</b>	<b>100.00%</b>	<b>£13,167,960</b>	<b>£13,167,960</b>	<b>£7,182,195</b>	<b>£20,350,155</b>	<b>£20,361,688</b>		<b>£ 3,270,121</b>
					<b>£13,167,960</b>						
					<b>£13,167,960</b>						

APPENDIX 3D

Taxicard Apportionment based on a two year modelled scenario

2012/2013 (50% POOL)

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HRMCDLA	POPULATION	NO OF	%	PRO RATA	TFL ALLOCATION	TFL ALLOCATION	BOROUGH	COMBINED	PROJECTED	BOROUGH	BALANCE
BOROUGH		HRMCDLA	POP	% OF ALL	ON NO HRMCDLA	ON NO HRMCDLA	BUDGET	BUDGETS	OUTTURN	% OF SPEND	TO FUND
					100%	50%					
BARKING & DAGENHAM	168,900	5230	3.10%	3.41%	£449,328	£224,664	£336,113	£560,777	£ 1,136,822	29.57%	£ 576,045
BARNET	331,500	5240	1.58%	3.42%	£450,187	£225,093	£0	£225,093	£ 512,653	0.00%	£ 287,560
BEXLEY	223,300	4980	2.23%	3.25%	£427,849	£213,925	£62,264	£276,189	£ 152,312	40.88%	£ -
BRENT	270,600	5480	2.03%	3.58%	£470,806	£235,403	£168,532	£403,935	£ 757,402	22.25%	£ 353,467
BROMLEY	302,600	4830	1.60%	3.15%	£414,962	£207,481	£70,380	£277,861	£ 160,509	43.85%	£ -
CAMDEN	235,700	4240	1.80%	2.77%	£364,273	£182,137	£489,733	£671,870	£ 711,915	68.79%	£ 40,045
CITY OF LONDON	7,900	100	0.03%	0.07%	£8,591	£4,296	£45,282	£49,578	£ 23,796	100.00%	£ -
CROYDON	341,800	6640	2.15%	4.33%	£570,466	£285,233	£125,089	£410,322	£ 801,211	15.61%	£ 390,889
EALING	309,000	6350	2.21%	4.14%	£545,551	£272,775	£56,603	£329,378	£ 781,512	7.24%	£ 452,134
ENFIELD	287,600	5610	2.52%	3.66%	£481,975	£240,987	£40,890	£281,877	£ 146,868	27.84%	£ -
GREENWICH	222,900	6470	2.90%	4.22%	£555,860	£277,930	£21,353	£299,283	£ 528,541	4.04%	£ 229,258
HACKNEY	212,200	5130	2.42%	3.35%	£440,736	£220,368	£249,490	£469,858	£ 648,087	38.50%	£ 178,229
HAMMERSMITH & FULHAM	172,200	3520	2.04%	2.30%	£302,415	£151,208	£194,983	£346,191	£ 692,808	28.14%	£ 346,617
HARINGEY	226,200	4840	2.14%	3.16%	£415,821	£207,911	£103,867	£311,778	£ 562,501	18.47%	£ 250,723
HARROW	216,200	3760	1.74%	2.45%	£323,035	£161,517	£643,200	£804,717	£ 732,625	87.79%	£ -
HAVERING	230,100	5320	2.31%	3.47%	£457,060	£228,530	£383,101	£611,631	£ 876,278	43.72%	£ 264,647
HILLINGDON	253,200	4740	1.87%	3.09%	£407,230	£203,615	£46,164	£249,779	£ 63,731	72.44%	£ -
HOUNSLOW	222,600	4980	2.24%	3.25%	£427,849	£213,925	£132,840	£346,765	£ 413,775	32.10%	£ 67,010
ISLINGTON	190,900	5000	2.62%	3.26%	£429,567	£214,784	£189,893	£404,677	£ 504,163	37.67%	£ 99,486
KENSINGTON & CHELSEA	180,300	2460	1.36%	1.61%	£211,347	£105,674	£597,288	£702,962	£ 784,151	76.17%	£ 81,190
KINGSTON ON THAMES	160,100	1800	1.12%	1.17%	£154,644	£77,322	£42,112	£119,434	£ 539,930	7.80%	£ 420,496
LAMBETH	274,500	5580	2.03%	3.64%	£479,397	£239,699	£133,085	£372,784	£ 733,588	18.14%	£ 360,805
LEWISHAM	261,600	5980	2.29%	3.90%	£513,763	£256,881	£44,710	£301,591	£ 584,080	7.65%	£ 282,489
MERTON	201,400	2780	1.38%	1.81%	£238,839	£119,420	£115,208	£234,628	£ 503,711	22.87%	£ 269,083
NEWHAM	249,500	7160	2.87%	4.67%	£615,141	£307,570	£604,483	£912,053	£ 1,617,088	37.38%	£ 705,035
REDBRIDGE	257,600	5460	2.12%	3.56%	£469,088	£234,544	£0	£234,544	£ 942,942	0.00%	£ 708,398
RICHMOND	180,100	2110	1.17%	1.38%	£181,277	£90,639	£118,829	£209,468	£ 446,199	26.63%	£ 236,731
SOUTHWARK	278,000	6020	2.17%	3.93%	£517,199	£258,600	£129,123	£387,723	£ 1,063,825	12.14%	£ 676,103
SUTTON	187,600	3120	1.66%	2.04%	£268,050	£134,025	£70,632	£204,657	£ 443,072	15.94%	£ 238,415
TOWER HAMLETS	220,500	4520	2.05%	2.95%	£388,329	£194,164	£264,316	£458,480	£ 384,468	68.75%	£ -
WALTHAM FOREST	223,200	5260	2.36%	3.43%	£451,905	£225,952	£491,314	£717,266	£ 430,781	100.00%	£ -
WANDSWORTH	284,000	4440	1.56%	2.90%	£381,456	£190,728	£191,318	£382,046	£ 480,342	39.83%	£ 98,296
WESTMINSTER	236,000	4120	1.75%	2.69%	£353,964	£176,982	£1,020,000	£1,196,982	£ 1,200,000	85.00%	£ 3,018
<b>TOTALS</b>	<b>7,619,800</b>	<b>153,270</b>	<b>2.01%</b>	<b>100.00%</b>	<b>£13,167,960</b>	<b>£6,583,980</b>	<b>£7,182,195</b>	<b>£13,766,175</b>	<b>£20,361,688</b>		<b>£ 7,616,171</b>
					<b>£13,167,960</b>						
					<b>£13,167,960</b>	<b>£6,583,980</b>					

APPENDIX 3E

Taxicard Apportionment based on a two year modelled scenario

2013/2014 (NO POOL)

HRMCDLA	POPULATION	NO OF	%	PRO RATA	TFL ALLOCATION	TFL ALLOCATION	BOROUGH	COMBINED	PROJECTED	BOROUGH	BALANCE
BOROUGH		HRMCDLA	POP	% OF ALL	ON NO HRMCDLA	ON NO HRMCDLA	BUDGET	BUDGETS	OUTTURN	% OF SPEND	TO FUND
					100%	100%					
BARKING & DAGENHAM	168,900	5230	3.10%	3.41%	£449,328	£449,328	£336,113	£785,441	£ 1,136,822	29.57%	£ 351,381
BARNET	331,500	5240	1.58%	3.42%	£450,187	£450,187	£0	£450,187	£ 512,653	0.00%	£ 62,466
BEXLEY	223,300	4980	2.23%	3.25%	£427,849	£427,849	£62,264	£490,113	£ 152,312	40.88%	£ -
BRENT	270,600	5480	2.03%	3.58%	£470,806	£470,806	£168,532	£639,338	£ 757,402	22.25%	£ 118,064
BROMLEY	302,600	4830	1.60%	3.15%	£414,962	£414,962	£70,380	£485,342	£ 160,509	43.85%	£ -
CAMDEN	235,700	4240	1.80%	2.77%	£364,273	£364,273	£489,733	£854,006	£ 711,915	68.79%	£ -
CITY OF LONDON	7,900	100	0.03%	0.07%	£8,591	£8,591	£45,282	£53,873	£ 23,796	100.00%	£ -
CROYDON	341,800	6640	2.15%	4.33%	£570,466	£570,466	£125,089	£695,555	£ 801,211	15.61%	£ 105,656
EALING	309,000	6350	2.21%	4.14%	£545,551	£545,551	£56,603	£602,154	£ 781,512	7.24%	£ 179,358
ENFIELD	287,600	5610	2.52%	3.66%	£481,975	£481,975	£40,890	£522,865	£ 146,868	27.84%	£ -
GREENWICH	222,900	6470	2.90%	4.22%	£555,860	£555,860	£21,353	£577,213	£ 528,541	4.04%	£ -
HACKNEY	212,200	5130	2.42%	3.35%	£440,736	£440,736	£249,490	£690,226	£ 648,087	38.50%	£ -
HAMMERSMITH & FULHAM	172,200	3520	2.04%	2.30%	£302,415	£302,415	£194,983	£497,398	£ 692,808	28.14%	£ 195,410
HARINGEY	226,200	4840	2.14%	3.16%	£415,821	£415,821	£103,867	£519,688	£ 562,501	18.47%	£ 42,812
HARROW	216,200	3760	1.74%	2.45%	£323,035	£323,035	£643,200	£966,235	£ 732,625	87.79%	£ -
HAVERING	230,100	5320	2.31%	3.47%	£457,060	£457,060	£383,101	£840,161	£ 876,278	43.72%	£ 36,117
HILLINGDON	253,200	4740	1.87%	3.09%	£407,230	£407,230	£46,164	£453,394	£ 63,731	72.44%	£ -
HOUNSLOW	222,600	4980	2.24%	3.25%	£427,849	£427,849	£132,840	£560,689	£ 413,775	32.10%	£ -
ISLINGTON	190,900	5000	2.62%	3.26%	£429,567	£429,567	£189,893	£619,460	£ 504,163	37.67%	£ -
KENSINGTON & CHELSEA	180,300	2460	1.36%	1.61%	£211,347	£211,347	£597,288	£808,635	£ 784,151	76.17%	£ -
KINGSTON ON THAMES	160,100	1800	1.12%	1.17%	£154,644	£154,644	£42,112	£196,756	£ 539,930	7.80%	£ 343,174
LAMBETH	274,500	5580	2.03%	3.64%	£479,397	£479,397	£133,085	£612,482	£ 733,588	18.14%	£ 121,106
LEWISHAM	261,600	5980	2.29%	3.90%	£513,763	£513,763	£44,710	£558,473	£ 584,080	7.65%	£ 25,608
MERTON	201,400	2780	1.38%	1.81%	£238,839	£238,839	£115,208	£354,047	£ 503,711	22.87%	£ 149,664
NEWHAM	249,500	7160	2.87%	4.67%	£615,141	£615,141	£604,483	£1,219,624	£ 1,617,088	37.38%	£ 397,465
REDBRIDGE	257,600	5460	2.12%	3.56%	£469,088	£469,088	£0	£469,088	£ 942,942	0.00%	£ 473,854
RICHMOND	180,100	2110	1.17%	1.38%	£181,277	£181,277	£118,829	£300,106	£ 446,199	26.63%	£ 146,092
SOUTHWARK	278,000	6020	2.17%	3.93%	£517,199	£517,199	£129,123	£646,322	£ 1,063,825	12.14%	£ 417,503
SUTTON	187,600	3120	1.66%	2.04%	£268,050	£268,050	£70,632	£338,682	£ 443,072	15.94%	£ 104,390
TOWER HAMLETS	220,500	4520	2.05%	2.95%	£388,329	£388,329	£264,316	£652,645	£ 384,468	68.75%	£ -
WALTHAM FOREST	223,200	5260	2.36%	3.43%	£451,905	£451,905	£491,314	£943,219	£ 430,781	100.00%	£ -
WANDSWORTH	284,000	4440	1.56%	2.90%	£381,456	£381,456	£191,318	£572,774	£ 480,342	39.83%	£ -
WESTMINSTER	236,000	4120	1.75%	2.69%	£353,964	£353,964	£1,020,000	£1,373,964	£ 1,200,000	85.00%	£ -
<b>TOTALS</b>	<b>7,619,800</b>	<b>153,270</b>	<b>2.01%</b>	<b>100.00%</b>	<b>£13,167,960</b>	<b>£13,167,960</b>	<b>£7,182,195</b>	<b>£20,350,155</b>	<b>£20,361,688</b>		<b>£ 3,270,121</b>
					<b>£13,167,960</b>						
					<b>£13,167,960</b>						

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**Executive**  
15 November 2010

## **Report from the Director of Housing and Community Care**

Wards Affected:  
ALL

### **Young people and teenage parent accommodation based services and floating support services**

#### **1.0 Summary**

- 1.1 This report updates Members on the procurement process of two frameworks for teenage parent based accommodation services and floating support services and of two frameworks for young people based accommodation services and floating support services since approval to tender was given at the Executive meeting on 15 June 2009.
- 1.2 For the reasons detailed in this report, Officers seek approval to depart from the existing procurement route in respect of the teenage parent based accommodation services and floating support. Officers seek exemption from full tendering requirements and seek approval to re-commission the services with the existing providers on a one year contract from 1 April 2011, with an option to extend the contract by a further year to 31 March 2013
- 1.3 In connection with the two frameworks for young people based accommodation services and floating support service, Officers seek authority to extend the contracts with the existing providers to enable the procurement process to be concluded.

#### **2.0 Recommendations**

That the Executive:

- 2.1 Approve an exemption from the usual tendering requirements of Contract Standing Orders in relation to the teenage parent based accommodation services and floating support services on the basis that there are good operational and/ or financial reasons for doing so as set out in Section 3 of the report.

- 2.2 Award the contracts for housing support services for teenage parents at Melrose Avenue NW2 and Nicoll Road NW10 and their respective floating support services to the current providers, Catch 22 and Stadium Housing Association, for the period from 1 April 2011 to 31 March 2012, with the possibility of extending such contract for one further year to 31 March 2013..
- 2.3 Approve the extension of current contracts for young people based accommodation services and floating support services with Depaul Trust, Catch 22, St Christophers Fellowship, Coram Housing and Support Service, Brent Housing Partnership and Centre Point for a period of eight months, to 30 September 2011, to allow for their tender.

### **3.0 Detail**

- 3.1 The Supporting People (“SP”) Programme is a national programme to commission the provision of housing related support services for vulnerable people to gain, increase or maintain their independence. SP funds the provision of “accommodation based services” (support tied to accommodation) and “floating support services” (support to service users in their own home). Services assist clients in maintaining their accommodation, i.e. help with; accessing benefits, budgeting, ensuring bills paid, education, training, employment, healthy living, community engagement etc.
- 3.2 The SP Programme commenced in April 2003. The Programme in Brent was valued at £13.7 million in 2004/5 and has reduced to £12.3 million for 2010/11. It is anticipated that further reductions may take place in 2011-12.
- 3.3 In May 2007, the Executive approved a five year future procurement strategy for Supporting People contracts. An element of this procurement strategy was the procurement of framework agreements for Young People (“YP”) Services and Teenage Parent (“TP”) services. To enable time for this strategy to be implemented, the Executive granted approval from tendering requirements and award to the existing providers for contracts for both YP and TP contracts. These contracts were for a period of two years from 1st February 2007 with an option to extend for one year with scope to extend for a further year. The contracts have been extended to 31 January 2011.
- 3.4 The Strategic Review in March 2009 of SP funded services for YP and TP services confirmed the strategic relevance, recommended their tender and how services should be packaged. The review highlighted the requirement to identify efficiency savings and to ensure delivery of services which provided for early mediation, homelessness prevention, intervention and tenancy sustainment support. A holistic response by specialist staff based on site was needed to address the issues presented.
- 3.5 Following on from the Strategic Review, on the 15<sup>th</sup> June 2009 the Executive gave authority to tender for four framework agreements, two for young people accommodation based services and floating support services and two for

teenage parent accommodation based services and floating support services as follows:

Framework	<u>Specification</u>
Framework 1	<u>Lot A</u> YP accommodation based scattered schemes with visiting staff
	<u>Lot B</u> YP accommodation based hostel with 24/7 staffing, crash pad, move-on and independent flats
Framework 2	YP floating support service
Framework 3	TP accommodation based service
Framework 4	TP floating support service

- 3.6 Expressions of Interest in respect of all four frameworks were invited in September 2009 which resulted in limited interest, which included current providers. Pre Qualification Questionnaires were subsequently issued and on receipt, Officers assessed the Questionnaires. Organisations interested in tendering have subsequently updated Pre Qualification Questionnaire information.
- 3.7 Since receipt of Questionnaires, there has been a re-consideration of funding availability, notably from Children & Families Department. This has resulted in some minor changes proposed to delivery of the young people service, in line with current trends. In addition, there have been concerns regarding SP funding. There has been removal of the ring fencing of the SP grant. As detailed in paragraph 3.2, there has been a reduction in SP funding for 2010/11. It is also anticipated that there will be further reductions in funding for 2011/12. Uncertainties over future funding has therefore led to a reconsideration of YP and TP procurements, particularly as the Council is procuring frameworks lasting a period of 4 years.
- 3.8 Following consideration of procurement options in the light of current funding issues, Officers wish to proceed with the tendering process to contract SP services for young people only i.e. Frameworks 1 and 2. This would avoid any potential loss of joint funding. The tender for these frameworks will achieve value for money as the overall number of contracts will be reduced and ensure that services are "fit for purpose". Re-commencing an alternative tender process is likely to lead to further funding difficulties from funding partners.
- 3.9 In view of the delay that has occurred in the procurement process and the fact that the existing contracts are due to expire on 31 January 2011, Officers seek approval to extend the existing contracts by further 8 months, to 30 September 2011, to enable the existing procurement process to conclude.
- 3.10 Whilst Officers consider it appropriate to proceed with the tender for YP services, Officers do not consider at the current time it is appropriate to proceed with the tender for TP accommodation based services and floating support services. Funding for this contract is not linked in with the Children

and Families Department and is purely reliant on SP funding. Given the significant concerns regarding SP funding at the current time, Officers consider it would be advisable to proceed by awarding a relatively short one year contract (with a one year extension) to the existing providers detailed below:

<b>Provider</b>	<b>Address scheme</b>	<b>Service Type</b>	<b>No. of Units</b>	<b>Landlord</b>
Catch-22	Nicol Rd NW10	Accom based	4	PCHA
	N/A	Floating Support	5	N/A
Stadium HA	Melrose Ave NW2	Accom based	9	Network
	N/A	Floating Support	10	N/A

3.11 In proposing the award of the above TP contracts, Officers have taken account of the recent Quality Audit Visits to the TP schemes that have identified improvements to these services which are rated as “good”, The services are seen as addressing homeless issues and assisting teenage parents to achieve high outcomes. It is noted that one provider owns the properties from which the services are based; the other has a good partnership arrangement with the landlord.

#### **4.0 Financial Implications**

4.1 The Council currently funds 34 units of housing support service for teenage parents through contracts with Catch- 22 and Stadium HA totalling £186,769 per annum. The contracts proposed for exemption from tendering would provide 28 teenage parents with support. In addition 3 further units are funded at a teenage parent scheme in Harrow, jointly commissioned and managed by Harrow Supporting People with a contract extension to 31<sup>st</sup> March 2012. The Executive Report 15 June 2009 identified that the number of accommodation based units provided by Stadium HA are to be reduced. This reduction, plus the anticipated efficiency savings proposal of a minimum of 10%, approximately £19,000, will realise savings .

4.2 Current weekly units costs are £106 per week for TP services . If the teenage parent services were tendered, it is likely that the hourly rates proposed would be similar to current costs. Recent dialogue with current providers has highlighted the potential for greater savings through contract negotiations. To support this, criteria for contract negotiations has been developed and the same robust principles will be applied in the same way as if contracts were to be subject to re-tendering. This would detail how the contract negotiation price was determined and focus on issues of quality, value for money and outcomes. Providers are currently looking look to identify in year efficiencies and further savings. This approach also strengthens our relationship with them.

4.3 A delay in savings due to the late procurement of the young people services is likely to be off-set by the current SP austerity exercise, with all providers, to find in year efficiency savings, as well as future savings, of a minimum of 10%, of all contracts.



- 4.4 In addition the Council will save on the procurement costs of tendering for this element of the service and any potential TUPE costs.
- 4.5 The Executive has agreed earlier exemptions from tendering for other SP vulnerable client groups.
- 4.6 There are no other financial implications arising from the recommendations contained in this report

## **5.0 Legal Implications**

- 5.1 The report recommends the award of TP accommodation based services and floating support services identified in paragraph 3.10 above. Such contracts are required by standing orders to be tendered. Where any contract is proposed not to be tendered, then only the Executive can approve this under Standing Order 84 on the conditions that there are good operational and / or financial reasons for doing so. The Executive therefore needs to consider whether the grounds identified in section 3 of this report constitute good operational and financial reasons for not tendering.
- 5.2 In addition, Members may only grant an exemption from tendering where there is no breach of European public procurement requirements. These services are Part B services under the Public Contracts Regulations 2006 (the EU Regulations) and are thus exempt from the full tendering requirements of the EU Regulations. Most importantly, there is no strict requirement to advertise and tender Part B contracts in accordance with EU Regulations. However award of Part B contracts is subject to over-riding obligations of fairness and transparency and there is certainly EU case law to suggest that even part B contracts should be subject to some form of advertised process. However this is subject to an analysis of the nature of the service and whether there is likely to be cross-Europe interest. This is unlikely with most social services contracts, and so the risk of a challenge is considered low.
- 5.3 As Part B services, the award of TP accommodation based services and floating support services would still require notification of contract award to the EU Publications Office.
- 5.4 The award recommends the extension of existing young people based accommodation services and floating support services. As these contracts have already been extended using delegated powers, Executive approval to such extension is required.

## **6.0 Diversity Implications**

- 6.1 The new contracts will require providers of housing support services to deliver services which are culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent.
- 6.2 In providing a range of training, employment, leisure and social activities the service will be open to all members of the surrounding community. Partnering

arrangements with local community groups and specialist providers will be encouraged as part of the contract terms for the service. The contracts will focus on providing specialist services for teenage parents.

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

7.1 There are no staffing implications or accommodation implications for the Council.


### **Background Papers**

Executive report 9th October 2006 Title: Supporting People Contracts  
Executive report 15<sup>th</sup> June 2009 Title: Authority to tender for young people and teenage parent supporting people accommodation based service and floating support services

### **Contact Officers**

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**Director of Housing and Community Care**

	<p style="text-align: center;"><b>Executive</b> <b>15 November 2010</b></p> <p style="text-align: center;"><b>Report from the Director of Regeneration and Major Projects and the Director of Housing and Community Care</b></p>
<p style="text-align: right;">Ward affected: Sudbury</p>	
<p style="text-align: center;"><b>Disposal of former allotment site adjacent to 19 Elms Gardens, Sudbury, and establishment of new replacement allotment site at Gladstone Park Gardens, Dollis Hill</b></p>	

## **1.0 SUMMARY**

- 1.1 This report seeks authority to dispose of a former allotment site for residential development to support the redevelopment of the Barham Park Estate and to the consequent creation of a new replacement allotment site.
- 1.2 This report acknowledges a petition received from residents living near the site, which raises a number of concerns and which objects to the sale of land for housing. This report addresses those concerns.

## **2.0 RECOMMENDATIONS**

- 2.1 That the Executive agree to the disposal of the freehold interest of land at Elms Gardens, Sudbury to Notting Hill Housing Trust (NHHT) as development land to initially provide decant accommodation for Barham Park Estate residents.
- 2.2 That the Executive agree to the creation of a new replacement allotment site at Gladstone Park, Dollis Hill subject to the appropriate legal procedures as set out in the body of this report being properly undertaken.
- 2.3 That Members authorise the Director of Children and Families to commence and comply with the procedure as set out in section 122(2A) of the Local Government Act 1972 to agree that the education land used as open space at Gladstone Park is no longer required for the purpose for which it is currently held and to appropriate the land for statutory allotment purposes. In addition to this, to consider any objections made to the appropriation, and unless there are objections received which in his opinion are significant, to implement the appropriation. If such objections are received then a further report will be brought back to the Executive for consideration.

- 2.4 That officers are instructed to ensure that the development adequately addresses the concern of local residents and that further meetings are held with the resident's group in order to consult on any development proposals.
- 2.5 That the Executive note the purchase price payable by NHHT will be dependent upon the level of grant available and may not match best value if the site were disposed in the open market. If this proves to be the case the Executive is able to utilise the "Well-Being" Powers under the General Consent (England) 2003 to dispose of the land at less than best consideration in return for more affordable housing.
- 2.7 In any event, as the SOS consent given in relation to the disposal and further mentioned paragraph 3.3 below is based on the sale price not being lower than current valuation, if the disposal is less than best consideration then the consent of the SOS will be required and it is recommended the final decision on the disposal price be delegated to the Directors of Regeneration and Major Projects and Housing and Community Care.
- 2.8 In the event that the disposal to NHHT for the specific purpose of assisting with the redevelopment of Barham Park Estate does not proceed, that the site be disposed on the open market, subject to the same requirement for consultation with local residents and the development of an alternative scheme which addresses the concerns of local residents.

### **3.0 DETAIL**

- 3.1 The site, as shown on the plan attached to this report, totals 4290 sq m of land. It was formerly utilised as allotments and has now become overgrown and is fenced off and unused. The site has been derelict for over ten years, and it is understood there is no waiting list for this specific site although there is a waiting list of 78 total applications for the three sites currently within the Sudbury Area.
- 3.2 During the previous Administration the then Executive agreed at their meeting on 26 May 2009 to approve the proposal to the de-designation and re-use of the former Elms Gardens Allotment site and for the disposal of this site to provide decant accommodation for the Barham Park Estate redevelopment. Thus as a consequence officers were to work with the Notting Hill Housing Trust (NHHT) to secure an appropriate development, subject to de-designation being supported by the Secretary of State.
- 3.3 In accordance with the requirement set out in section 8 of the Allotments Act 1925 (details of which are set out in paragraph 5.1 below), the Council obtained Secretary of State consent on 8 May 2009 to dispose of the former allotments for residential purposes. The Secretary of State's consent was given subject to the condition that such disposal to be at a price not lower than current valuation on condition that no development shall take place at the Elms Gardens Allotment site until alternative allotment facilities at the new Parkside Allotment site, Gladstone Park London NW2 as described in the letter of the 16 March 2009 from Brent Council to the Government Office for the West Midlands have been provided and are ready for use. A plan of the Parkside Allotment site is also appended to this report.
- 3.4 The Council's Parks Service has identified a suitable alternative site within Gladstone Park which is estimated could be converted into an access friendly, modern allotment site for circa £250,000. This is the site referred to as the Parkside

Allotment site mentioned in paragraph 3.3 above. This site was identified as being suitable as it is considered that there is good demand for allotments in this part of the borough and it is capable of providing good allotments for hire.

- 3.5 It should be noted that as the proposed site is held as education land, the change of use to statutory allotment land will require planning permission. It is also possible that the Council will need to forward fund this work and effectively be reimbursed from the proceeds of sale.
- 3.6 The new site will be designed and managed to facilitate use by target groups and also enable close partnership working with for example NW2 residents association, Cricklewood Homeless and local schools. The site will enable Parks to bring back into use a currently overgrown, disused site and it will have proper access, unisex disabled toilets, good site security and will increase footfall on the site thereby reducing risk of anti-social behaviour. A further sum may be required to compensate for the loss of the site locally through the improvement of nearby public open space. This may be an imposed planning condition and although the sum has not yet been confirmed it is likely to also be required to be forward funded.
- 3.7 NHHT has prepared plans to construct 27 units - preference is all rent. The scheme proposed is for 15 flats and 12 houses. It should be noted that the relatively low density of the scheme reflects the low accessibility to public transport and takes into account the location of the site and its immediate surroundings. A provisional sum of £1.4 m was negotiated for the site before the current financial cuts to Government's capital funding programme.
- 3.8 A purchase price at £1.4m was based on NHHT receiving a grant of £135,000 per unit. It is not clear what level of grant would be given at the present time. However, initial discussions with the HCA suggest that a grant rate of £135,000 per unit is unlikely to be achieved in light of the limited amount of social housing grant funding that is currently available. If this level of grant per unit cannot be achieved then NHHT would need to sell some of the houses to cover their scheme development costs. Without grant NHHT have stated that each unit will have a Net Present Value (NPV) for social rent of £80,000 and a cost to build of £100,000, therefore there will be no land value if the 100% affordable rent scheme is to be developed.

### **Scheme impact for Barham Park residents**

- 3.9 The development proposals include an elderly housing scheme comprising 15 flats (7 x 1 bed 2 person and 8 x 2 bed 3 person) and 12 family houses (10 x 3 bed 5 person and 2 x 4 bed 7 person).
- 3.10 The traffic and transportation issues relating to the width of the road have been discussed with planners and they are content that development traffic could be accommodated. The parking provision is at a ratio of 0.7 as a reduced need is anticipated due to the inclusion of the residential scheme for elderly people.
- 3.11 In term of amenity provision, the houses will all have their own private gardens and the elderly residential scheme will include communal amenity space.
- 3.12 The scheme proposals reflect the housing typology required to meet the housing needs of elderly people and larger families who need to be decanted from the Barham Park estate. NHHT's approach is to design a policy compliant scheme

which makes efficient use of the site and will help to meet the Council's decanting timetable to complete Phase 3 of the regeneration of the Barham Park estate.

- 3.13 The additional benefits of linking the scheme to Barham Park is that the new development will be built to match the requirements of existing residents of the Sudbury area – which is in keeping with the Council's aspirations of enabling residents to stay in their area of choice. Many of the existing residents of Barham Park have been living in the area for over 20 years and have built up their local connections – through schools, doctors surgeries, shopping patterns and some also work locally.
- 3.14 There is also the possibility of accommodating very active but elderly residents who wish to be co-located with their neighbours. This scheme provides that opportunity of having a settled community for residents of Barham Park.
- 3.15 The sale would be conditional upon planning consent for the development of Elms Park Allotment Site and also for the change of use of the replacement land at Gladstone Park to a statutory allotments site being granted and the replacement allotments being provided and being ready for use

### **Planning Issues**

- 3.16 The council's new Core Strategy protects open space of local value from development (Policy CP18). Although the allotment site does not have a great value in its current state it is adjacent to an area of public open space deficiency and could potentially fulfil an open space role. The Core Strategy also seeks to meet Brent's significant housing needs and accepts that, while housing should not generally be built on Greenfield land, in a small number of cases this is acceptable where this can be justified.
- 3.17 The justification for development of this Greenfield site is that it provides important decant space for the Barham estate to secure its regeneration or that it secures financial support for the council to move forward the redevelopment of the very poor quality Barham estate. The current site has limited open space value (being dis-used for some years) and this is being compensated for by more useful allotment space on a site (Gladstone Park) where it has proven difficult to meet demand. So on balance there would appear to be exceptional circumstances to justify the development of this Greenfield site. This would be a matter for the council's Planning Committee to weigh in the balance if a planning application is submitted for this site.
- 3.18 Because the former allotment site lies in an area of public open space deficiency, it is likely that the Planning Committee would seek some local open space redress, as well as the alternative allotment provision. In the past this has normally meant a sum to improve local public open space. This for example could be a contribution to improve nearby open space such as Maybank open space. This should be reflected in the financial implications.

### **Brent Council's Allotment Service**

- 3.19 Brent Council Allotment Service has over the past nine [2001] years undergone a transformation. Consultation undertaken as part of Brent Council's Parks Service Best Value review identified the Allotments Service as a non-service with little steer from the council, neglectful in terms of managing allotment assets and whose general

management was seen as poor at best. Overall occupancy on Brent sites was approximately 63%

- 3.20 As part of the Parks Service Best Value fundamental review Allotment Holders were asked what they would like to see in terms of improvements to the Borough's Allotment Service. They responded that they wanted the following:
- A dedicated full time Allotments Officer
  - Improved site security
  - Toilets
  - Improved supplies and services
  - Signage
  - An Allotments Forum.
- 3.21 As a direct result Parks staff worked with 'Allottees' to develop a Job Description and person specification for a new post of Full Time Allotments Officer. This was agreed and an appointment was made in June 2002. The first role of the Allotments Officer was to facilitate and initiate the Brent Allotments Forum [BAF], which is now well established, well represented and meets on a regular basis.
- 3.22 Through its contact with the BAF, Brent Parks identified a capital programme works and undertook significant improvements across the Borough in conjunction with the BAF to upgrade and improve our Allotment sites. This has included improvements to 22 out of 23 of the Borough's sites. This includes 5 new site toilets, secure fencing on all sites, signage at all sites, revamped utilities infrastructure [water supply and drainage].
- 3.23 The Elms Gardens site was identified as being difficult to manage and there was difficulty in providing interest in this site due in the main to poor services and access. The site fell into a poor state and eventually a decision was made to dispose of the site and try and invest any monies raised in an area of the Borough with a high demand for allotments and no or limited existing provision.
- 3.24 Gladstone Park was identified as suitable replacement site as an area of the park was part of the Education Service property portfolio and was not in use, it was therefore decided that as this was equivalent in size to Elms Gardens and there was a recognised deficiency in allotments in this area that this would be a suitable site. In summary therefore there is good evidence to support
- The Council's commitment to allotment gardening
  - That it is not trying to dispose or reduce its allotment site holdings or responsibilities
  - There has been constant and regular investment in our allotments
  - That full consultation with BAF has been ongoing and that Elms Gardens has been regularly discussed by them
  - That the allotment service has been well advertised
- 3.25 In addition to this an annual survey of allotment holders is undertaken and the 'Allottees' tell us that it is now a 'Very Good Service' and that allotment management in Brent is 'Very Good'. Occupancy is currently 99% and there are waiting list on all

our sites, advertising in the Brent Magazine on a regular basis has been advantageous and influential in promoting the Brent Allotment Service

- 3.26 This year one of our Allotment Holders came third in the all London Allotments Competition winning a Bronze Certificate and this was judged as part of the London In Bloom competition

#### **Petition**

- 3.27 A petition has been received with 117 named individuals living mainly on Elm Court and Elm Park Avenue and Elm Gardens objecting to the possible sale of the land for housing and raising a number of concerns.
- 3.28 These concerns primarily fall into two distinct categories. The first concerns the proposed development. It is considered these concerns are premature as no scheme has yet been presented to Planners. Once a scheme is presented the residents will have an opportunity to raise concerns through the statutory consultation process. The other main concern is in regard to safety and disruption to existing residents. A public meeting was held last month when these issues were aired and a number of other matters were similarly raised regarding the consultation process. These matters are being investigated further by officers.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 A receipt of £1,400,000 could be received from the sale although it is noted that this could be substantially reduced depending upon whether NHHT could receive grant funding from the Homes and Communities Agency (HCA) or whether the tenure mix required by the Council could be achieved for the purposes of the decanting of Barham Park. The Council will need to decide between the potentially conflicting priority of obtaining a capital receipt and supporting the decant of and subsequent regeneration of Barham Park Estate. As a minimum the Council must achieve a consideration which pays for the alternative provision and associated costs.
- 4.2 Expenditure on new allotments will be in the order of £250,000 and a sum to improve local open space will need to be considered.
- 4.3 It maybe necessary to forward fund the new allotments as it is envisaged that exchange of contracts would be made with a deposit being paid and a condition of the contract will be completion once the new allotments are finished

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 Section 8 of the Allotments Act 1925 says that where a local authority has purchased or appropriated land for use as allotments the local authority shall not sell, appropriate, use, or dispose of the land for any purpose other than use for allotments without the consent of the Minister of Agriculture, Fisheries and Food, and such consent may be given unconditionally or subject to such conditions as the Minister thinks fit, but shall not be given unless the Minister is satisfied that adequate provision will be made for allotment holders displaced by the action of the local authority or that such provision is unnecessary or not reasonably practicable.
- 5.2 The proposed site mentioned in paragraph 3.3 above which is to be converted to an allotment is held as education land but as it forms part of Gladstone Park is public open space.



- 5.3 Accordingly in order to now use the proposed site as an allotment, it is necessary to appropriate the proposed site to statutory allotment land. The procedure to follow in order to bring this about is set out in section 122 of the Local Government Act 1972 (the LGA 1972). Under section 122(2A) of the LGA 1972, the Council cannot appropriate any land consisting of or forming part of open space to another function unless before appropriating the land, they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated and consider any objections to the proposed appropriation which may be made. The Executive is asked to authorise officers to undertake this procedure and to proceed with the appropriation unless significant objections are received (in which case a further report shall be brought to the Executive).
- 5.4 Under the General Disposal Consent (England) 2003, a local authority may dispose of land at less than best consideration where the local authority considers that the disposal will help it to secure the promotion or improvement of the economic, social and environmental well-being of its area. Where applicable the local authority should also have regard to its community strategy. However the disposal at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000 (two million pounds). The General Disposal Consent (England ) 2003 makes additional reference to the fiduciary duty upon local, authorities to act in the best interest of Council taxpayers when making decisions on behalf of the Council ('fiduciary duty') whether to dispose of land at less than best consideration in accordance with the General Consent .

## **6.0 DIVERSITY IMPLICATIONS**

- 6.1 The proposal to construct residential units on this site to assist with the decant and redevelopment of Barham Park Estate will bring forward a scheme to demolish inadequate social housing and replace them with modern units. This will benefit current and future council and social housing tenants.
- 6.2 The replacement of the currently disused allotment site will provide a new, purpose designed allotment in Brent which currently has a waiting list of 1,088 applicants.

## **7.0 STAFFING/ACCOMMODATION IMPLICATIONS**

- 7.1 None

## **8.0 BACKGROUND PAPERS**

### **Contact Officers:**

James Young,  
Deputy Head of Property and Asset Management

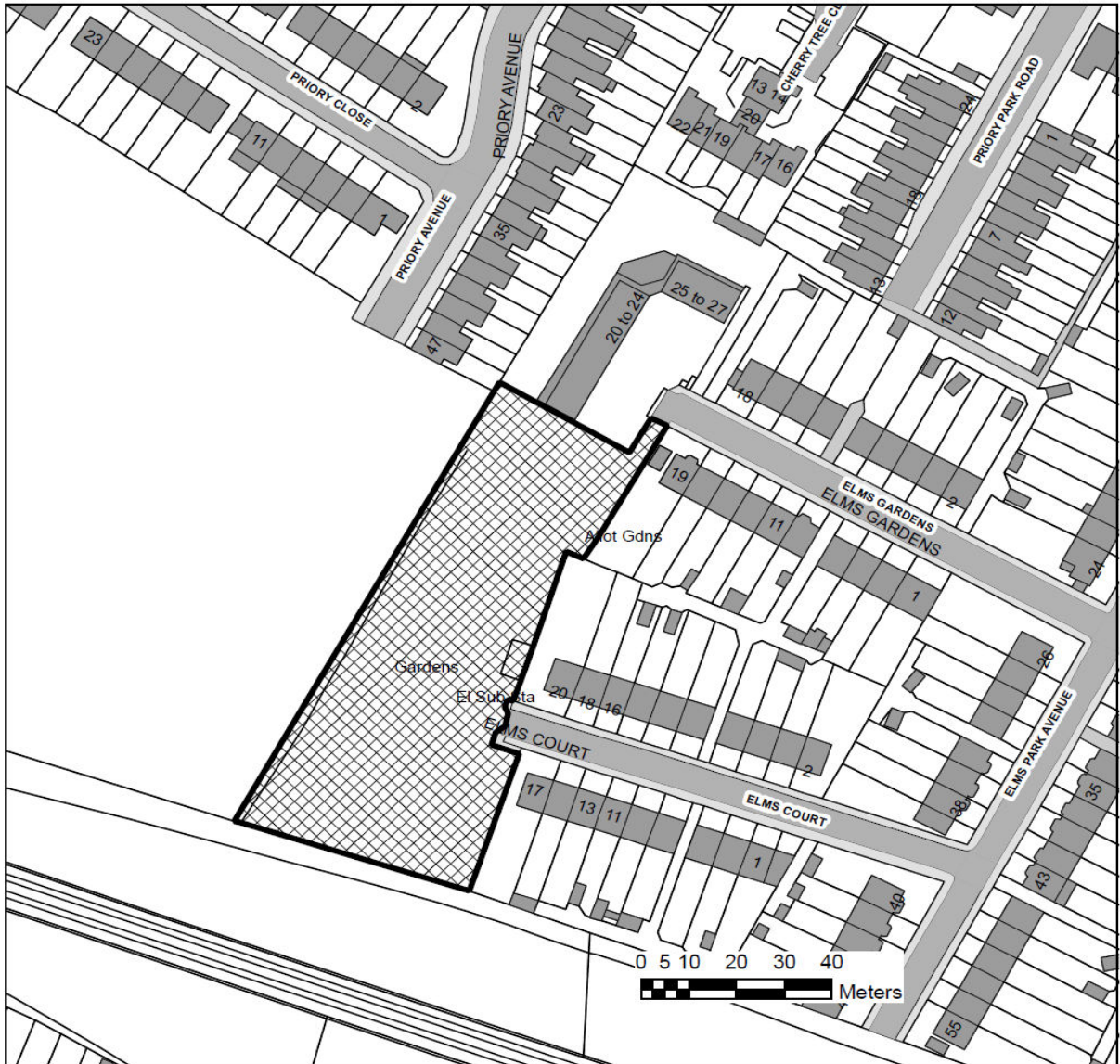
Robert Johnson, Project Director (Regeneration)  
Housing and Community Care

MARTIN CHEESEMAN  
Director of Housing and Community Care

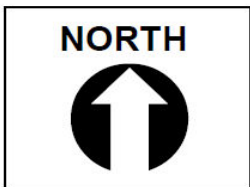
ANDREW DONALD  
Director of Regeneration and Major  
Projects

# EXECUTIVE COMMITTEE

## Elms Gardens Allotments, Wembley HA0 2RU



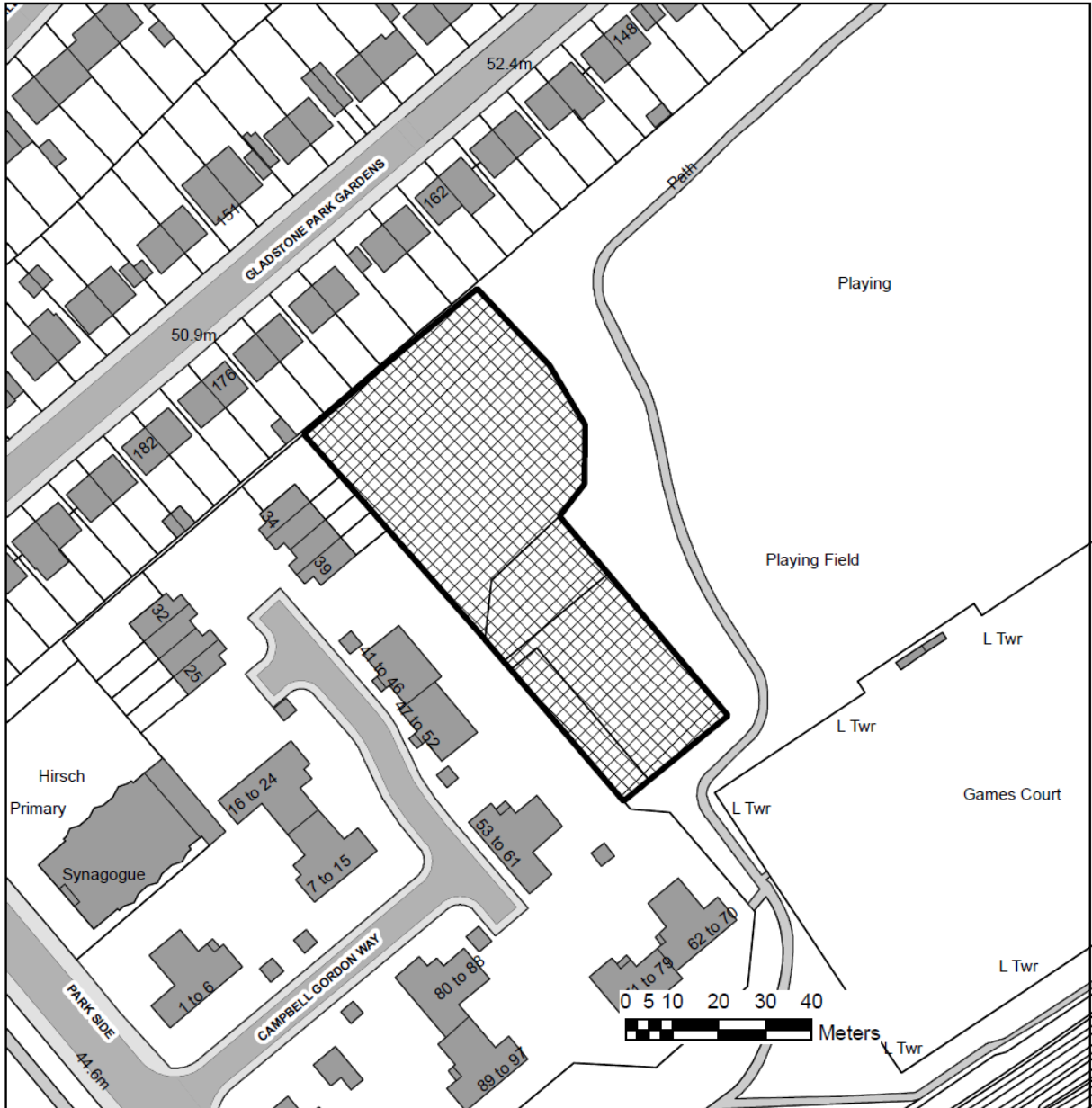
**Premises shown edged  
and cross hatched black.**  
**Plan for information purposes only.**



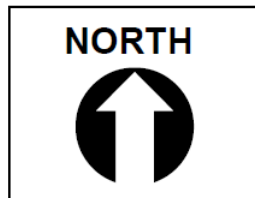
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# EXECUTIVE COMMITTEE

## Reprovision of Allotments at Gladstone Park Gardens, Dollis Hill.



**Premises shown edged  
and cross hatched black.**  
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**Executive**  
15 November 2010

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

Wards affected:  
ALL

### **Brent LDF – Revised Local Development Scheme**

#### **1.0 Summary**

- 1.1 This report asks Executive to endorse the proposed Local Development Scheme (LDS). It sets out the timetable for the preparation, consultation on, and adoption of documents which will comprise the Council's Local Development Framework.

#### **2.0 Recommendations**

- 2.1 That Executive agrees the proposed Local Development Scheme timetable at Appendix 1 as a basis for the continued preparation of the LDF, and for inclusion in submission of a revised LDS to the Secretary of State and the Mayor of London.

#### **3.0 Detail**

##### **Introduction**

- 3.1 As part of the process of producing the Local Development Framework (LDF) the Council is required to prepare, and keep up-to-date, a Local Development Scheme (LDS). The LDS indicates which documents the Council is proposing to produce as part of the LDF as well as setting out a timetable for their production. The last LDS was approved in March 2009 and is now out-of-date.
- 3.2 Progress with key elements of the LDF has been relatively good with the Core Strategy adopted in July 2010 being the first in West London, and the Site Specific Allocations DPD currently being examined and likely to be adopted by

June next year. Good progress has also been made on the preparation of SPD for local areas of the Borough, with the Wembley Masterplan adopted in June 2009, and the draft Alperton and Wembley Link SPDs undergoing public consultation that will be reported to Executive in early 2011. However, reductions in resources available to the Planning Service means that certain other key elements of the LDF will have to be delayed beyond the timescale set out in the LDS agreed in March 2009. In particular, it is proposed that the Development Management Policies DPD, which was originally scheduled for public consultation in September 2011, be put back to early 2012. This will allow for the consultation on a Wembley Area Action Plan, needed to fulfil commitments in the Examination of the Core Strategy to pull together the various strands of policy and guidance that exists, as well as to update policy from the Wembley Regeneration Area chapter of the UDP adopted in 2004.

3.3 Another DPD which forms part of Brent's LDF, and which is fairly advanced in its preparation, is the joint West London Waste DPD. It is intended that a draft of this will be brought forward to Executive to agree for public consultation in December 2010.

3.4 It is proposed that for the purposes of submission to the Secretary of State and the Mayor of London, that the revised LDS will have effect from 1<sup>st</sup> January 2011.

3.5 The proposed LDS timetable, including a gant chart showing key milestones for all the DPDs and SPDs proposed, is included at Appendix 1. Planning Committee considered this timetable at its meeting on 20<sup>th</sup> October 2010. Planning Committee recommends to the Executive that this timetable be agreed.

#### **4.0 Financial Implications**

4.1 Since the Government abolished the Housing and Planning Delivery Grant in June, there are no longer any financial benefits to the Council from progressing the Development Plan Documents of the LDF according to a timetable established by the LDS. Nevertheless, it remains a statutory requirement to prepare an LDS and to keep it up to date. The timetable set out for progressing the LDF documents up to Examination can be achieved from the existing Planning Service budget.

#### **5.0 Legal Implications**

5.1 The preparation of the LDF, including the LDS, is governed by a statutory process set out in Government planning guidance and regulations. The LDSs of London Boroughs must be submitted to the Mayor of London and the Secretary of State, who then have an opportunity to direct changes to it. If they do not direct changes then it takes effect after a prescribed period.

#### **6.0 Diversity Implications**

6.1 Full statutory public consultation has been carried out in preparing the Core Strategy and an Impact Needs / Requirement Assessment (INRA), which

assessed the process of preparing the Core Strategy, was prepared and made available in November 2008. An INRA was also produced in 2006 on the process of producing SPDs. Consultation involving all sections of the community is an integral and statutory part of the LDF process and will be an important aspect of producing additional local development documents.

## **7.0 Staffing/Accommodation Implications**

- 7.1 There are no accommodation implications arising directly from this report. The revised timetable for preparing the various local development documents of the LDF is based upon current levels of staffing in the Planning Service. Further changes in staffing levels would require review of this timetable.

## **8.0 Environmental Implications**

- 8.1 The Local Development Framework will have a major impact upon the environment, particularly as it relates to new development and the protection of local character and open space. It includes policy to help mitigate against the effects of climate change resulting from new development. Sustainability appraisal is a fundamental part of producing the LDF.

## **9.0 Background Papers**

London Borough of Brent LDF – Local Development Scheme, March 2009  
Brent UDP, 2004  
Brent Core Strategy, 2010  
Brent Site Specific Allocations DPD, Submission Version, June 2010  
The Town and Country Planning (Local Development) (England)  
(Amendment) Regulations 2008

### **Contact Officers**

Any person wishing to inspect the above papers should contact Ken Hullock, Planning Service, tel:020 8937 5309

**Andy Donald**  
**Director of Regeneration and Major Projects**

# Appendix 1 Proposed Revised Local Development Scheme Timetable

DPD	2010				2011				2012				2013			
	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec
Core Strategy			Blue													
SSAs DPD		Red	Green	Green	Light Blue	Blue										
Development policies DPD							Purple			Yellow		Pink	Red	Green	Green	Light Blue
Wembley JAP DPD					Purple		Yellow		Pink	Red	Green	Green	Light Blue	Blue		
Joint Waste DPD					Yellow			Pink	Red	Green	Green	Light Blue	Blue			
Design Guide for New Development SPD				Purple	Yellow		Blue									
Extending Your Home SPD				Purple	Yellow		Blue									
Front Gardens Guide				Purple	Yellow		Blue									
Alperion Masterplan SPD		Purple		Yellow	Blue											
Wembley Link SPD		Purple		Yellow	Blue					Blue						
South Oxum SPD					Yellow		Blue			Blue						
Bridge Park SPD			Purple		Yellow		Blue									
Burnt Oak/Colindale Development Framework SPD					Purple		Yellow		Blue							
Housing SPD					Purple		Yellow		Blue							

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- Key**
- Evidence gathering stage
  - Initial consultation on draft plan
  - Consultation before submission
  - Submission of DPD to Secretary of State
  - Pre-examination meeting
  - Examination
  - Inspector's report & incorporate Inspector's recommendations
  - Adoption





<b>Development Plan Documents</b>	<b>Work Commences</b>	<b>Public Consultation</b>	<b>Submit</b>	<b>Exam</b>	<b>Adopt</b>
Core Strategy	N/A	N/A	N/A	N/A	July10
Site Specific Allocations DPD	N/A	N/A	Jun10	Nov10	May11
Wembley Area Action Plan DPD	Feb11	Jun11	Feb12	Jun12	Dec12
Development Policies DPD	Sept11	April12	Dec12	April13	Oct13
Joint Waste DPD	N/A	Feb11	Jan12	May12	Nov12
<b>Supplementary Planning Documents</b>					
Wembley Masterplan	N/A	N/A	N/A	N/A	June09
Design Guide for New Devt.	Dec10	Feb11	N/A	N/A	Jul11
Extending Your Home	ongoing	Feb11	N/A	N/A	Jul11
Front Gardens Guide	ongoing	Feb11	N/A	N/A	Jul11
Alperton Masterplan SPD	Jun10	Nov10	N/A	N/A	Mar11
Wembley Link SPD	Jun10	Nov10	N/A	N/A	Mar11
South Kilburn SPD	Jun11	Sept11	N/A	N/A	Mar12
Bridge Park SPD	Sept10	Feb11	N/A	N/A	Jul12
Burnt Oak / Colindale Devt Framework	May11	Sept11	N/A	N/A	Mar12
Housing SPD	Mar11	Jun11	N/A	N/A	Dec11

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**Executive**  
15 November 2010

**Report from the Director of  
Regeneration and Major Projects and  
Director of Housing and Community  
Care**

Wards Affected:  
Kilburn, Queens Park

**South Kilburn Regeneration Acquisition of Additional Land**

## 1.0 Summary

1.1 This report provides an update of progress of the regeneration of South Kilburn since the Report to the Executive meeting on 23<sup>rd</sup> June 2010. It also seeks member's decisions for a range of items in order to progress the regeneration objectives for the South Kilburn estate.

It seeks approval to:

- (a) proceed with Compulsory Purchase of all interests (inclusive of freehold interests) in land in addition to the leasehold interests mentioned in the Report on 23<sup>rd</sup> June 2010 necessary to facilitate the delivery of the South Kilburn Regeneration Phase 1;
- (b) the serving of demolition notices in respect of the blocks on the South Kilburn estate which the Council plan to demolish;
- (c) applying to the Secretary of State to rely on Ground 10A of Schedule 2 of the Housing Act 1985 to cover Bronte House, Fielding House and Wood House in addition to Bond House, Cambridge Court, Ely Court, Hicks Bolton House and Wells Court approved on 23<sup>rd</sup> June 2010 on the South Kilburn estate; and
- (d) the appropriation of land for planning purposes where applicable.

## 2.0 Recommendations

- 2.1 That Members note progress of regeneration and the clarifications to the phasing plan for the regeneration of the South Kilburn estate, and that work is proceeding to update this phasing plan.
- 2.2 That Members authorise the immediate cessation of permanent lettings on the properties at Bond House, Cambridge Court, Ely Court, Bronte House, Fielding House, Hicks Bolton House, Wells Court and Wood House.
- 2.3 That Members authorise the service of demolition notices in relation to secure tenancies at Bond House, Bronte House, Cambridge Court, Ely Court, Fielding House, Hicks Bolton House, Wells Court and Wood House, which are all on the South Kilburn estate, and authorise the Director of Housing and Community Care to issue all and any notices required to be issued in connection with such demolition.
- 2.4 That Members authorise the Director of Housing and Community Care to carry out the prescribed statutory consultation procedure and seek the Secretary of State's consent to the phased disposal and redevelopment of Bronte House, Fielding House, Wells Court and Wood House in addition to the Phase 1 sites on the South Kilburn estate referred to in paragraph 3.26 of this report for the purposes of Ground 10A of Schedule 2 to the Housing Act 1985 to enable the Council to apply for a court order to obtain vacant possession of those residential dwellings let under secure tenancies.
- 2.5 That Members authorise:
  - (a) the making of compulsory purchase orders (the CPO's) to acquire all interests and rights in the properties listed in appendix 1 [and otherwise comprised in the land edged in bold black and hatched on the draft Plan headed [the Map Referred to in the London Borough of Brent South Kilburn Regeneration Compulsory Purchase Order 2010-11] inclusive of the leasehold interests set out on Appendix 2 to the Report to the Executive meeting on 23<sup>rd</sup> June 2010 being interests in the South Kilburn estate which properties are referred to hereafter as "the CPO Land" under section 226 (1)(a) of the Town and Country Planning Act 1990 and any new rights in the CPO Land which may be required under section 13 of the Local Government (Miscellaneous Provisions) Act 1976.
  - (b) the Director of Housing and Community Care in consultation with the Director of Legal and Procurement to include in the Compulsory Purchase Orders authorised by the Executive on 23<sup>rd</sup> June 2010 and at this Executive meeting such other additional interests and rights as are disclosed during the land referencing exercise which the Director of Regeneration and Major Projects in consultation with the Director of Housing and Community Care and the Director of Legal and Procurement deem it necessary to facilitate the delivery of the South Kilburn Regeneration Phase 1
- 2.6 That Members authorise the submissions of the CPOs, once made, to the Secretary of State for confirmation whilst at the same time seeking to acquire

the land by private negotiated treaty on such terms as may be agreed by the Director of Housing and Community Care.

2.7 That Members authorise the:

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

2.8 That Members authorise the Director of Housing and Community Care (in conjunction with the Director of Legal and Procurement) to seek the consent of the Secretary of State under Section 19 of the Housing Act 1985 (where applicable) to the appropriation of housing land for planning purposes.

2.9 The Members authorise the Director of Housing and Community Care (where the Director of Housing and Community Care in conjunction with the Director

of Legal and Procurement consider applicable) to commence and comply with the procedure as set out in section 122(2A) of the Local Government Act 1972 by publishing a public notice in the local newspaper on two consecutive publication dates of the Council's intention to appropriate public open space in the South Kilburn estate to planning purpose and in particular to consider any objections made to the appropriation, and unless there are objections received which in his opinion are significant, to implement the proposed appropriation. If such objections are received then a further report should be brought back to the Executive for consideration.

### **3.0 Detail**

#### Overview

3.1 At the meeting of the Executive on 23<sup>rd</sup> June 2010, members approved the preparation of detailed planning applications for the remaining phase 1 sites at Cambridge Court, Wells Court, Ely Court, Bond House and Hicks Bolton House to provide (alongside housing for market sale) decant accommodation for tenants currently residing within blocks identified for redevelopment. This work is now being progressed with planning applications expected to be submitted around December 2010. These sites are all within phase 1 of the regeneration. The phasing plan is to be updated to reflect these clarifications.

3.2 At the Executive meeting of 14<sup>th</sup> July 2009, members noted the proposed draft master plan outlining Wells Court to be redeveloped in phase 1. Wood House was previously considered within phase 3, but is now included within phase 1. Wells Court will be redeveloped alongside Cambridge Court, while the demolition of Wood House will be brought forward as Bond House and Hicks Bolton House are redeveloped. For the avoidance of doubt, sites now coming forward within phase 1 are:

- Former Marshall House, Albert Road (11a) – currently under construction
- Carlton Vale Roundabout, (3c) – new development expected to commence Autumn 2011
- Bond House (13n) – planning application expected January 2011
- Hicks Bolton House (13s) – planning application expected January 2011
- Wood House (12N) – demolition to be included within application for Bond House and Hicks Bolton House
- Cambridge Court (6i) – planning application expected December 2010
- Wells Court (6d) – planning application expected December 2010
- Ely Court (6iii & 6iv) – planning application expected December 2010
- Former Texaco Garage, Carlton Vale – currently under construction

- Gordon House – currently under construction
- 3.3 Alongside planning and design work relating to particular sites, the Council has also embarked on projects that consider the quality of the public realm and neighbourhood management, and the optimum level locations of resident car parking.
- 3.4 In addition to design concurrent work-streams have also been progressing in relation to the acquisition of leasehold flats and where appropriate freehold property and decanting of council tenants to new homes within the phase 1 development sites.

#### Acquisition of property

- 3.5 To acquire property, negotiations have progressed with leaseholders and at the time of writing, the council has completed the acquisition of 2 leasehold flats and has exchanged contracts for the acquisition of 2 leasehold flats while a further 5 have sales agreed. A further 5 continue to be negotiated.
- 3.6 As a backup position, the council is preparing a Compulsory Purchase Order should negotiations not be successful. The Executive agreed to proceed with the preparation of a Compulsory Purchase Order for leasehold properties at the meeting of 23<sup>rd</sup> June 2010. The relevant leasehold properties are listed in Appendix 1 and identified on the CPO Plans at Appendix 2.
- 3.7 Requisition notices requesting information in respect of the properties have now been served on all known interests in these properties. Requisition notices requesting information will be served in respect of the additional properties listed in the Appendix 1 and identified on the CPO Plans at Appendix 2.
- 3.8 In addition to leasehold interests, the council also requires the acquisition of freehold property interests and third party rights over property to complete phase 1 of the South Kilburn regeneration.
- 3.9 These freehold interests include the convenience store of 1 – 2 Denmark Road which is required for the redevelopment of Bond House and a section of land currently owned by the Kosova Islamic Centre UK at the former Shamrock Public House which is required to reconnect Rupert Road with Carlton Vale and Canterbury Road. Part of the vision for regenerating South Kilburn is to restore a traditional and legible street pattern across the estate, therefore moving away from a series of culs-de sac and dead ends.
- 3.10 The reconnection of Rupert Road with Canterbury Road and Carlton Vale is required to provide circulation, access and on street car parking for the phase 1 redevelopment of Bond House and Hicks Bolton House. Secondary requirements are that development sites within phase 2 are able to go ahead at Peel Precinct with Canterbury Road connected to Carlton Vale, and the

identified delivery vehicle for the re-connection is the Hicks Bolton House and Bond House development within phase 1.

- 3.11 The Council wish to acquire the freehold interest in a parcel of land between the existing Wells Court building and the office building known as number 3 Cambridge Avenue, The land is required within phase 1 of the regeneration of the estate to provide parking spaces as required by planning policy for the redevelopment of the Cambridge Court and Wells Court site.
- 3.12 The Council wish to acquire the freehold interest in a parcel of land between Kilburn Park Station and the existing building of numbers 17 to 24 Cambridge Court. The land is required to provide pedestrian access from Cambridge Avenue to new mews types homes that would otherwise only be accessible from Alpha Place being delivered as part of the Cambridge Court and Wells Court.
- 3.13 Discussions with the freeholders regarding the acquisition of these interests are by negotiated treaty. These negotiations are ongoing and will continue but as a fallback position, the council requires Executive approval to include these freehold interests within the Compulsory Purchase Order.
- 3.14 In addition the Council wish as part of the compulsory purchase to extinguish various generic rights granted over the South Kilburn estate which may exist over the amenity land forming part of phase 1 as part of the re-configuring of the estate and development of open spaces.
- 3.15 The Compulsory Purchase Order shall also include areas of public highway and other small areas of land within phase 1 which the Council has historically occupied but to which there is no clear title. It is likely that title to such areas may be successfully registered at the Land Registry through the use of statutory declarations recording the Council's long term use and occupation, but in the event that this is unsuccessful the Compulsory Purchase Order will provide reassurance that control of these areas can be gained. These areas of public highway are required within phase 1 as they are required for access into phase 1 development sites. The routes and points of ingress and egress will be altered by the design of new development within phase 1.

#### Withdrawal of right to buy/demolition notices

- 3.16 Former Marshall House, Carlton Vale roundabout, former Texaco Garage and Gordon House within phase 1 of the regeneration will provide accommodation that can be offered to council tenants that currently live in Bond House, Cambridge Court, Ely Court, Hicks Bolton House, Wells Court, Wood House and Bronte House and Fielding House. The transfer of the tenants is subject to permission being granted by the Secretary of State on Ground 10A of Schedule 2 to the Housing Act 1985.
- 3.17 Members are therefore asked to authorise the cessation of permanent lettings in blocks listed in 3.16 on the South Kilburn Estate and also withdraw the provision of right to buy from existing tenants on a number of blocks on the



South Kilburn Estate upon the Council serving demolition notices. The blocks on the South Kilburn estate where the Council seeks the authorisation of the Executive to cease permanent lettings and serve demolition notices are the properties where there are secure tenants at Bond House, Cambridge Court, Ely Court, Fielding House, Hicks Bolton House, Wells Court and Wood House.

- 3.18 Initial Demolition notices will need to be served on secure tenants in accordance with the provisions of Section 138A and Schedule 5A of the Housing Act 1985 as amended by the Housing Act 2004 to prevent the Council from having to complete Right to Buy sales. Schedule 5A sets out what must be included in the Initial Demolition Notice, including the intention to demolish, the reasons for demolition and identifying the period within which the landlord intends to demolish.
- 3.19 The period set out in the notice to carry out the demolition works must be more than reasonable to carry out the proposed demolition of the relevant properties or in any case not expire more than five years after the date of service of the notice.
- 3.20 In the case of Wood House, this site will be the location of the energy centre that will provide the apparatus for the district wide heating system for phase 1 sites at Albert Road, Bond House, Hicks Bolton House, Cambridge Court and Wells Court and Ely Court. These phase 1 sites will be delivered with infrastructure that is ready to “plug in” to the energy centre. The site has also been identified as a new urban park that is required to provide open space for new developments within South Kilburn, including the additional population generated by phase 1 sites.
- 3.21 As part of the redevelopment of Bond House and Hicks Bolton house within phase 1, Rupert Road, that sits adjacent to Wood House, will be widened and realigned to accommodate new car parking spaces and an improved street and the re-connection of Rupert Road with Carlton Vale and Canterbury Road.

#### Appropriation of land for planning purposes

- 3.22 There may be issues predominately centred around areas of old title encumbrances and generic rights granted over the South Kilburn estate under the disposals of Council housing which could be infringed by the re-configuring of the estate and development of open spaces. Some of the encumbrances are unspecified encumbrances because they are either not registered or have been mislaid by the Land Registry or are lost deeds.
- 3.23 To obtain indemnity insurance, an insurer will often want the relevant land to be hoarded for a significant period of time and require associated statutory declarations. Furthermore, the insurers may not even insure in the first place if the risk of a leaseholder claim is too high. An insurance policy would only deal with one site at a time and, should any insurer refuse to quote for a policy or require further conditions to be satisfied prior to insuring, any site relying on this could be delayed.
- 3.24 As an alternative a Council wishing to dispose of land for development

purposes, may decide to appropriate the land under Section 122 of the Local Government Act 1972 to planning purposes pursuant to Section 237 of the Town and Country Planning Act 1990 as amended (subject to the payment of compensation if applicable). Any appropriation will be undertaken if required or applicable.

- 3.25 In respect of any appropriation of land comprising a dwelling or part of a dwelling inclusive of rights over Council amenity land the Council will in addition need the prior consent of the Secretary of State under Section 19 of the Housing Act 1985.

#### Use of Ground 10A of Schedule 2 to the Housing Act 1985 to obtain vacant possession of the South Kilburn properties

- 3.26 At its meeting of 23 June 2010, the Executive authorised the Director of Housing and Community Care to seek the Secretary of State's consent to the disposal and development of phase 1 sites on the South Kilburn estate for the purposes of Ground 10A of Schedule 2 to the Housing Act 1985. At the time of June 2010, Cambridge Court, Wells Court, Hicks Bolton House, Bond House and Ely Court were and still are phase 1 sites. As Bronte House and Fielding House are phase 2 sites and as Wells Court and Wood House have only recently been named as phase 1 sites on the regeneration project involving the South Kilburn estate, authorisation is sought from the Executive to enable the Director of Housing and Community Care to apply to the Secretary of State for consent to the disposal and development of Bronte House, Fielding House, Wells Court and Wood House for the purposes of Ground 10A of Schedule 2 to the Housing Act 1985 in addition to the above-mentioned phase 1 sites on the South Kilburn estate.

## **4.0 Legal Implications**

### ***Compulsory Purchase Orders***

- 4.13 The Council has power to make a compulsory purchase order under section 226 (1)(a) of the Town and Country Planning Act 1990 if it thinks that the acquisition will "facilitate the carrying out of development, redevelopment or improvement or in relation to the land". Under section 226(1)(A) the Council must not exercise the power under sub paragraph (a) unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic wellbeing of their area; (b) the promotion or improvement of the social wellbeing of their area; (c) the promotion or improvement of the environmental wellbeing of their area.
- 4.14 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling public interest to do so. Para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04 states:

*"A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure*

*that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.”*

For the reasons set out in this report and the report to the Executive meeting on 23<sup>rd</sup> June 2010, it is considered that there is such a compelling case for properties within Phase 1 of the proposed regeneration programme and that the public interest requires that the order be made in order to carry through the necessary redevelopment of the CPO Land.

- 4.15 Further, in making the order there should be no impediments to its eventual implementation. Para’s 22 and 23 of Part 1 of the Memorandum to ODPM Circular 06/04 advise (in part):

*“22. In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure accommodation works or remedial work which may be required, and any need for planning permission or other consent or license. Where planning permission will be required for the scheme, and has not been granted, there should be no obvious reason why it might be withheld...”*

Members will note that there will be sufficient funds available to meet the compensation costs for the acquisition of the land as South Kilburn Partnership has approval from Government Office for London, as well as funds secured from previous land receipts. Officers consider that there is a reasonable prospect of the Scheme going ahead subject to HCA funding being obtained. Whilst planning permission has not been granted for the development, it is considered that there is no obvious reason why it might be withheld, taking into account that a Masterplan has already been approved albeit that it is now intended to revise this slightly. Accordingly, it is considered that there are unlikely to be any impediments to implementation.

- 4.16 It is necessary to consider the human rights implications of making CPOs. The Convention Rights applicable to the making of any CPO orders are Articles, 6 and 8 and Articles 1 of the First Protocol. The position is summarised in para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04.

- 4.17 Article 6 provides that:

*“In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law”*

- 4.18 Consultation has already taken place with communities that will be affected

by any orders made, and further consultation is proposed as set out in this report.

4.19 All those affected by the Orders will be informed and will have the right to make representations to the Secretary of State and to be heard at a Public Inquiry. Those directly affected by the Order will also be entitled to compensation for any losses that they may incur as a result of the acquisition.

4.20 Article 1 of the First Protocol states that:

*“Every natural or legal person is entitled to peaceful enjoyment of his possessions” and “(n)o one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law....”*

4.21 Whilst occupiers and owners will be deprived of their property if an Order is confirmed, this will be done in accordance with the law. It is being done in the public interest as required by Article 1 of the First Protocol. The reasons for this are set out in this Report and the Report to the Executive meeting on 23<sup>rd</sup> June 2010

4.22 Members need to ensure that there is a reasonable prospect of the Scheme underpinning the CPO proceeding. This is addressed in paragraph 5.10 below

4.23 The consequences of abandoning a confirmed CPO depends on:

- (a) whether a notice to treat or entry has been served on the owner of the land or not; and
- (b) whether the Council has entered the land following the service of the notice or made a General Vesting Declaration in respect of the land.

4.24 The passing of a resolution to make a CPO does not trigger the right to serve a blight notice. However, residential occupiers could claim blight after a CPO has been submitted to the Secretary of State for confirmation and notices have been served on owners and occupiers.

4.25 If the CPO is not acted upon at all, then no compensation is payable. Where notice to treat and entry have been served, and then not acted upon, the Council is under an obligation to inform the owner of the withdrawal of the notices or expiry as the case may be (as notice to treat has a life span of three years from date of service) and will be liable to pay compensation to the owner for all losses and expenses occasioned to him by the giving of the notice and its ceasing to have effect. The amount of compensation shall in default of agreement be assessed by the Lands Tribunal. Interest is payable on the compensation.

- 4.26 The acquisition procedure is governed by the Acquisition of Land Act 1981, the Compulsory Purchase of Land Regulations 2004 and the Compulsory Purchase of Land (Vesting Declarations) Regulations 1990.
- 4.27 The CPO must be advertised locally and copies served on any owners, lessees, tenants (whatever the tenancy period), occupiers, all persons interested in, or having power to sell and convey or release, the land subject to the CPO. In addition the CPO must be served on persons whose land is not acquired under the CPO but nevertheless may have a claim for injurious affection under Section 10 of the Compulsory Purchase Act 1965, such as owners of rights of access to and from the public highway, easements and covenants that are affected by the CPO. Officers will prepare a detailed Statement of Reasons setting out the justification for compulsory acquisition. This statement will cover all the issues set out in this Report and the Report to the Executive meeting on 23<sup>rd</sup> June 2010
- 4.28 If any duly made objections are not withdrawn, the Secretary of State must hold an Inquiry and consider the conclusions and recommendations of the Inspector before confirming the Order.
- 4.29 Before and during the compulsory acquisition process, the Council is expected to continue the process of seeking to acquire the properties sought by negotiation and private agreement: see Part 1 of the Memorandum to Circular 06/04 Paras. 24 and 25. Para. 25 notes that “undertaking informal negotiations in parallel with making preparations for a compulsory purchase order can help to build up a good working relationship with those whose interests are affected by showing that the authority is willing to be open and to treat their concerns with respect...”.
- 4.30 Any dispute as to the amount of compensation to be paid is referred to the Lands Tribunal for determination.

#### ***Appropriation of land for planning purposes***

- 4.31 Section 122 of the Local Government Act 1972 provides that a principal Council may appropriate for any purpose for which the Council are authorised to acquire by agreement land which belongs to the Council and is no longer required for the purpose for which it is held immediately before the appropriation.
- 4.32 Appropriation is subject to third party rights over the land and in respect of the South Kilburn Estate as it is housing land the prior consent of the Secretary of State under Section 19 of the Housing Act 1985, if the appropriation includes land on which dwellings have been built or land over which owners or occupiers of dwellings have rights.
- 4.33 Section 237 of the Town and Country Planning Act 1990 provides where land has been appropriated for planning purposes any easements such as rights of way which may exist for the benefit of third parties are overridden on erection, construction or carrying out of maintenance of any building and

change of use in accordance with planning permission, subject to payment of any compensation. The practical effect is that any rights which may exist do not delay or obstruct the development. This provides effective assurance to the developer that he will have a good title to the land.

- 4.34 The land must no longer be required for the purpose for which it is held immediately before appropriation. This test will be satisfied by deferring the date of the appropriation to a time when it is clear that the scheme will proceed. Once the appropriation is effected, the appropriated land will be held for planning purposes.

### ***Withdrawal of Right to Buy / Demolition Notices***

- 4.35 Initial Demolition Notices need to be served on secure tenants in accordance with the provisions of Section 138A and Schedule 5A of the Housing Act 1985 as amended by the Housing Act 2004 to prevent the Council from having to complete right to buy sales. Schedule 5A sets out what must be included in the Initial Demolition Notice, including the intention to demolish, the reasons for demolition and identifying the period within which the landlord intends to demolish. The period set out in the notice to carry out the demolition works must be more than reasonable to carry out the proposed demolition of the relevant properties or in any case not expire more than five years after the date of service of the notice.

### ***Ground 10a of Schedule 2 to the Housing Act 1985***

- 4.35 The Council is required to obtain the approval of the redevelopment scheme from the Secretary when seeking to re-house secure tenants who will not leave the properties that are due to be demolished. Before seeking approval, the Council is required to consult with tenants. Approval from the Secretary of State will enable to Council to use Ground 10A of Schedule 2 to the Housing Act 1985. The paragraph states that the landlord must first:

(a) serve a notice in writing on all secure tenants whose dwellings are affected by the scheme, stating: the main features of the scheme (or the scheme as it will be after a proposed variation to it); that the Secretary of State's approval is to be sought; and the effect of such approval in relation to proceedings for possession of the dwellings;

(b) inform the tenants that they have a specified period (which must be at least 28 days) in which to make representations to the landlord; and

(c) consider any representations received during that period.

- 4.36 Unlike a tenanted transfer, however, no formal ballot will be carried out. However, the Secretary of State before giving his consent will consider the following:

(a) the effect of the scheme on the extent and character of housing accommodation in the neighbourhood;

(b) over what period of time it is proposed that the disposal and redevelopment will take place in accordance with the scheme;

(c) to what extent the scheme includes provision for housing provided under the scheme to be sold or let to existing tenants or persons nominated by the landlord.

- 4.37 The landlord, in this case, the Council, must not apply to the Secretary of State for approval of a scheme unless the statutory consultation procedure has been carried out.

### ***Disposal of Sites – Secretary of State’s consent***

- 4.38 At the appropriate time, officers will seek the approval of the Executive to dispose of relevant sites that need to be disposed of pursuant to the South Kilburn regeneration scheme to relevant organisations/housing providers at relevant values and seek the approval of the Executive to apply to the Secretary of State to obtain his consent to dispose of such sites, either under the relevant General Consents that have been granted under the Housing Act 1985 or the Local Government Act 1972 or pursuant to specific applications to the Secretary of State. In respect of Housing Revenue Account land, consent is required under sections 32 to 34 and 42 to 43 of the Housing Act 1985. If the sites are disposed of for less than market value, consent is also required from the Secretary of State under section 25 of the Local Government Act 1988. In respect of Council owned land that is not Housing Revenue Account land, the Council must take into account the content of section 123 of the Local Government Act 1972 and either confirm that the General Consent under that section applies or apply to the Secretary of State to obtain his specific consent to the disposal of the necessary sites.

- 4.39 The Prudential Capital Finance System, which was introduced in 1<sup>st</sup> April 2004, under regulation 12(1) imposes a pooling requirement (percentage of capital receipt to be payable to the Secretary of State) on receipts from sales of housing land which regulation 1(5) defines as any land, house or other building which was held within the Housing Revenue Account immediately before its disposal. The pooling rate for HRA assets (non RTB sales) is 50%. However, the regulations allow for certain types of capital receipts to be treated as reduced before calculating the pooling percentage by reference to the “capital allowance”, which is the total of past or planned expenditure on affordable housing and regeneration projects as specified in regulations 17 and 18. The overall effect of the capital allowance is to allow capital receipts to be recycled into the authority’s own affordable housing and regeneration projects. Currently there are sufficient resources in the authority’s Capital Allowance to provide that none of the forecast capital receipts earmarked to this scheme would need to be pooled.

### ***Procurement Issues***

- 4.40 Regarding the procurement issues related to the disposal of the sites and the framework, Members gave approval in June 2010 to authorise Officers to

commence the procurement process for the framework of development partners and detailed legal implications were set out in the report to the June 2010 Executive meeting. Officers will need to seek authority from Members of the Executive in due course to award the framework for development partners as this procurement process will be considered to be a High Value contract under the Council's Standing Orders as set out in Part III of the Council's Constitution.

- 4.41 The appointment of a development partner following a mini-competition under the framework may or may not require approval from Members of the Executive and this depends on the value of the proposed development agreement. As development agreements have been construed as a form of procurement works, any development valued at £1 million or more let following a mini-competition would therefore require the approval of the Executive as it would be classed as a High Value contract under the Council's Standing Orders. Further legal implications will be provided when Officers report to the Executive in due course regarding the award for framework for development partners and to appoint a development partner(s) following a mini-competition regarding the development sites at South Kilburn.

## **5.0 Financial Implications**

- 5.1 The resource envelope for taking forward the South Kilburn regeneration programme in 2010/11 is determined by the level of the capital receipts to be secured from the disposals (by way of the 999 year lease) of the Albert Road site and the Carlton Vale roundabout site to L&Q. The Council received the receipt for Albert Road in June 2010 whilst the timing of the receipt for Carlton Vale roundabout site is dependent on satisfying all conditions precedent, including completing the highways stopping up order and subsequently the enabling works. The earliest this is likely to be achieved is mid 2011.
- 5.2 In effect the financial model for South Kilburn is for the regeneration scheme to 'wash its face' from this point forward. In other words the Council should be able to progress the scheme on an ongoing basis within the cash envelope generated from ongoing disposals, provided it remains committed to ring fencing these receipts into South Kilburn. This delivery strategy has been agreed and endorsed by the Homes & Communities Agency, and is a condition of their grant funding for both the Albert Road and the Carlton Vale roundabout sites. A consequence of this approach is that the Council makes a saving on the previous £1m per annum expenditure identified within the capital budget for South Kilburn.
- 5.3 Other sources of income for the South Kilburn programme over the course of the year include New Deal for Communities funding, funding from the South Kilburn Neighbourhood Trust (including the Council's share of the receipt from the sale of the Texaco site), and growth area funding.
- 5.4 The key expenditure items for the year will be:  
Leaseholder buy backs – a full paper will be prepared in collaboration with the Director of Finance and Corporate Resources setting out proposals for



prudential borrowing arrangements to facilitate the early buy backs of leaseholder properties.

- 5.5 This will be through an Invest to Save approach whereby this enabling expenditure will allow capital receipts to be generated which will be utilised to repay the debt and end interest incurred.
- 5.6 Design fees –design teams from the Homes & Communities Agency consultants’ panel have been appointed to bring forward design work for the three sites (Cambridge & Wells, Ely, and Bond & Hicks Bolton). All initial contracts are for less than the £500,000 threshold for Executive approval and are resourced from the resource envelope outlined above. Depending on end sales values it should be possible to recoup these costs when the sites are ultimately disposed.
- 5.7 Strategic acquisition of property – there are a number of opportunities within South Kilburn for the Council to acquire property that will be required to bring forward both the next and future phases of the scheme. Individual acquisitions will need to be approved by Executive in the usual way throughout the year.
- 5.8 Repayment of £2.5m of resources expended by the New Deal for Communities grant during the period since 2009 and used for leaseholder buybacks, to the South Kilburn Neighbourhood Trust. This is a condition imposed by government on the NDC expenditure and is designed to ensure the resources are recycled back into South Kilburn. Officers are currently working with the Trust Board to prepare an ongoing capital strategy for the Trust to ensure that the resources make a positive contribution to the programme.
- 5.9 The key challenge for the programme is to ensure that the cashflow remains positive, or within acceptable tolerances. New project management arrangements are being introduced to ensure that officers are equipped to manage the cashflow, and that there are clear lines of responsibility and accountability for doing so.
- 5.10 Clearly the key funding risk for the regeneration programme is the ongoing level of grant funding that can be secured from the government (through the Homes & Communities Agency) to support future development sites in South Kilburn. The Council is well advanced with its ‘single conversation’ discussions with the HCA, and South Kilburn is identified as a key priority within the Local Investment Framework that both the Council and the HCA will ultimately sign up to. The HCA are supportive of the Council’s overall approach to regeneration in South Kilburn, and its specific delivery strategy of incremental development, supported by a recycling of capital receipts.
- 5.11 Nevertheless in the current economic and political climate it would be prudent to assume that there will be less grant funding available for access by the Council in the immediate short term. South Kilburn is fortunate in that it is located in an area of high potential land value. With the Council firmly in control of the regeneration process, it would be possible at a future date to

dispose of sites identified for predominantly private housing on the open market, thus generating a receipt to cover expenditure and potentially maintain the regeneration momentum. Experience from the initial sites has demonstrated the additional value that can be secured for sites if they are de-risked – ie. with planning permission secured and with vacant possession.

- 5.12 Based on the sales values secured for Albert Road and Carlton Vale sites, it is estimated that the three remaining Phase 1 sites to be taken forward in 2010/11 could realise capital receipts of up to £12million. Officers remain confident that the overall phasing strategy will ultimately deliver a significant final capital receipt.

## **6.0 Diversity Implications**

- 6.1 South Kilburn is a designated New Deal for Communities area and as such all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Partnership has a Race & Equality strategy, and through its widening participation theme seeks to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.

- 6.2 At a project level, each South Kilburn Partnership sponsored and supported project is subject to a full and independent appraisal undertaken by a panel of local residents and relevant officers. Part of the appraisal process is to test each activity against the Partnership's Race & Equality strategy to ensure full compliance. In line with the Council's Equality standards, all expenditure is monitored against equalities indicators on a regular basis.

## **7.0 Staffing / Accommodation Implications**

- 7.1 There are no specific staffing or accommodation implications associated with the proposals contained within this report.

## **APPENDICES**

### Appendix 1: Proposed CPO land

#### LIST OF PROPERTIES /PLOTS

*(This appendix is not for publication as it contains the following category of exempt information as specified in paragraph 3, schedule 12(A) of the Local Government Act 1972 namely "information relating to the financial or business affairs of any particular person (including the Authority holding the information).*

## Appendix 2: draft CPO plan

### Background papers:

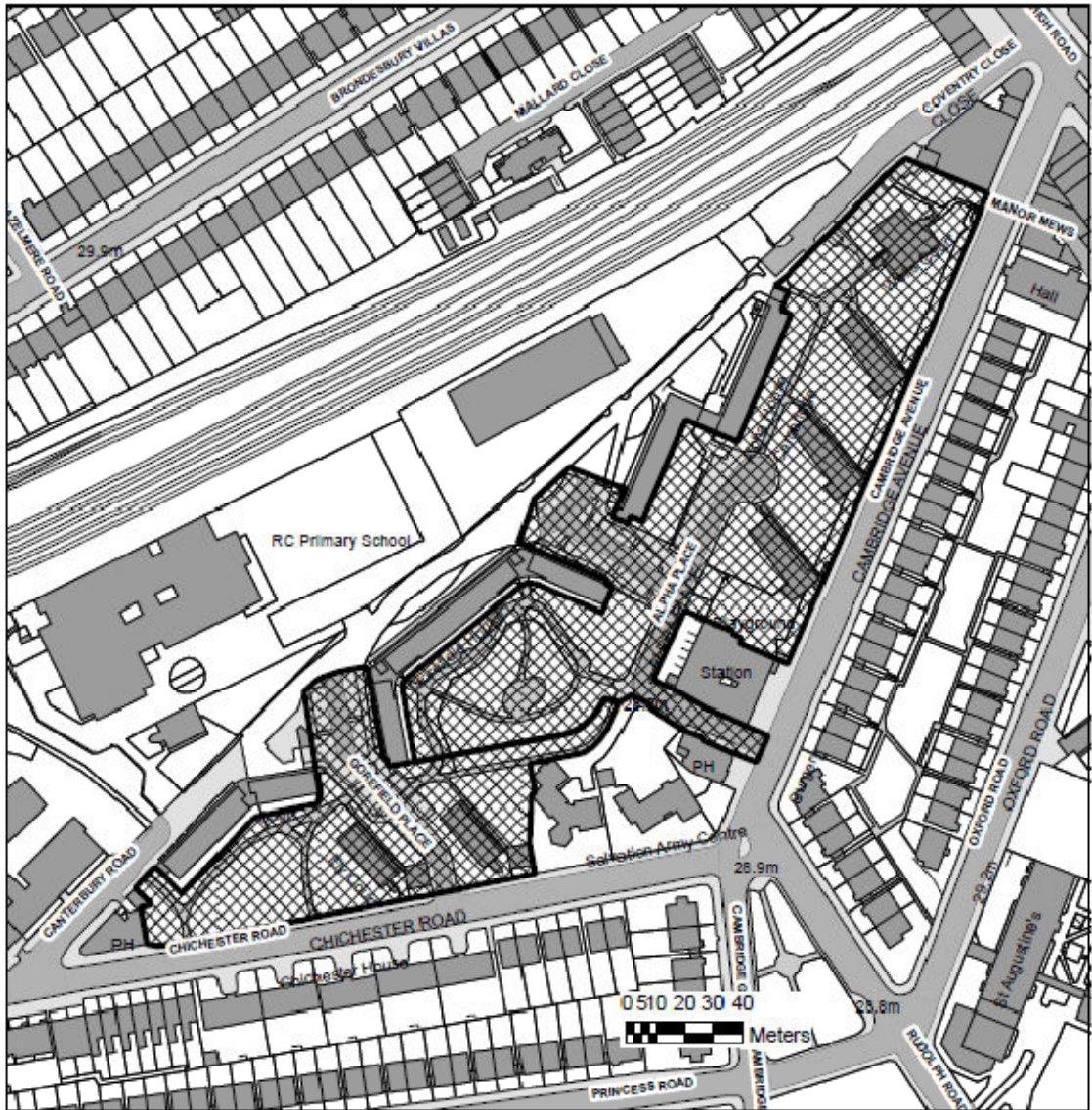
1. Report to Executive 23<sup>rd</sup> June 2010
2. South Kilburn Regeneration phasing plan
3. Report to Executive 14<sup>th</sup> July 2009

Martin Cheeseman  
Director of Housing and Community  
Care

Andy Donald  
Director of Regeneration and Major  
Projects

# EXECUTIVE COMMITTEE

## South Kilburn Regeneration - Zone 6



Zone 6 shown heavily outlined black.  
Areas subject to CPO shown cross hatched.

**NORTH**

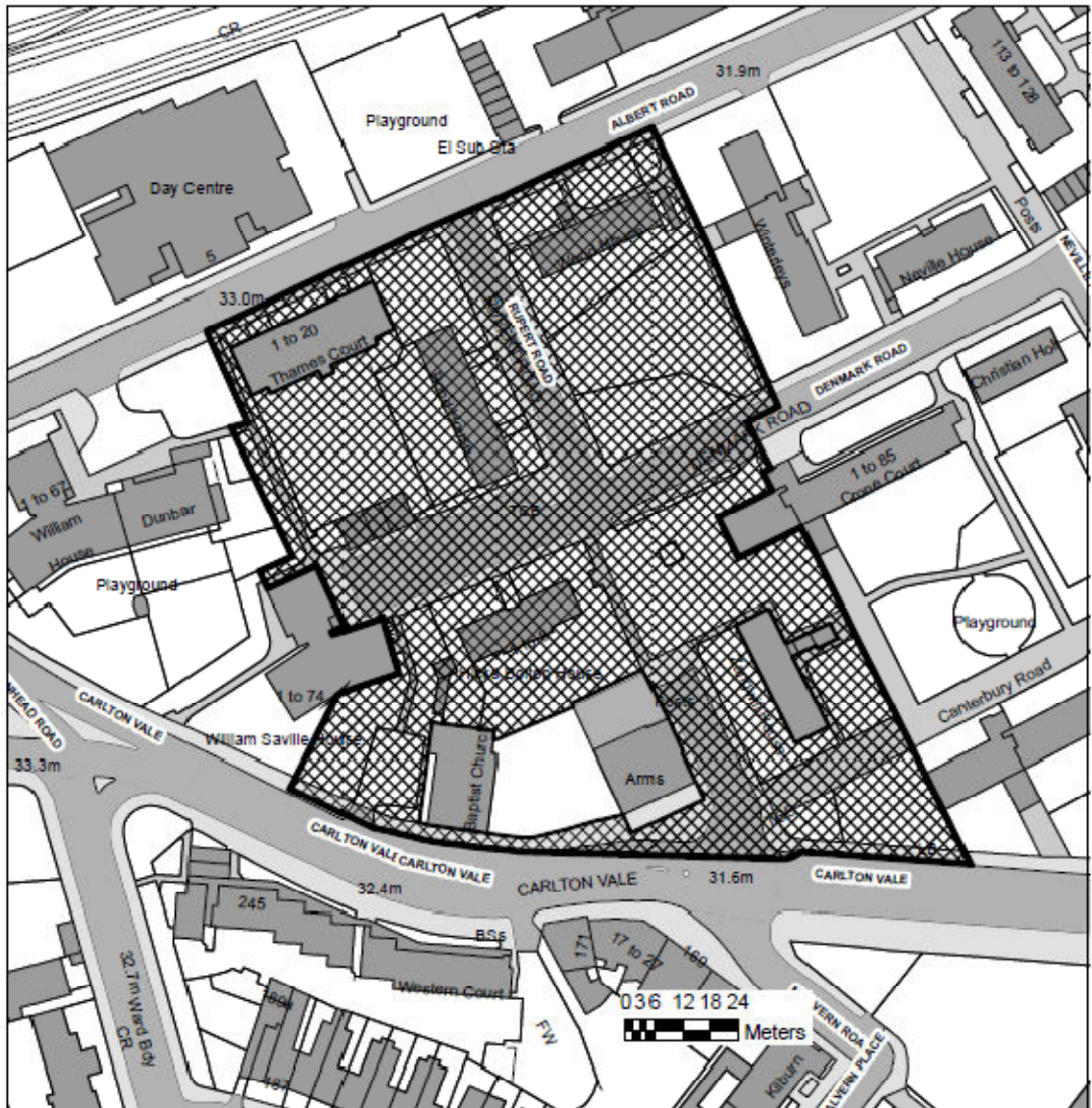


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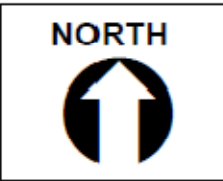
# EXECUTIVE COMMITTEE

## South Kilburn Regeneration - Zone 13



Zone 13 shown heavily outlined black.  
Areas subject to CPO shown cross hatched.

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**Executive**  
23 June 2010

**Report from the Directors of  
Policy and Regeneration and  
Housing and Community Care**

Wards Affected:  
Kilburn, Queens Park

**South Kilburn Regeneration progress update**

**APPENDIX 2 AND APPENDIX 3 ARE NOT FOR PUBLICATION**

**1.0 Summary**

1.1 This report summarises the progress made since February 2010 on the regeneration of South Kilburn, and sets out proposals for building on the momentum established by the Council over the past year. Specifically the report sets out proposals for re-investing the capital receipts secured through the advance stages of South Kilburn's regeneration, as agreed by the Executive in February 2010.

**2.0 Recommendations**

2.1 That the Executive note the progress made on the South Kilburn Regeneration project as set out in the report.

2.2 That the Executive agrees to progress the remainder of Phase 1 of the regeneration proposals in line with the overall phasing strategy, incorporating the redevelopment of Cambridge Court, Wells Court, Hicks Bolton House, Bond House and Ely Court.

2.3 That the Executive notes that officers are working with the Homes and Communities Agency to prepare a short, medium and long term investment strategy for South Kilburn.

- 2.4 That the Executive agree to officers progressing a detailed planning application for Cambridge Court (Zone 6i) and Wells Court (Zone 6D) for approximately 105 new homes.
- 2.5 That the Executive agree to officers progressing a detailed planning application for the Ely Court site (Zones 6iii and 6iv).
- 2.6 That the Executive agree to officers progressing a detailed planning application for the Bond House and Hicks Bolton House sites (Zones 13N and 13S).
- 2.7 That the Executive note that the new social rented housing developed as part of the above sites has the primary purpose to deliver decant accommodation for residents from blocks within Phase 2 of the regeneration programme.
- 2.8 That the Executive authorises officers to begin the procurement process to assemble an EU compliant framework of prospective developer partners to bring forward the remaining Phase 1 sites, and future Phase 2 and 3 sites.
- 2.9 That the Executive approve the assessment criteria set out in paragraph 3.24 which will be used to select prospective development partners for inclusion on the framework.
- 2.10 That the Executive authorise the making of compulsory purchase orders (CPOs) to acquire (a) the leasehold interests listed in appendix 2 (the CPO Land) and (b) any new rights in the CPO Land which may be required under section 13 of the Local Government (Miscellaneous Provisions) Act 1976.
- 2.11 That the Executive authorise the submissions of the CPOs, once made, to the Secretary of State for confirmation whilst at the same time seeking to acquire the land by private negotiated treaty on such terms as may be agreed by the Director of Finance & Corporate Resources.
- 2.12 That Members authorise the:
  - 2.12.1 Director of Housing and Community Care to enter into agreements and make undertakings on behalf of the Council with the holders of interests in the CPO Land or parties otherwise affected by the Scheme setting out the terms for the withdrawal of their objections to the confirmation of the CPOs and including the offering back of any part of the CPO Land not required by the Council after the completion of the development or the acquisition of rights over the CPO Land in place of freehold acquisition, where such agreements are appropriate;



- 2.12.2 Making of one or more general vesting declarations or service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 respectively should the CPOs be confirmed by the Secretary of State;
  - 2.12.3 Service of all requisite notices on the holders of the CPO Land relating to the making and confirmation of the CPOs;
  - 2.12.4 Director of Housing and Community Care to remove from the CPOs any plot (or interest therein) no longer required to be acquired compulsorily for the scheme to proceed and to amend the interests scheduled in the CPOs (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised);
  - 2.12.5 Director of Housing and Community Care within the defined boundary of the CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or following the confirmation of compulsory powers by the Secretary of State;
  - 2.12.6 Director of Housing and Community Care, if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the limits of the CPO Land for which a blight notice has been validly served.
- 2.13 That the Executive agree to enter into a legal agreement with the South Kilburn Neighbourhood Trust (SKNT) requiring the repayment to SKNT of New Deal for Communities (NDC) Grant of up to £2.5m in 2009/10 and 2010/11 used to fund leaseholder buy backs in the next demolition phase of the South Kilburn redevelopment programme.
- 2.14 That the Executive notes the proposals set out in paragraphs 3.9-3.13 of this report to establish a consistent, effective and efficient approach to neighbourhood management in South Kilburn.
- 2.15 That the Executive delegate authority to the Director of Housing and Community Care in conjunction with the Lead Member for Housing, to agree the proposed allocation policy for phase 1 as set out in Appendix 1 to this report or with such amendments as he sees fit following consultation with residents and stakeholders.
- 2.16 That the Executive agree the ongoing community engagement and consultation approach set out in paragraphs 3.29-3.33 of this report.
- 2.17 That Members authorise the Director of Housing and Community Care to seek the Secretary of State's consent to the disposal and redevelopment of phase 1 sites on the estate for the purposes of ground 10A of Schedule 2 to the

Housing Act 1985 to enable the Council to apply for a court order to obtain vacant possession of residential dwellings let under secure tenancies.

### **3.0 Detail**

3.1 This report sets out the progress made in relation to the regeneration of South Kilburn since July 2009, the date of the last update report to Executive on this topic. At that point the Executive agreed a revised delivery strategy, which can be summarised as follows:

- Ongoing revision of the South Kilburn master-plan, to include the inclusion of a new three form entry primary school, revised larger space standards for new housing, lower densities through reduced private housing, improved sustainability thresholds, new energy and waste strategies and improved open spaces.
- A revised phasing plan which aimed to bring forward a number of advanced sites specifically for decanting purposes, which in turn would allow the Council to prioritise moving existing tenants from homes in the poorest condition first.
- Specifically, for the Council to bring forward two sites – Albert Road East (Zone 11a) and Carlton Vale Roundabout (Zone 3c) – by securing detailed planning consent and then disposing of them as vacant sites to an RSL through an EU compliant procurement process.
- To support the necessary land assembly (including leaseholder buy backs) with Compulsory Purchase Orders as necessary.
- To progress proposals for community facilities, including a new sports hall in partnership with Westminster City Council and a proposed new healthy living centre.
- To support the establishment of the South Kilburn Neighbourhood Trust as a key component of the succession strategy for the South Kilburn New Deal for Communities programme.

3.2 Subsequently over the course of the year significant progress was made against this strategy. Since July 2009 the following has been achieved:

- Planning consent has been secured for a total of 153 new homes (113 of which will be social rented) at Albert Road (Zone 11a), together with 133 new homes (75 of which will be social rented) at Carlton Vale Roundabout (Zone 3c)
- London & Quadrant (L&Q) have been chosen as the Council's delivery partner for both of these sites, subject to securing Secretary

of State's consent (now received), vacant possession, enabling works on both sites to prepare them for development to be undertaken by the Council and grant funding from the Homes & Communities Agency (HCA)

- The Council entered into a Sale and Development Agreement with L&Q on 25 March 2010 conditioned on the above matters.
- The Sale and Development Agreement provides that on satisfaction of the conditions for the relevant site, L&Q will be granted a 999 year leasehold interest and shall develop the properties thereafter on the terms of the Agreement.
- Marshall House, on the Albert Road site, has been demolished and vacant possession secured. The enabling works on this site are due to be completed imminently. A stopping up order has been consulted on with regards to the Carlton Vale roundabout site, and officers are currently in discussion with officers from Westminster City Council in an attempt to resolve outstanding concerns raised by Westminster. The enabling highways works are expected to commence later in 2010. The Sale and Development Agreement is also conditional, in so far as it relates to the Carlton Vale Site, on obtaining the stopping-up order.
- Planning permission has also been granted for new homes to provide decant accommodation at Gordon House (to Network Housing Association) and the former Texaco garage site (to South Kilburn Neighbourhood Trust).
- HCA grant funding has been secured for all four of the above mentioned sites, and work is expected to begin on site for each of them within the next few months.
- The new sports hall, built in partnership with Westminster City Council and St Augustine's School, is now open and fully operational.
- The South Kilburn Neighbourhood Trust has been established and has built up an asset base which will ensure ongoing resources for social and economic regeneration.

3.3 At its meeting on the 15<sup>th</sup> February 2010 the Executive agreed to 'ring fence' the capital receipts secured from the disposal of the Albert Road and Carlton Vale sites into the ongoing regeneration of South Kilburn. This is both a condition of the grant secured from the HCA, but more importantly also allows us to continue to pro-actively deliver the next phase of regeneration in South Kilburn. The remainder of this report sets out how this resource will be invested to ensure that the Council builds on the momentum established over the last year and continues to drive forward the regeneration programme.

## **Development Programme for 2010-11**

- 3.4 The regeneration of South Kilburn is guided by a phasing and business plan which works, both in terms of decanting existing tenants to new homes and in terms of generating an ongoing cashflow to allow the Council to progress regeneration. Accordingly the work programme for 2010 / 11 can be split into four main areas:
- (i) Beginning the decanting process for tenants who will be moving into the new homes being developed over the next two years at Albert Road, Carlton Vale, Texaco and Gordon House.
  - (ii) Putting in place arrangements to ensure consistent, co-ordinated and high quality neighbourhood management across South Kilburn.
  - (iii) Progressing a number of area wide studies, including a revised masterplan, a public realm strategy, proposals for a new school, arrangements for localised energy, and a comprehensive car parking strategy.
  - (iv) Securing planning consent for at least three further housing sites, and subsequently securing developer partners and grant funding to ensure their delivery

Each of these work areas will be underpinned by community engagement and consultation, ensuring that local people continue to be at the centre of the regeneration programme.

### **Decanting**

- 3.5 A key principle of the phasing strategy for South Kilburn is that residents who currently live in some of the worst homes in the estate are amongst the first to be decanted into new homes. On this basis, the new homes which will be developed at Albert Road, Carlton Vale Roundabout, Texaco Garage and Gordon House will primarily be for existing residents in Bronte House and Fielding House. This in turn will ensure vacant possession of a subsequent (and significant) development site.
- 3.6 For the remaining new homes, priority will be given to any remaining tenants of blocks identified for the next phases of regeneration – namely Bond House, Hicks Bolton House, Ely Court, Cambridge Court and Wells Court.
- 3.7 The process for allocating tenants new homes is set out in the proposed Allocation Policy for Phase 1, at Appendix 1 to this report.
- 3.8 Transfer of the tenants is subject to permission being granted by the Secretary of State on Ground 10A of Schedule 2 to the Housing Act 1985. Although every effort will be made to obtain possession of the secure

tenanted properties with the tenant's consent, the Council will need, as a fallback position, to obtain the Secretary of State's consent to the disposal and redevelopment of the Estate for the purposes of obtaining vacant possession of the secure tenanted dwellings on ground 10A of Schedule 2 to the Housing Act 1985. The procedure required to obtain possession of the properties through these means is set out in Part V of Schedule 2 to the Housing Act 1985.

### **Neighbourhood Management**

- 3.9 One consequence of a more fragmented delivery approach is that the Council needs to take a much stronger role in setting clear standards for both housing and neighbourhood management to ensure residents are provided with consistent, co-ordinated and high quality services.
- 3.10 In the case of housing management, this is dealt with through the processes for procuring delivery partners which places an emphasis (amongst other things) on the quality of housing management. The local Tenants Steering Group have also produce a model tenancy agreement, and all bidders are encouraged to use this as a template for the tenancies in the new homes.
- 3.11 Neighbourhood management is more complex and involves the arrangements for managing the public realm, open spaces and streets, as well as potentially in the future localised energy, construction training and community development.
- 3.12 The Council, in partnership with South Kilburn Partnership and South Kilburn Neighbourhood Trust, is taking the lead on developing the necessary partnership arrangements with RSL's operating in South Kilburn to ensure a consistent and co-ordinated approach. In essence this will mean a common specification for the level of service required, together with common or consistent arrangements for the delivery of these services. For all future delivery partners, it will be a condition of their selection that they sign up fully to the emerging proposals.
- 3.13 Residents will be fully involved in this process through the Tenants Steering Group, Homeowners Group and South Kilburn Housing & Infrastructure Committee. Officers are considering setting up a multi-landlord residents panel to focus on neighbourhood management and public realm issues.

### **Area Wide Strategies**

- 3.14 There are a number of area wide strategies which need to be reviewed and/or progressed over the course of the next 6 months, in order to update the context for individual site developments in South Kilburn. These include:
  - (i) Refreshing and updating the masterplan for South Kilburn to take account of developing policy as appropriate.

- (ii) Initiating a public realm strategy for the whole of South Kilburn, setting out design guidance for existing and proposed open spaces, play areas, streetscapes and communal areas.
- (iii) Undertaking a full review of car parking arrangements across South Kilburn, and defining car parking requirements for future phases of the development. This strategy will also need to consider accessibility to alternative modes of transport, including rail, tube and buses.
- (iv) Bringing forward proposals for localised energy centres that will provide low carbon energy solutions to all residents in South Kilburn.
- (v) Undertaking a full feasibility study for a new three form entry primary school (combined infant and juniors) on a new site at the eastern end of Kilburn Park, to replace the existing Carlton Vale Infants and Kilburn Park Junior schools – as previously reported to Executive in July 2009.
- (vi) Continuing to work with local GPs and NHS Brent to bring forward a new Healthy Living Centre within Peel Precinct.

3.15 In bringing these area wide proposals forward, it will be critical that local residents are involved and consulted at appropriate times. The key vehicle for discussing these matters will be the well established Housing & Infrastructure Committee of the South Kilburn Partnership, which in turn will discuss when to undertake more formal and widespread consultation.

### **Development Sites**

3.16 In February 2010, and as part of the condition of receiving grant funding from the Homes & Communities Agency for the initial housing sites, the Executive agreed to re-invest the capital receipts secured from the sale of both the Albert Road and Carlton Vale Roundabout sites into progressing the remaining Phase 1 sites in South Kilburn.

3.17 In line with this decision, it is proposed that the Council progress designs on the following sites with a view to submitting planning applications in the autumn of 2010:

- (i) Cambridge Court and Wells Court
- (ii) Ely Court
- (iii) Bond House and Hicks Bolton House

These sites have been chosen in line with the overall South Kilburn phasing plan. Taken together they will continue to deliver the necessary decant capacity to ensure the regeneration programme can continue to roll forward. Due to its proximity to Kilburn Park tube station, the Cambridge and Wells Court site in particular also has the potential to deliver a significant amount of private dwellings which will help to both re-dress the tenure balance of South Kilburn and generate further capital receipts to maintain the cashflow of the scheme overall.

- 3.18 Design teams will be appointed to take each scheme through to full planning permission (RIBA Stage C or D), with payments on a staged basis pending sign off by the South Kilburn Project Board at each stage. The contract values are all within the delegated threshold for officer approval.

### **Delivery Mechanisms**

- 3.19 Previous Executive reports have identified the potential of a local asset backed joint venture vehicle as being one possible delivery method for South Kilburn. This would entail the Council establishing a new company with a private sector developer (or RSL) on a 50:50 shareholding basis. This approach has been soft market tested throughout the last year, and it is officers view that in the light of the current market conditions this approach is unlikely to offer the Council the best value for money, largely due to the high cost of equity. It also cedes control of the delivery process and timescale to a new organisation in which the Council only has a 50% stake. Whilst not ruling out the potential for the Joint Venture vehicle to be an attractive proposition at a later date, it is quite clear that in the medium term it is more advantageous to the Council to continue to act as ‘master developer’ and to bring to the market de-risked sites – ie. sites with vacant possession and the benefit of detailed planning consents.
- 3.20 In adopting this approach the Council needs to be aware of how to maximise its potential market in order to ensure the best possible choice of developer partners for each of the future sites. Following extensive advice and research, it has been determined that the best way of achieving this is to procure an EU compliant framework of prospective partners, from which the Council can ‘call off’ organisations on a needs basis, usually through the use of a mini competition restricted to members of the framework panel. The framework will predominantly be assembled on the basis of ‘quality’ criteria, with the call off arrangements weighted between ‘price’ and ‘quality’ based criteria to ensure the Council maximises its receipts.
- 3.21 Framework agreements can last for a maximum of four years, and so therefore the Council needs to identify all possible sites that may come forward over this period in order to signal to the market the prospective scale of the contracts. The framework itself must contain at least three prospective partners – although the optimum number to ensure choice and diversity for the Council would be five or six.
- 3.22 The framework would be procured using the EU Restricted procedure, and would initially require the Council to publish an advertisement in the OJEU, following which a standard two stage EU procurement process would ensue.
- 3.23 Call-off Contracts let under the EU compliant Framework Agreement in respect of particular sites would not need to be separately advertised, irrespective of their value.

3.24 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response								
(i)	The nature of the contract.	Development of future sites within the London Borough of Brent, predominantly in South Kilburn which are in accordance with the master plan for South Kilburn and form part of the South Kilburn regeneration strategy.								
(ii)	The estimated value.	Sites to be included could include, but may not be limited to: Cambridge & Wells Courts - £11m Ely Court - £5m Hicks Bolton and Bond House - £11m Bronte and Fielding House - £16m Durham Court - £7m Carlton House - £7m Peel Precinct – 26m Hereford House - £10m Albert Road west - £16m Queens Park Roundabout site - £25m								
(iii)	The contract term.	The framework panel will be appointed for a 4 year period. Call-off contracts let under the framework may extend beyond the four year term.								
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	OJEU compliant restricted procedure procurement route. Once the framework is established, call off will normally be by way of mini competitions which will include both price and quality components.								
v)	The procurement timetable.	<table border="1"> <thead> <tr> <th>Indicative dates are:</th> <th></th> </tr> </thead> <tbody> <tr> <td>Adverts placed</td> <td>July 2010 OJEU</td> </tr> <tr> <td>Expressions of interest returned</td> <td>Mid September 2010</td> </tr> <tr> <td>Shortlist drawn up in accordance with the Council's approved criteria</td> <td>Mid October 2010</td> </tr> </tbody> </table>	Indicative dates are:		Adverts placed	July 2010 OJEU	Expressions of interest returned	Mid September 2010	Shortlist drawn up in accordance with the Council's approved criteria	Mid October 2010
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Adverts placed	July 2010 OJEU									
Expressions of interest returned	Mid September 2010									
Shortlist drawn up in accordance with the Council's approved criteria	Mid October 2010									



		Invite to tender	October 2010
		Deadline for tender submissions	End November 2010
		Panel evaluation and interviews	End November – mid December 2010
		Panel decision	December 2010
		Report recommending Contract award circulated internally for comment	January 2011
		Executive approval	
		Mandatory minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers (contracts covered by the full EU Regulations only)	February 2011
		Framework Agreement entered into and initial sites "called off"	15 <sup>th</sup> March 2011
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders from shortlisted bidders on the basis of "most economically advantageous tender criteria" (MEAT), on the basis of 60% quality and 40% price. The quality considerations will include (but not necessarily be limited to) the following:</p> <ul style="list-style-type: none"> <li>• Shared vision for South Kilburn</li> <li>• Large scale development capacity</li> <li>• Proposals relating to mixed tenure residential development including intermediate housing</li> <li>• Proposals relating to place making including mixed use development</li> </ul>	

		<ul style="list-style-type: none"> <li>• Commitment to high quality residential design</li> <li>• Sustainability commitment to and proposals for developing to a minimum level of Sustainable Homes Code Level 4;</li> <li>• Commitment to and proposals for the provision of localised energy solutions</li> <li>• Proposals as to sound construction management and health &amp; safety</li> <li>• Commitment to employment and training initiatives</li> <li>• High standard of housing management proposals independently assessed.</li> <li>• Proposals as to developing neighbourhood management arrangements in a multi landlord estate including management of high quality public realm.</li> <li>• Application of equal opportunities and diversity policies in social housing development and management</li> <li>• Proposals for effective tenant and resident liaison and capacity to deliver in South Kilburn</li> <li>• Added value – eg tenant relocation support, leaseholder relocation support, on and off site decant support</li> <li>• Ability to secure additional resources, including HCA grant funding</li> </ul>
(vii)	Any business risks associated with entering the contract.	By establishing a framework the Council is not committing to utilising the framework for any sites, including those listed in section (i) above.
(viii)	The Council's Best Value duties.	The Procurement process will ensure Best Value is achieved.
(ix)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(x)	The relevant financial, legal and other considerations.	This procurement process is in line with The Council Standing Orders and EU Procurement Regulations. Trowers & Hamblins are currently retained to give specialist legal advice.

### Land and Property Issues

- 3.25 In order to underpin the regeneration of South Kilburn it is important that the Council continue to acquire property that it critical to its regeneration plans. Across the estate there are a number of sites which the Council is seeking to acquire in order to aid regeneration, and these will be reported to Executive to secure the necessary authorisation at the appropriate time.
- 3.26 There are also over 200 leaseholders across the blocks in South Kilburn which have been identified for demolition. It is clearly in the Council's interest

to acquire these properties as early as possible, in order to assist in assembling sites with vacant possession. The Council will attempt to secure these properties by negotiation wherever possible, but this report also seeks authorisation for officers to make use of Compulsory Purchase powers for properties within Phase 1 and some of Phase 2 of the regeneration programme if necessary. These properties are listed at Appendix 2.

- 3.27 Since 2009 a number of leaseholder buy backs have been funded through the use of New Deal for Communities (NDC) grant, to the value of £2.5million. It is a condition of the use of NDC grant, as stipulated by the Government Office for London, that the Council enter into a legal agreement to repay this sum back to the South Kilburn Neighbourhood Trust (SKNT) to ensure it is recycled back into the regeneration of South Kilburn. Officers are currently working with the SKNT Board to prepare a capital strategy for the Trust which will ensure the funding is spent on contributing to the regeneration programme.
- 3.28 In the process of bringing forward the Marshall House and Carlton Vale sites issues relating to the Council's title came to light. These predominately centred around areas of unregistered land and generic rights granted by Right To Buy Leases on the South Kilburn estate which could be infringed by the re-configuring of the estate and development of open spaces. These issues were dealt with in respect of the above sites by way of a speculative Land Registry application (resulting in registration of the relevant land) supported by a statutory declaration and, in the case of the rights, an indemnity insurance policy.

### **Community Consultation**

- 3.29 Community participation, engagement and consultation has consistently been at the heart of the Council's approach to regenerating South Kilburn. The coming year will require the Council to enter into an increasingly complex set of dialogues with local residents with regards to a plethora of issues. It is therefore essential that the Council has a clear strategy for consultation moving forward, and that a range of consultation techniques are employed to ensure continued and re-invigorated community engagement.
- 3.30 The first area of community dialogue is specifically with those residents who will be moving into the new homes at Albert Road, Carlton Vale Roundabout, Texaco and Gordon House. A significant majority of these tenants will come from Bronte and Fielding House. In order to facilitate this dialogue a new Bronte & Fielding Residents Association is proposed to be established by August 2010. The South Kilburn Housing Team will co-ordinate dialogue with individual tenants with regard to their future needs and decanting arrangements.
- 3.31 The second area of community dialogue is with leaseholders from across South Kilburn, and particularly those who own homes in the remaining Phase 1 blocks. Again, the South Kilburn Housing Team will maintain regular communications.

- 3.32 The third area of community engagement will be around the design of the proposed new homes on the remaining Phase 1 sites. The proposition is that each site will have its own design group which will meet at key points in the design process and act as a sounding board for the architects and design teams. These groups will be facilitated by the project managers for each site, and will comprise of residents from the blocks slated for decanting into the new buildings (ie. prospective future tenants of the new homes) as well as residents from adjoining blocks. Over and above this there will be a formal exhibition at pre-planning stage and the usual planning application consultations.
- 3.33 The Housing & Infrastructure Committee of the South Kilburn Partnership will be the overarching group considering the area wide proposals (car parking, energy, public realm). This group will advise on when more intensive and estate wide consultation is required on any particular issue.

#### **4.0 Legal Implications**

##### *General*

- 4.1 The Council has the power (under section 123 of the Local Government Act 1972) to dispose of any of its land. However, unless it grants a lease of 7 years or less, it must obtain the best consideration reasonably obtainable, unless it obtains the consent of the Secretary of State to the transfer. Hence any transfer of the freehold or grant of a lease of any land within the South Kilburn area would require Secretary of State's approval, unless it was for best consideration. There is a General Consent available, but this only applies to sales at an undervalue of less than £2 million, and is therefore unlikely to be applicable. However, officers consider that by seeking offers for the sites from a number of RSLs, best consideration will in fact be secured.
- 4.2 As a result of recent rulings in the European Court of Justice, if the Council utilise a development agreement in order to set out detailed specifications in respect of development of any of the land, it will need to undertake an EU procurement process to find a partner to carry out the development. The ECJ has ruled that development agreements (which contain such detailed specifications) cannot be viewed as merely part of a land transfer, because they impose detailed requirements as to the development to be constructed and are therefore a form of procurement of works.
- 4.3 Supplementary planning documents (SPD) can be adopted in order to expand on the Council's adopted policies in its UDP and the emerging Local Development Framework in order to provide more detailed information than can be contained in the policies themselves. There are detailed regulations made under the Planning and Compulsory Purchases Act 2004 setting out the procedure for consulting on, and subsequently adopting SPD's. Provided the correct procedure is followed, SPD's can be given considerable weight in determining planning applications. Accordingly if an amended

masterplan for South Kilburn is adopted as an SPD then it will be a weighty material consideration in considering future developments within the South Kilburn area.

#### *Procurement of Developer Partner*

- 4.4 This tender is being procured in accordance with EU Regulations and specialist advice has been sought from Trowers & Hamlins the Council's legal advisors on this project. The Framework Agreement will also be subject to the Council's Contract Standing Orders in respect of High Value contracts and Financial Regulations.
- 4.6 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the framework and recommending those parties to be included on the Framework Agreement.
- 4.7 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum standstill period imposed by the EU Regulations before the Framework Agreement can be concluded. The minimum period is 15 days where the Council notifies bidders of its decision by post or 10 days where the Council gives notice by electronic means.
- 4.8 The requirements include notifying all tenderers in writing of the Council's decision to conclude the Framework Agreement and the reasons for its decision including an explanation as to the characteristics and relative advantages of the successful bids and the successful bidder's scores (as well as the score of the recipient of the notice).
- 4.9 The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderers and the Framework Agreement can be entered into.

#### *Use of the HCA Framework*

- 4.10 As advised in the detail of the report the contracts for Architects are being procured under a Framework Agreement set up by the HCA. The EU Procurement Regulations allow the use of framework agreements (call-off contracts) and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process.
- 4.11 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a Framework Agreement established by another contracting authority, where call off under the Framework Agreement is recommended by the relevant Chief Officer. However, this is subject to the Borough Solicitor advising that participation in

the Framework Agreement is legally permissible and approval to participate in the Framework being obtained from the Director of Finance and Corporate Resources. Such approval is currently being sought from the Borough Solicitor and the Director of Finance and Corporate Resources.

- 4.12 The contracts for architects have individual values of less than £500k each and as such officers have delegated authority to award the contracts pursuant to paragraph Paragraph 2.5 of Part 4 of the Constitution.

#### *Compulsory Purchase Orders*

- 4.13 The Council has power to make a compulsory purchase order under section 226 (1)(a) of the Town and Country Planning Act 1990 if it thinks that the acquisition will “facilitate the carrying out of development, redevelopment or improvement or in relation to the land”. Under section 226(1)(A) the Council must not exercise the power under sub paragraph (a) unless it thinks that they development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic wellbeing of their area; (b) the promotion or improvement of the social wellbeing of their area; (c) the promotion or improvement of the environmental wellbeing of their area.
- 4.14 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling public interest to do so. Para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04 states:

*“A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.”*

For the reasons set out in this report, it is considered that there is such a compelling case for properties within Phases 1 and 2 of the proposed regeneration programme and that the public interest requires that the order be made in order to carry through the necessary redevelopment of the CPO Land.

- 4.15 Further, in making the order there should be no impediments to its eventual implementation. Para’s 22 and 23 of Part 1 of the Memorandum to ODPM Circular 06/04 advise (in part):

*“22. In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure*

*accommodation works or remedial work which may be required, and any need for planning permission or other consent or license.*

*Where planning permission will be required for the scheme, and has not been granted, there should be no obvious reason why it might be withheld...*"

Members will note that there will be sufficient funds available to meet the compensation costs for the acquisition of the land as South Kilburn Partnership has approval from Government Office for London. Officers consider that there is a reasonable prospect of the Scheme going ahead subject to HCA funding being obtained. Whilst planning permission has not been granted for the development, it is considered that there is no obvious reason why it might be withheld, taking into account that a Masterplan has already been approved albeit that it is now intended to revise this slightly. Accordingly, it is considered that there are unlikely to be any impediments to implementation.

4.16 It is necessary to consider the human rights implications of making CPOs. The Convention Rights applicable to the making of any CPO orders are Articles, 6 and 8 and Articles 1 of the First Protocol. The position is summarised in para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04.

4.17 Article 6 provides that:

*"In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law"*

4.18 Consultation has already taken place with communities that will be affected by any orders made, and further consultation is proposed as set out in this report.

4.19 All those affected by the Orders will be informed and will have the right to make representations to the Secretary of State and to be heard at a Public Inquiry. Those directly affected by the Order will also be entitled to compensation for any losses that they may incur as a result of the acquisition.

4.20 Article 1 of the First Protocol states that:

*"Every natural or legal person is entitled to peaceful enjoyment of his possessions" and "(n)o one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law...."*

4.21 Whilst occupiers and owners will be deprived of their property if an Order is confirmed, this will be done in accordance with the law. It is being done in the public interest as required by Article 1 of the First Protocol. The reasons for this are set out in this Report.

4.22 Members need to ensure that there is a reasonable prospect of the Scheme

underpinning the CPO proceeding. This is addressed in paragraph 12.10 below

- 4.23 The consequences of abandoning a confirmed CPO depends on:
- (a) whether a notice to treat or entry has been served on the owner of the land or not; and
  - (b) whether the Council has entered the land following the service of the notice or made a General Vesting Declaration in respect of the land.
- 4.24 The passing of a resolution to make a CPO does not trigger the right to serve a blight notice. However, residential occupiers could claim blight after a CPO has been submitted to the Secretary of State for confirmation and notices have been served on owners and occupiers.
- 4.25 If the CPO is not acted upon at all, then no compensation is payable. Where notice to treat and entry have been served, and then not acted upon, the Council is under an obligation to inform the owner of the withdrawal of the notices or expiry as the case may be (as notice to treat has a life span of three years from date of service) and will be liable to pay compensation to the owner for all losses and expenses occasioned to him by the giving of the notice and its ceasing to have effect. The amount of compensation shall in default of agreement be assessed by the Lands Tribunal. Interest is payable on the compensation.
- 4.26 The acquisition procedure is governed by the Acquisition of Land Act 1981, the Compulsory Purchase of Land Regulations 2004 and the Compulsory Purchase of Land (Vesting Declarations) Regulations 1990.
- 4.27 The CPO must be advertised locally and copies served on any owners, lessees, tenants (whatever the tenancy period), occupiers, all persons interested in, or having power to sell and convey or release, the land subject to the CPO. In addition the CPO must be served on persons whose land is not acquired under the CPO but nevertheless may have a claim for injurious affection under Section 10 of the Compulsory Purchase Act 1965, such as owners of rights of access to and from the public highway, easements and covenants that are affected by the CPO. Officers will prepare a detailed Statement of Reasons setting out the justification for compulsory acquisition. This statement will cover all the issues set out in this Report.
- 4.28 If any duly made objections are not withdrawn, the Secretary of State must hold an Inquiry and consider the conclusions and recommendations of the Inspector before confirming the Order.
- 4.29 Before and during the compulsory acquisition process, the Council is expected to continue the process of seeking to acquire the properties sought by negotiation and private agreement: see Part 1 of the Memorandum to Circular 06/04 Paras. 24 and 25. Para. 25 notes that “undertaking informal negotiations in parallel with making preparations for a compulsory purchase



order can help to build up a good working relationship with those whose interests are affected by showing that the authority is willing to be open and to treat their concerns with respect...”.

- 4.30 Any dispute as to the amount of compensation to be paid is referred to the Lands Tribunal for determination.

*Ground 10A*

- 4.31 The Council is required to obtain the approval from the Secretary of State when seeking to re-housing secure tenants who will not leave the properties that are due to be demolished. Before seeking approval the Council is required to consult with tenants. Approval will enable the Council to use Ground 10A of Schedule 2 to the Housing Act 1985 to obtain possession of the dwellings let under secure tenancies and provide the tenants with suitable alternative accommodation.

## **5.0 Financial Implications**

- 5.1 The resource envelope for taking forward the South Kilburn regeneration programme in 2010/11 is determined by the level of the capital receipts to be secured for the disposals (by way of the 999 year lease) of the Albert Road site and the Carlton Vale roundabout site to L&Q. The Council expects to receive the receipt for Albert Road in June 2010 whilst the timing of the receipt for Carlton Vale roundabout site is dependent on satisfying all conditions precedent, including completing the highways stopping up order and subsequently the enabling works. The earliest this is likely to be achieved at the end of 2010 to 2011.
- 5.2 In effect the financial model for South Kilburn is for the regeneration scheme to ‘wash its face’ from this point forward. In other words the Council should be able to progress the scheme on an ongoing basis within the cash envelope generated from ongoing disposals, provided it remains committed to ring fencing these receipts into South Kilburn. This delivery strategy has been agreed and endorsed by the Homes & Communities Agency, and is a condition of their grant funding for both the Albert Road and the Carlton Vale roundabout sites. A consequence of this approach is that the Council makes a saving on the previous £1m per annum expenditure identified within the capital budget for South Kilburn.
- 5.3 Other sources of income for the South Kilburn programme over the course of the year include New Deal for Communities funding, funding from the South Kilburn Neighbourhood Trust (including the Council’s share of the receipt from the sale of the Texaco site), and growth area funding.
- 5.4 The key expenditure items for the year will be:
- Leaseholder buy backs – a full paper will be prepared in collaboration with the Director of Finance and Corporate Resources setting out proposals for

prudential borrowing arrangements to facilitate the early buy backs of leaseholder properties. This will be through an Invest to Save approach whereby this enabling expenditure will allow capital receipts to be generated which will be utilised to repay the debt and end interest incurred.

- Design fees – it is proposed to appoint three design teams from the Homes & Communities Agency consultants' panel to bring forward design work for the three sites (Cambridge & Wells, Ely, and Bond & Hicks Bolton). All initial contracts will be for less than the £500,000 threshold for Executive approval and both will be resourced from the resource envelope outlined above. Depending on end sales values it should be possible to recoup these costs when the sites are ultimately disposed.
- Strategic acquisition of property – there are a number of opportunities within South Kilburn for the Council to acquire property that will be required to bring forward both the next and future phases of the scheme. Individual acquisitions will need to be approved by Executive in the usual way throughout the year.
- Repayment of £2.5m of resources expended by the New Deal for Communities grant during the period since 2009 and used for leaseholder buybacks, to the South Kilburn Neighbourhood Trust. This is a condition imposed by government on the NDC expenditure and is designed to ensure the resources are recycled back into South Kilburn. Officers are currently working with the Trust Board to prepare an ongoing capital strategy for the Trust to ensure that the resources make a positive contribution to the programme.

5.5 The key challenge for the programme is to ensure that the cashflow remains positive, or within acceptable tolerances. New project management arrangements are being introduced to ensure that officers are equipped to manage the cashflow, and that there are clear lines of responsibility and accountability for doing so.

5.6 Clearly the key funding risk for the regeneration programme is the ongoing level of grant funding that can be secured from the government (through the Homes & Communities Agency) to support future development sites in South Kilburn. The Council is well advanced with its 'single conversation' discussions with the HCA, and South Kilburn is identified as a key priority within the Local Investment Framework that both the Council and the HCA will ultimately sign up to. The HCA are supportive of the Council's overall approach to regeneration in South Kilburn, and its specific delivery strategy of incremental development, supported by a recycling of capital receipts.

5.7 Nevertheless in the current economic and political climate it would be prudent to assume that there will be less grant funding available for access by the Council in the immediate short term. South Kilburn is fortunate in that it is located in an area of high potential land value. With the Council firmly in control of the regeneration process, it would be possible at a future date to

dispose of sites identified for predominantly private housing on the open market, thus generating a receipt to cover expenditure and potentially maintain the regeneration momentum. Experience from the initial sites has demonstrated the additional value that can be secured for sites if they are de-risked – ie. with planning permission secured and with vacant possession.

5.8 Based on the sales values secured for Albert Road and Carlton Vale sites, it is estimated that the three remaining Phase 1 sites to be taken forward in 2010/11 could realise capital receipts of up to £12million. Officers remain confident that the overall phasing strategy will ultimately deliver a significant final capital receipt.

5.9 Appendix 3 sets out a draft headline income and expenditure budget for the South Kilburn regeneration project for the coming two years. Expenditure against this budget will only begin to be defrayed once the capital receipt for the Albert Road residential site is received.

## **6.0 Diversity Implications**

6.1 South Kilburn is a designated New Deal for Communities area and as such all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Partnership has a Race & Equality strategy, and through its widening participation theme seeks to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.

6.2 At a project level, each South Kilburn Partnership sponsored and supported project is subject to a full and independent appraisal undertaken by a panel of local residents and relevant officers. Part of the appraisal process is to test each activity against the Partnership's Race & Equality strategy to ensure full compliance. In line with the Council's Equality standards, all expenditure is monitored against equalities indicators on a regular basis.

## **7.0 Staffing / Accommodation Implications**

7.1 There are no specific staffing or accommodation implications associated with the proposals contained within this report.

## **APPENDICES**

Appendix 1: Draft allocations policy for South Kilburn

Appendix 2: Proposed CPO land

*(This appendix is not for publication as it contains the following category of exempt information as specified in paragraph 3, schedule 12(A) of the Local Government Act 1972 namely "information relating to the financial or business affairs of any*

*particular person (including the Authority holding the information).*

Appendix 3: Draft Income & Expenditure Profile for Phase 1

*(This appendix is not for publication as it contains the following category of exempt information as specified in paragraph 3, schedule 12(A) of the Local Government Act 1972 namely “information relating to the financial or business affairs of any particular person (including the Authority holding the information).*

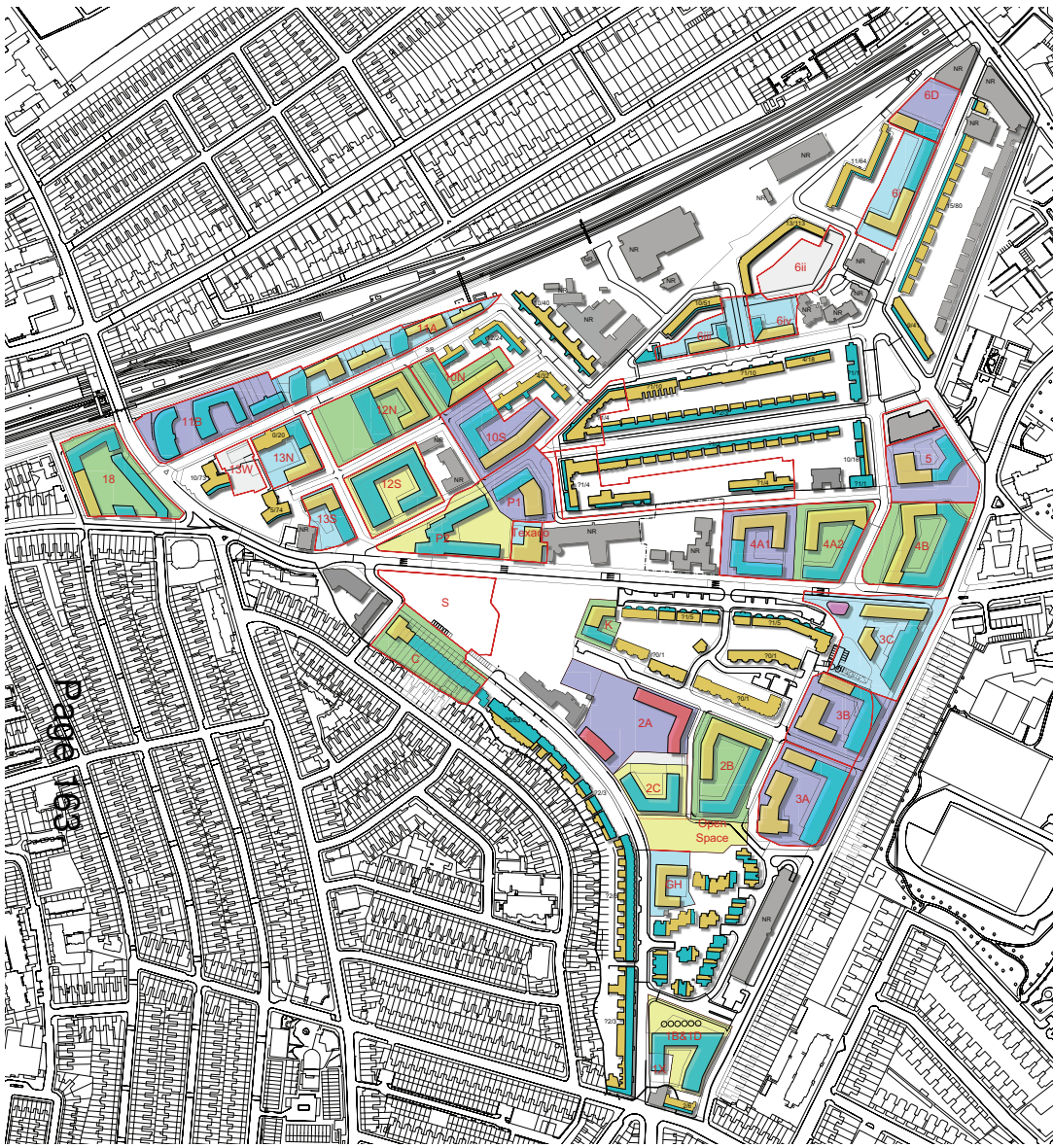
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- Phase 1
- Phase 2
- Phase 3
- Phase 4
- Affordable tenure - New build
- Private tenure - New build
- Education - New build
- Community - New build
- Affordable tenure - Existing retained
- Private tenure - Existing retained
- Sheltered/care/temp housing - Existing retained
- Non-residential buildings - Existing retained
- Affordable tenure - Existing to be demolished
- Private tenure - Existing to be demolished
- Non residential - Existing to be demolished

notes

The contractor is responsible for checking dimensions, tolerances and references. Any discrepancy to be verified with the Architect before proceeding with the works.

Where an item is covered by drawings to different scales the larger scale drawing is to be worked to.

Do not scale drawing. Figured dimensions to be worked to in all cases.

**CDM Regulations 2007**

All current drawings and specifications for the project must be read in conjunction with the Designer's Hazard and Environmental Assessment Record.

**CDM Regulations 2007**

All current drawings and specifications for the project must be read in conjunction with the Designer's Hazard and Environmental Assessment Record.

Phase	AFFORDABLE UNITS - TENANTS - DECANT		FREE LEASEHOLDERS - STAYING IN TO BE DEMOLISHED - 25%		FREE LEASEHOLDERS - MOVING OUT TO BE REHoused - 75%		Existing units in blocks by description		
	Site	Block	Site	Block	Site	Block	Site	Block	
Phase 1	Decant - offset/in voids								
	Site	1A	2A	3A	4A	5A	6A	7A	8A
	Block	1A	2A	3A	4A	5A	6A	7A	8A
	Units	10	10	10	10	10	10	10	10
Build in Phase 1									
Site	1A	2A	3A	4A	5A	6A	7A	8A	
Block	1A	2A	3A	4A	5A	6A	7A	8A	
Units	10	10	10	10	10	10	10	10	
Phase 2	Decant into Surplus								
	Site	1A	2A	3A	4A	5A	6A	7A	8A
	Block	1A	2A	3A	4A	5A	6A	7A	8A
	Units	10	10	10	10	10	10	10	10
Build in Phase 2									
Site	1A	2A	3A	4A	5A	6A	7A	8A	
Block	1A	2A	3A	4A	5A	6A	7A	8A	
Units	10	10	10	10	10	10	10	10	
Phase 3	Decant into Surplus								
	Site	1A	2A	3A	4A	5A	6A	7A	8A
	Block	1A	2A	3A	4A	5A	6A	7A	8A
	Units	10	10	10	10	10	10	10	10
Build in Phase 3									
Site	1A	2A	3A	4A	5A	6A	7A	8A	
Block	1A	2A	3A	4A	5A	6A	7A	8A	
Units	10	10	10	10	10	10	10	10	
Phase 4	Decant into Surplus								
	Site	1A	2A	3A	4A	5A	6A	7A	8A
	Block	1A	2A	3A	4A	5A	6A	7A	8A
	Units	10	10	10	10	10	10	10	10
Build in Phase 4									
Site	1A	2A	3A	4A	5A	6A	7A	8A	
Block	1A	2A	3A	4A	5A	6A	7A	8A	
Units	10	10	10	10	10	10	10	10	

Housing needs - as received from Mapgood Ahmet (BCC) - via Navigant - 23-April 2009

HOUSING NEEDS	Tenants - Requirement					Leaseholders - Existing					Currently using unit in blocks to be demolished				
	1A	2A	3A	4A	5A	6A	7A	8A	9A	10A	11A	12A	13A	14A	15A
100% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
75% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
50% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
25% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Private	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Education	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Community	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Non-residential	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

Housing needs - as received from Mapgood Ahmet (BCC) - via Navigant - 23-April 2009

Housing needs less Bedsits, 5B, 6B, 7B units - (Bedsits replaced with 1B, 5B-2x3B unit, 6B-2x3B unit, 7B- 3B-4B unit); 2B units from Housing needs split into 50%2B3P and 50%2B4P

HOUSING NEEDS	Tenants - Requirement					75% Leaseholders to be demolished					25% Leaseholders to be demolished					Units by description (existing) (total units)				
	1A	2A	3A	4A	5A	6A	7A	8A	9A	10A	11A	12A	13A	14A	15A	16A	17A	18A	19A	20A
100% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
75% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
50% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
25% Affordable	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Private	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Education	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Community	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	
Non-residential	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	

Proposed blocks unit split - based on overall REQUIRED unit mix percentage from HOUSING NEEDS

BLOCK	PROPOSED TOTAL NUMBER OF UNITS					TENURE SPLIT PER SITE	
	1A	2A	3A	4A	5A	Affordable	Private
1A	10	10	10	10	10	100%	0%
2A	10	10	10	10	10	100%	0%
3A	10	10	10	10	10	100%	0%
4A	10	10	10	10	10	100%	0%
5A	10	10	10	10	10	100%	0%
6A	10	10	10	10	10	100%	0%
7A	10	10	10	10	10	100%	0%
8A	10	10	10	10	10	100%	0%
9A	10	10	10	10	10	100%	0%
10A	10	10	10	10	10	100%	0%
11A	10	10	10	10	10	100%	0%
12A	10	10	10	10	10	100%	0%
13A	10	10	10	10	10	100%	0%
14A	10	10	10	10	10	100%	0%
15A	10	10	10	10	10	100%	0%
16A	10	10	10	10	10	100%	0%
17A	10	10	10	10	10	100%	0%
18A	10	10	10	10	10	100%	0%
19A	10	10	10	10	10	100%	0%
20A	10	10	10	10	10	100%	0%
TOTAL	200	200	200	200	200	100%	0%

date	rev	revision/author/checker
purpose of issue		
for information		
project		
South Kilburn Urban Regeneration		
drawing		
Proposed Masterplan Phasing Option D - All Phases		
drawing no		
AA0461/1.1/051		
drawn	pxp	checked bsc
scale	at 1:2500	date Jan '10
PRP Architects		
10 Lindsey Street, London, EC2A 4RP		
T: +44 (0)20 7633 1200, F: +44 (0)20 7633 1201, www.prrparchitects.co.uk		

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**Executive**  
14<sup>th</sup> July 2009

**Report from the Directors of  
Policy & Regeneration and  
Housing & Community Care**

Wards Affected:  
Kilburn, Queens Park

**South Kilburn Regeneration Progress Update**

Forward Plan Ref: PRU-09/10-4

**Appendix 2 of this Report is not for publication**

Appendix 2 of this Report is not for publication as it contains the following categories of exempt information as specified in the Local Government Act 1972, namely:

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

**1.0 Summary**

- 1.1 In December 2008 the Executive considered a report outlining the progress made towards regeneration in South Kilburn. This report sets out the further progress made since December. It focuses largely on the physical regeneration aspects, covering masterplanning, housing and community facilities. It sets out a clear direction for the next six months and asks members to make a number of decisions which will allow the programme to be driven forward.
- 1.2 There has been considerable progress since December. Granville New Homes are now complete, and the process of identifying residents to be moved into the new properties has begun. A new community sports hall, linked to St Augustine's School, is now on site and expected to be open at the beginning of 2010. Planning permission has been secured for the former Texaco garage site, and planning applications are being worked up for other sites.
- 1.3 The overwhelming priority is to continue to build on this momentum for regeneration by identifying ways to begin developments on site, thus building confidence within the local community that new homes and new facilities will be delivered. This report establishes actions that will achieve this, and also sets out proposals for the medium and long term that will safeguard the Council's overall vision for South Kilburn. This

is equally important, as without a clear long term framework the Council runs the risk of promoting a series of piecemeal and unrelated developments.

- 1.4 A map of South Kilburn is attached at Appendix 1 showing the specific zones referred to throughout the report.

## **2.0 Recommendations**

- 2.1 That the Executive note the progress made on the South Kilburn Regeneration project as set out in the report

- 2.2 That the Executive note that amendments to the existing masterplan for South Kilburn will be consulted on during July 2009. In particular members note the following proposed amendments:

- Inclusion of a new three form entry primary school (combined infant and juniors) on a new site at the eastern end of Kilburn Park, to replace the existing Carlton Vale Infants and Kilburn Park Junior schools.
- Revised 'London Wide Initiative' space standards for both affordable and private housing, allowing for flexibility between tenures.
- Reduced amount of private sale housing, with a consequential reduction in density across the masterplan area.
- Improved sustainability thresholds, with all new homes proposed at the Code for Sustainable Homes Level 4.
- New energy and waste strategies.
- Improved open space.
- A revised phasing plan.

- 2.3 That the Executive note that the Council is awaiting a formal decision from the Homes & Communities Agency with regard to the Expression of Interest submitted for South Kilburn under Round 6 of the Housing PFI.

- 2.4 That the Executive note that under the current market conditions a large scale voluntary stock transfer is not a viable solution, and that therefore the Council formally ends negotiations with the Hyde led consortium in respect of this option.

- 2.5 That the Executive note the recently commissioned feasibility study into a Joint Venture Vehicle for South Kilburn, and agree to consider a full report following the conclusion of ongoing discussions with the Homes and Communities Agency regarding financial viability.

- 2.6 That the Executive notes that officers are working with the Homes and Communities Agency to prepare a short, medium and long term investment strategy for South Kilburn.

- 2.7 That the Executive agree to officers progressing a detailed planning application for Albert Road East (Zone 11, stage 1) for approximately 170 new houses with a primary purpose to deliver decant accommodation for the bison blocks south of Carlton Vale.

- 2.8 That the Executive note the intention to appoint PRP Architects to undertake the ongoing masterplan revisions and to lead the design team for Albert Road East site.



- 2.9 That the Executive agree in principle the relocation of Albert Road Day Centre and note that a full report will be prepared outlining proposals for a new location in or close to John Billam recreation ground in autumn 2009.
- 2.10 That the Executive agree to officers progressing a detailed planning application for the Carlton Vale Roundabout site for approximately 100 new homes with a primary purpose to deliver decant accommodation for the bison blocks south of Carlton Vale.
- 2.11 That the Executive note the intention to appoint Rick Mather Architects to lead the design team for the Carlton Vale Roundabout site.
- 2.12 That the Executive authorises officers to begin the procurement process for a developer partner for both Albert Road East (Zone 11, stage 1) and Carlton Vale Roundabout site and that the Executive gives approval to the pre - tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 3.25 of this report. Further that the Executive gives approval to officers to place an OJEU notice with a view to inviting tenders and evaluate them in accordance with the approved evaluation criteria.
- 2.13 That the Executive authorise the making of compulsory purchase orders (CPOs) to acquire (a) the leasehold interests listed in appendix 2 (the CPO Land) and (b) any new rights in the CPO Land which may be required under section 13 of the Local Government (Miscellaneous Provisions) Act 1976.
- 2.14 That the Executive authorise the submissions of the CPOs, once made, to the Secretary of State for confirmation whilst at the same time seeking to acquire the land by private negotiated treaty on such terms as may be agreed by the Director of Finance & Corporate Resources.
- 2.15 That Members authorise the:
- 2.15.1 Director of Housing and Community Care to enter into agreements and make undertakings on behalf of the Council with the holders of interests in the CPO Land or parties otherwise affected by the Scheme setting out the terms for the withdrawal of their objections to the confirmation of the CPOs and including the offering back of any part of the CPO Land not required by the Council after the completion of the development or the acquisition of rights over the CPO Land in place of freehold acquisition, where such agreements are appropriate;
- 2.15.2 Making of one or more general vesting declarations or service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 respectively should the CPOs be confirmed by the Secretary of State;
- 2.15.3 Service of all requisite notices on the holders of the CPO Land relating to the making and confirmation of the CPOs;
- 2.15.4 Director of Housing and Community Care to remove from the CPOs any plot (or interest therein) no longer required to be acquired compulsorily for the scheme to proceed and to amend the interests scheduled in the CPOs (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised);

- 2.15.5 Director of Housing and Community Care within the defined boundary of the CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or following the confirmation of compulsory powers by the Secretary of State;
- 2.15.6 Director of Housing and Community Care, if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the limits of the CPO Land for which a blight notice has been validly served.
- 2.16 That the Executive instructs officers to pursue the bringing forward of Gordon House site by Network Housing, with a primary purpose to deliver additional decant accommodation for the bison blocks south of Carlton Vale.
- 2.17 That the Executive notes the full list of Phase 1 sites set out in paragraph 3.7, and agree the appointment of architects to bring forward these sites in accordance with the terms set out in paragraph 3.21 of this report.
- 2.18 That the Executive note the progress made on the new St Augustine's Community Sports Facility.
- 2.19 That the Executive note the establishment of the South Kilburn Neighbourhood Trust (SKNT) as a key component of the succession strategy for South Kilburn New Deal for Communities and notes the various elements for SKNT's future vision and business plan as set out in the report and to be included in a business plan which will be brought before members for approval in September 2009.
- 2.20 That the Executive agree the ongoing community engagement and consultation approach set out in paragraph 3.47-3.50 of this report.

### **3.0 Detail**

- 3.1 This report sets out the progress made in relation to the regeneration of South Kilburn since December 2008, the date of the last report to Executive on this topic. At that point Executive agreed a revised delivery strategy, which can be summarised as follows:
- In the short term prioritise the development of opportunity sites to maximise decant opportunities. Specifically seek to bring forward Zone 11, Texaco Garage, and Gordon House.
  - In the medium term prioritise the demolition and re-provision of the 'Bison' blocks, which currently provide the poorest standard of living accommodation in South Kilburn.
  - Seek opportunities to bring forward key community facilities at the earliest possible stage – including new sports facilities, an integrated primary school and a new health facility.
  - Seek to preserve the higher value land parcels for possible use within a future Joint Venture Vehicle.
  - Submit an Expression of Interest to bid for £97.15 million of credits under Round 6 of the Housing PFI.
  - Pursue further negotiations with the Hyde led consortium in an attempt to reach agreement for a financially viable partial stock transfer.

- Explore further the potential to establish an asset backed Joint Venture vehicle to deliver the balance of regeneration in South Kilburn.
  - Establish new arrangements for community engagement and consultation.
- 3.2 Inherent in this approach is a move away from a single 'estate wide' delivery mechanism, towards a more pragmatic 'menu' of smaller scale interventions designed to ensure some early delivery on the ground. The intention is to establish a momentum for change, which will help build confidence amongst local residents, funding agencies and investors that South Kilburn regeneration is progressing. This approach is supported by the Government's newly established Homes & Communities Agency.

*Revised Masterplan*

- 3.3 In adopting a potentially more piecemeal approach to delivery it is important that the Council retains a strong overall view of what it is seeking to achieve across the whole of South Kilburn. To this end work has also been progressing on reviewing and improving the approved masterplan and phasing strategies for South Kilburn.
- 3.4 The South Kilburn Masterplan has the status of Supplementary Planning Guidance. Prior to adoption the proposed amendments will therefore need to be the subject of a full consultation exercise, and be fully considered and approved by the Executive during summer 2009.
- 3.5 The proposed improvements to the Masterplan will include:
- The use of English Partnerships London Wide Initiative flat size standards for all new affordable and market homes. Although slightly smaller than those in the existing masterplan, these standards are bigger than normal Housing Association flat sizes. The use of a common standard across tenures will allow for increased flexibility between tenures throughout the delivery period.
  - Fewer private sale homes, resulting in a less dense development and reduced building heights in some locations.
  - A new three form entry primary school (with nursery) at the eastern end of Kilburn Park.
  - Use of existing Kilburn Park School site to expand the park. Carlton Vale school site will be used for new houses.
  - Improved sustainability thresholds, with all new homes to be built at Code for Sustainable Homes Level 4 as a minimum. There will also be three new district energy centres, designed to drastically cut fuel bills.
  - Improved street patterns, including the calming and narrowing of Carlton Vale in order to reduce its severance impact.
- 3.6 In addition there will be a number of more specific proposals relating to particular areas of South Kilburn. The masterplan will be accompanied by a revised phasing plan which will aim to reduce the number of delivery phases, increase the potential for quicker delivery, and tackle some of the poorest quality areas of the estate earlier on in the delivery process. In order to achieve this it is likely that the early (advance) phases of the development will need to be primarily driven by the decant

requirements of the poorest quality blocks and will therefore need to be skewed towards a higher proportion of social rented homes.

3.7 The first phase of regeneration will include those areas where significant gains can be made in the numbers of affordable homes, so as to aid the decant process. It is currently proposed that the following existing blocks will be included within Phase 1, subject to further viability testing:

- Texaco garage site
- Gordon House
- Albert Road East and West (Marshall House)
- Carlton Vale roundabout
- Cambridge Court
- Bond House
- Hicks Bolton House
- Ely Court

3.8 Public consultation on the proposed changes to the masterplan and the proposed approach to phasing is planned to begin July 2009 with a series of informal consultation and community engagement events. The results of this consultation will be reported back to Executive in the autumn of 2009. Officers will then embark on the formal consultation required in order to make amendments to the South Kilburn Supplementary Planning Document (SPD) by the end of the year, with a view to reporting back to Executive in early 2010. All of the proposed developments listed in paragraph 3.7 above are largely or wholly consistent with the current South Kilburn SPD.

3.9 The December Executive report in effect proposed a three pronged delivery strategy:

- Identification of advance sites that could be delivered quickly in order to provide advance decant capacity, thus creating vacant sites for the early phases;
- For the Bison blocks south of Carlton Vale, a 'cascading' set of delivery options – including a partial estate transfer led by the existing Hyde led consortium, a proposal for PFI credits, or if both of these routes are unsuccessful possible incorporation into an asset backed Joint Venture vehicle or Local Housing Company.
- For the remainder of South Kilburn, to explore the potential for an asset backed Joint Venture Vehicle capable of exploiting the significant 'value growth' potential of the area.

Progress has been made in respect of each of these options as set out below. Discussions are also ongoing with the new Homes & Communities Agency with regard to funding opportunities in respect of each option.

#### *Advance decant sites*

3.10 The December 2008 Executive report identified three potential sites to provide decant capacity – the former Texaco Garage site, Gordon House and Zone 11, Albert Road. It is now further proposed that the roundabout site as the eastern end of Carlton Vale is also added to these advance decant sites. The intention is to be on site with all four sites prior to April 2010. If this is achieved the Homes & Communities Agency have indicated that Social Housing Grant funding will be available under the National Affordable Housing Programme.

3.11 The former Texaco Garage site is the most advanced of these. The site, together with adjacent properties in Peel Precinct, has now been acquired by the newly

formed South Kilburn Neighbourhood Trust using capital funding from the New Deal for Communities Programme. Detailed planning permission has been secured for 50 new homes ( this may reduce to 46 as SKNT would like to combine eight 1 bed units to provide four 3 bed units) and the Trust is now marketing the site for sale to the Council's preferred housing association partners. A selection process will be undertaken over the summer period.

- 3.12 Gordon House is owned by Network Housing, and is currently used as a homeless family hostel. The building is in extremely poor condition. Agreement in principle has been reached with Network to demolish and replace with 26 new homes to be used for decanting residents from the Bison blocks. Proposals are currently at an advanced stage of pre-planning application discussions.
- 3.13 Zone 11, to the North of Albert Road is entirely within the Council's freehold ownership. It is currently occupied by three buildings – Marshall House, the Albert Road Day Centre and the British Legion Club. As part of their wider work reviewing the masterplan, PRP architects have produced concept stage designs for the site showing a first phase of 178 new affordable homes on the site occupied by Marshall House (Albert Road East), and a subsequent phase of 180 new mixed tenure homes on the site of the Albert Road Day Centre and the British Legion Club (Albert Road West). The proposals do not exceed the 12 storey block height established on the adjacent Station Car Park site and many blocks are much lower than this maximum height.
- 3.14 The Executive agreed a report in July 2007 on Granville New Homes (GNH) that identified Marshall House as a priority block for decant into GNH due to its redevelopment potential. The block consists of 24 tenants and 12 leaseholders. All the tenants have either agreed to decant into GNH or have moved elsewhere. South Kilburn Partnership has approval from Government Office for London to use its funding to buy out leaseholders. To date exchange of contracts have been negotiated with five out of the twelve leaseholders and negotiations are ongoing with the remaining seven, listed at Appendix 2.
- 3.15 At the time of the July 2007 Executive report it was envisaged that the Council would be selling Granville New Homes to Hyde Housing Association and Members were asked to note that the Director of Housing & Community Care was in discussions with Hyde to agree leaseholder options to resolve any potential issues with the leaseholders in Marshall House. Authorisation was not sought for Compulsory Purchase Orders (CPOs) as it was felt to be too early in the process. However, as there is now an imperative to progress the Albert Road site quickly it will be necessary to ensure buy-back of the remaining leaseholders within Marshall House.
- 3.16 Every attempt will continue to be made to achieve buy backs by mutual agreement with the owners as has happened on other schemes in Brent. However in the event of these negotiations being unsuccessful the Council will need to make use of its compulsory purchase powers in accordance with the procedures set out in the Acquisition of Land Act 1981, the Compulsory Purchase of Land Regulations 2004 and the Compulsory Purchase of Land (Vested Declarations) Regulations 1990 in order to acquire the remaining five leasehold interests as set out in Appendix 2. Accordingly, the Executive is asked to authorise the making of CPOs in respect of these properties.
- 3.17 The roundabout site at the eastern end of Carlton Vale currently has no homes on it. However, in order to deliver a development there are considerable highways works that need to be undertaken, together with removal of a large pedestrian footbridge and probable underground utility and service diversions. Nevertheless, the advantages of attempting to bring forward this site are considerable – most specifically in relation to its ability to deliver further decant capacity. Early indications are that 100 new mixed tenure homes can be delivered on the site.

- 3.18 It is proposed that the new affordable homes in the above three sites would be used to decant tenants currently living in the Bison blocks south of Carlton Vale, in order to in turn vacate these sites for redevelopment.
- 3.19 If the Council is to have the best chance of exploiting funding from the Homes & Communities Agency for Zone 11 it is critical to secure a planning permission and a start on site within the 2009-10 calendar year – i.e. prior to April 2010. On this basis officers have made use of the Homes & Communities Agency Consultant's Panel in order to secure relevant architectural and design services. Essentially the panel is a framework agreement open to all local authorities with the express purpose of securing a range of development services without the need to undertake a full OJEU procurement process. Officers have prepared a detailed brief and undertaken a mini competition in order to select architects to take forward the site.
- 3.20 Subsequently it is proposed that the Council appoint PRP Architects to bring forward detailed designs to RIBA Stage D (planning application) and subsequently through to RIBA stage F for Albert Road East (Zone 11). It is also proposed that the Council appoint Rick Mather Architects to bring forward detailed designs to RIBA Stage D (planning application) and subsequently through to RIBA Stage F for the Carlton Vale Roundabout site. Both appointments will be funded through existing South Kilburn budgets, and if possible the costs will be recouped when the sites are disposed.
- 3.21 The mini-competition on the HCA Framework Panel also sought a masterplan advisor to provide advice to the council on the progression of masterplan issues and PRP are recommended to undertake this role. In total 14 firms of architects from the Panel tendered for the design work for all of the sites in Phase 1 listed in paragraph 3.7 above. Officers are currently considering the appointment of up to four further design teams to bring forward proposals for the remaining Phase 1 sites.
- 3.22 Delivery of the full Albert Road (Zone 11) site is dependent on finding alternative locations for the Albert Road Day Centre and the British Legion Club. With respect to the Day Centre officers have undertaken a lengthy trawl of alternative sites across the Borough, and an Executive report will come forward in autumn 2009 proposing the use of either the former scout hut site currently used for car parking at the rear of the John Billam sports ground, or at the rear of the Preston Road car park on the Tenterden. The two sites are only 100 metres apart. A study is underway to ascertain their respective suitability to accommodate the Albert Road Day Centre satisfactorily, incorporating proper access arrangements. It is anticipated that the new facility will cost in the range of £3-4million, for which the most appropriate funding route may be through the Council's Growth Area Funding allocation.
- 3.23 Preliminary discussions have taken place with the British Legion Club with regarding an alternative location. Whilst there are no 'in principle' issues associated with moving the Council will still need to identify an alternative location in the vicinity. The proposed relocation is complicated by the presence of a war memorial on the site.
- 3.24 If the Council is to hit the HCA's funding window for National Affordable Housing Programme grants for both the Albert Road site and the Carlton Vale Roundabout site then it is critical that the EU procurement process for delivery partners is also begun immediately. Trowers & Hamblins LLP solicitors are advising on the drafting of the OJEU and will approve the form of tender and tender documentation to ensure EU Procurement Regulations are complied with. Trowers & Hamblins have advised that the procurement may be advertised as a public works concession arrangement - which is defined under the EU Procurement Regulations as "a public works contract under which the consideration given by the contracting authority consists of or includes the grant of a right to exploit the work or works to be carried out under the Contract". In this case the successful delivery partner will construct the works and

will be remunerated wholly or substantially from the revenue stream derived from the properties by tenants nominated by the Council. In this way the delivery partner enjoys the right of "exploitation". Advertising the procurement as a concession arrangement has the advantage of allowing the Council to enter into detailed discussions and negotiations with tenderers; by contrast negotiation is not permitted under EU restricted procedure. We will be inviting bids for each of the sites individually and also together, in order to "test" the market's appetite for a larger development opportunity which could be financially advantageous and also easier to co-ordinate in relation to decanting arrangements and longer term housing management services. We may also refer in the OJEU advertisement to the Council's proposals for the other phase 1 sites so as to elicit as great an interest as possible from the market, albeit that those other phase 1 sites will not actually form part of this procurement exercise.

3.25 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response	
(i)	The nature of the contract.	Development of two sites in South Kilburn which are in accordance with the master plan for South Kilburn and form part of the South Kilburn regeneration strategy.	
(ii)	The estimated value.	Site 11 phase 1 £30m Roundabout site £20m	
(iii)	The contract term.	Subject to development programme, likely to be 24 months from site acquisition to completion.	
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	OJEU compliant procurement route for the award of a public works concession contract. There will not be an e-auction.	
v)	The procurement timetable.	<b>Indicative dates are:</b> Adverts placed  Expressions of interest returned  Shortlist drawn up in accordance with the Council's approved criteria  Invite to tender	July 2009 OJEU  Mid September 2009  Mid October 2009  October 2009
		Deadline for tender submissions  Panel evaluation and interviews	End November 2009  End November – mid December 2009

		<p>Panel decision</p> <p>Report recommending Contract award circulated internally for comment</p> <p>Executive approval</p> <p>Mandatory minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers (contracts covered by the full EU Regulations only)</p> <p>Contract start date</p>	<p>18<sup>th</sup> December 2009</p> <p>21<sup>st</sup> December 2009</p> <p>18<sup>th</sup> January 2010</p> <p>15<sup>th</sup> March 2010</p>
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders against the following criteria:</p> <p>Price 40%</p> <p>Quality 60%</p> <p>The Quality criteria will include: Quality of Design; Quality of Housing development / Construction method statement / phasing proposal.; Health and Safety / site management arrangements; if a consortium, their management structure and arrangements for working together. ; quality of housing management service / service standards; proposals for tenant involvement / consultation; Application of Equal opportunities / Diversity policies; proposals to use of local labour and training opportunities; management of the public realm; Application of Environmental / Sustainability policies.; added value e.g. support with decanting both units off site and tenant relocation support; Proposals for developing and marketing market sale units and other hybrid forms of tenure.</p>	
(vii)	Any business risks associated with entering the contract.	<p>The contract form will be Design and Build with the adoption of a Stage F design. This will minimise cost risk. The primary risk is a failure to enter into the contract in time to secure HCA funding but we will have certainty of HCA funding before entering into contract.</p>	



(viii)	The Council's Best Value duties.	The Procurement process will ensure Best Value is achieved.
(ix)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(x)	The relevant financial, legal and other considerations.	This procurement process is in line with The Council Standing Orders and EU Procurement Regulations. Trowers & Hamlins has been retained to give specialist legal advice.

The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

- 3.26 Since December 2008 a number of other sites have been considered as part of an advance delivery phase. This work is ongoing and officers are confident of being able to bring forward delivery on a number of further Phase 1 sites as listed in paragraph 3.7 above sometime during the 2010-11 financial year.

*Regeneration of the Bison blocks*

- 3.27 The heart of the South Kilburn estate are the Bison blocks to the south of Carlton Vale. A key strand of the strategy agreed in the December 2008 Executive report is to explore ways of regenerating this area at the earliest possible opportunity in the development process. The prime driver for the advance sites detailed above is to create sufficient decant capacity to begin to move tenants from the Bison blocks to allow for vacant possession to be secured.
- 3.28 The Council has been keen to keep its delivery options open for this area. At the time of the December Executive the two primary delivery opportunities were Round 6 of the Housing Private Finance Initiative and the possibility of a partial stock transfer arrangement with the Hyde led consortium in order to make use of £50m of gap funding earmarked for South Kilburn under the Communities & Local Government Stock Transfer funding regime. If neither of these options proved viable, the next option would be to incorporate this area into the proposed asset backed Joint Venture vehicle.
- 3.29 The Council has submitted an Expression of Interest to bid for £97.15million of credits under round 6 of the Housing Private Finance Initiative, specifically to address this area of South Kilburn. The bidding round was hugely oversubscribed and thus has been extremely competitive. It is understood that an announcement of those projects to be taken forward will be made in June, and members will be given a verbal update at the Executive meeting.
- 3.30 Since December's Executive there have been ongoing discussions and negotiations with the Hyde led consortium with regard to the potential to undertake a voluntary stock transfer relating specifically to the same area as the PFI submission. Regrettably these negotiations have not resulted in a viable scheme that meets the Council's regeneration requirements for South Kilburn. Specific unresolved issues include:
- The consortium's business model failed to deliver proposals in line with the emerging masterplan – there are fewer affordable units available for decant, the density is higher than that proposed in the masterplan, the private unit sizes are smaller, the sustainability levels lower, and there is no consideration of public realm.

- The consortium's proposed programme length is far too long – this phase alone would take until 2020 to deliver. Not only would this prolong tenant's living in substandard accommodation, but it would also require a significant short term investment by the Council to ensure running repairs and maintenance.
- The model proposed by the consortium would shift considerable financial risk onto the Council, without the ability for the Council to influence delivery timescales or quality.
- The consortium's development proposal included Zone 11, although the partial stock transfer was to only cover the same area as the PFI Expression of Interest i.e. the Bison blocks to the south of Carlton Vale. Given that we would have had to negotiate a final agreement with the Hyde consortium and that there is no certainty that this would have concluded satisfactorily within the required timescales, this would have led to missing out on the opportunity for HCA funding in this financial year.

3.31 On this basis it can be concluded that a large scale voluntary stock transfer, even for a partial site within South Kilburn, is fundamentally not viable. This has a number of implications. Firstly, the consortium now ceases to hold the position as the Council's preferred partner in the regeneration of South Kilburn on the basis of a large scale voluntary transfer.

3.32 Secondly, the government's allocation of £50million of gap funding was also predicated on a large scale voluntary stock transfer, and will also be lost in its current form. However, officers are currently in discussions with the Homes & Communities Agency about the prospects of securing at least a similar size funding package for the advance and first phases of South Kilburn, and have also secured agreement in principle to the development of a joint investment strategy to cover the medium to long terms.

3.33 If the Council is unsuccessful in its PFI bid, then the remaining options open for the Bison area of South Kilburn are either to deliver it incrementally through the National Affordable Housing Programme, by a staged series of new builds and decants, or to encompass the area within the remit of any Asset Backed Joint Venture Vehicle.

#### *Local Asset Backed Joint Venture*

3.34 Significant further work has been undertaken since December to explore the potential of a local asset back joint venture vehicle capable of delivering regeneration across South Kilburn, and a full report will be prepared for Executive during summer 2009, outlining viability, the business case, and the recommended structure. At its most fundamental a Joint Venture vehicle will bring together the Council's land with equity of an equivalent value from a private sector partner, procured through an OJEU tender process.

3.35 The ongoing work has highlighted a number of issues which the Council will need to take a clear view on, and which will be explored in the subsequent Executive report, including:

- The specific role of any Joint Venture Vehicle beyond that of 'master developer' for South Kilburn. There is an opportunity for the Joint Venture Vehicle to have an investment role through retaining ownership of the affordable housing, therefore also being responsible for ongoing maintenance. Decisions will also need to be made in relation to its role in the management of both the housing stock and the wider public realm.

- The specific area of responsibility for any Joint Venture Vehicle, both within and outside of South Kilburn. To a large extent this will be guided by the business plan and viability, but it is likely that a vehicle with the ability to deliver across a wider area of Brent will be more attractive to the market place when the Council is seeking to procure a partner, since it spreads risk.
  - The nature of the private sector partner that the Council would wish to procure. Resolution of the issues above will provide a clear framework for the sort of partner that the Council will be seeking,
- 3.36 Initial discussions with the Homes & Communities Agency have indicated support for the Joint Venture approach. This is important since it is likely that any Joint Venture will still be dependent on securing funding and/or financing from the public sector in order to deliver a financially viable solution for South Kilburn.

#### *Works to Existing Stock*

- 3.37 South Kilburn was excluded from the original ALMO bid to secure funding to deliver Decent Homes Standard for Brent because it marked for major regeneration and because the cost for bringing homes to Decent Homes Standard across South Kilburn exceeded the amounts available from Government. Originally it was envisaged that the entire estate would be redeveloped. However, during the development of the masterplan 775 properties were identified as being better suited for refurbishment and the Council was successful in an additional bid for Decent Homes Funding to include those properties. The works to the 775 homes have now been completed.
- 3.38 Brent Housing Partnership (BHP) has been reviewing the remaining stock on an ongoing basis but there has been limited capital investment due to the planned regeneration. We need to consider what capital investment is required given the uncertainty of phasing and timescales. In October 2008 BHP were instructed to carry out surveys to identify capital works priorities. In March 2009 BHP reported their findings and made recommendations for a range of works that are needed for health and safety reasons.
- 3.39 These works include urgent window repairs followed by a window repairs programme to the bison blocks, concrete safety remedial works, structural survey of the bison blocks, electrical safety tests and remedial works, roof safety and fire safety works. Some of these works are on the Bison blocks south of Carlton Vale which are likely to be in the first phase of demolition. However, given the urgency of the required works it is deemed that these were priorities that could not be deferred any further.
- 3.40 In the HRA budget for 2009-10, members agreed a specific capital budget of £3.045million for Health & Safety works at South Kilburn. All urgency window repair works are expected to be completed by the end of June and a specification is being prepared for a full window repair programme to the bison blocks and works are expected to be carried out later this financial year. The structural survey of the bison blocks is complete which determined that there are no underlying structural issues to any of the bison blocks. The recommendations for concrete, electrical, roof and fire safety are also being progressed.

#### *Community Facilities*

- 3.41 A fundamental principle of regeneration in South Kilburn is that any redevelopment of housing needs to be supported by improvements to the local community facilities. The Executive has previously agreed for officers to make progress on new sports and

health facilities, and agreed the principle of a new combined primary school which will be included in the masterplan amendments.

- 3.42 Good progress has been made with regard to the new sports facilities. Planning permission has now been granted for a new sports hall at land between Cambridge Gardens and Rudolph Road, as part of Westminster Council's Building Schools for the Future Programme for St Augustine's School. Work has begun on site, and when complete the facility will provide 'play and pay' sports facilities for South Kilburn residents on evenings and weekends. As part of the development the Council will also be provided with a new children's play area, on an adjacent site. The aspiration is for the sports hall to be open early in 2010.
- 3.43 In April 2009 NHS Brent published a discussion document setting out a strategy for improving and developing primary and community services for the next five years. This identifies South Kilburn as a site for a potential local health centre, and discussions are progressing between the Council, the local GPs and NHS Brent on the most effective delivery mechanism for this. The proposed site is adjacent to Peel Precinct, on the site of the existing South Kilburn Partnership offices.
- 3.44 The proposed site is currently within Council ownership, and a full report will be brought to the Executive for consideration in summer 2009. One option being actively pursued is for the South Kilburn Neighbourhood Trust to play a role in the delivery of the facility – officers are currently in discussion to consider the feasibility of transferring the Healthy Living Centre land at nil value to the Trust in order to provide an ongoing income stream to support regeneration in South Kilburn. A full report will be brought back to Executive later in the year.

#### *South Kilburn Neighbourhood Trust*

- 3.45 The Executive has previously agreed two reports in November and December 2008 setting up a new South Kilburn Neighbourhood Trust (SKNT) as a succession vehicle for the New Deal for Communities programme, which comes to an end in March 2011. This is fully in line with government guidance and advice in relation to succession and legacy vehicles. The Trust has now been established and has already purchased the former Texaco garage site on Carlton Vale with the express purpose of delivering new social rented housing and aid with the necessary decanting of other areas of the estate.
- 3.46 In order to comply with government requirements in relation to succession arrangements for New Deal for Communities programmes, a full succession strategy and business plan for the Trust will need to be submitted to GOL by October 2009. This will require Executive approval in September 2009. In order to inform the business plan process, the Trust Board has asked the Executive to note the following as key components of the future vision for the role of the Trust:
- SKNT works in partnership with those agencies delivering the Master Plan to commission social and economic regeneration projects to build capacity in the local community to protect past investment and future sustainability.
  - SKNT has a small staff team (directly employed or seconded) to service and support the South Kilburn Partnership Board and its Committees beyond the end of New Deal for Communities funding in March 2011.
  - SKNT identify opportunities to contribute to the delivery of the Master Plan by utilising its capital resources, likely to be between £1.5 - £4.5m in the period until 2011, in partnership with LB Brent.
  - SKNT to raise grant funding from a range of funding bodies and charitable trusts to support the commissioning of regeneration projects.

- SKNT to potentially play a role in the delivery of a Healthy Living Centre in South Kilburn, including the provision of some “community space” in the building. This has been a long held aspiration of the local community who see the Healthy Living Centre as an essential “legacy” from the NDC programme.
- SKNT to play a key role in developing the voluntary and community sector in South Kilburn, primarily through the management of the “Fusion” fund on behalf of South Kilburn Partnership.

### *Community Consultation*

- 3.47 Community Consultation is an essential component of successful regeneration. The South Kilburn Partnership, together with the Council, has now established the new Housing & Infrastructure Committee – comprising of local residents, South Kilburn Partnership board members and senior Council officers– in order to drive ongoing community engagement and consultation.
- 3.48 A full community engagement and consultation strategy will be prepared and agreed by the Housing & Infrastructure Committee. Essential components of this in the short term will include:
- Informal and formal consultation on the proposed amendments to the South Kilburn masterplan.
  - Consultation on the design of the advance phases of development currently being worked up.
  - Consultation and dialogue with directly affected tenants with regard to decant arrangements, landlord and management issues.
- 3.49 In addition, the South Kilburn Neighbourhood Trust are currently in the process of appointing external public relations support in order to improve ‘day to day’ communications with all residents in South Kilburn.
- 3.50 In order to maintain community influence over the regeneration proposals for South Kilburn it is proposed that the established South Kilburn Partnership Board should continue beyond March 2011 as part of the succession strategy for the New Deal for Communities programme. The partnership and its constituent sub-groups would then be serviced by the staff of the South Kilburn Neighbourhood Trust, assuming an income stream can be realised to support this.

### *Next Steps*

- 3.51 South Kilburn is an extremely complex regeneration programme, which requires a number of decisions to be made over the coming months in order to progress it further. The following table summarises the critical next steps:

Informal consultation on the proposed masterplan amendments, followed by formal consideration by Executive	Summer / Autumn 2009
Full proposal to take forward local asset backed Joint Venture Vehicle to Executive	Summer 2009
Planning applications considered for Gordon House, Zone 11 (Albert Road) and the Carlton Vale Roundabout site	Autumn 2009

Proposal for new Healthy Living Centre (land transaction arrangements)	Autumn 2009
Full Succession Strategy and business plan for South Kilburn Neighbourhood Trust	September 2009
Further six monthly progress update	January 2010
Approval of developer partners for Albert Road East and Carlton Vale Roundabout sites	Spring 2011

## 4.0 Legal Implications

### *General*

- 4.1 The Council has the power (under section 123 of the Local Government Act 1972) to dispose of any of its land. However, unless it grants a lease of 7 years or less, it must obtain the best consideration reasonably obtainable, unless it obtains the consent of the Secretary of State to the transfer. Hence any transfer of the freehold or grant of a lease of any land within the South Kilburn area would require Secretary of State's approval, unless it was for best consideration. There is a General Consent available, but this only applies to sales at an undervalue of less than £2 million, and is therefore unlikely to be applicable.
- 4.2 As a result of recent rulings in the European Court of Justice, if the Council utilise a development agreement in respect of any of the land, it will need to undertake an EU procurement process to find a partner to carry out the development. The ECJ has ruled that development agreements cannot be viewed as merely part of a land transfer, because they impose detailed requirements as to the development to be constructed and are therefore a form of procurement of works.
- 4.3 The Council has the power to establish a joint venture vehicle as referred to in paras 3.34 to 3.36) by virtue of section 2 of the Local Government Act 2000, under which the Council can undertake anything provided it considers that this will be for the social, environmental or economic well-being of its area (or part of its area). The comments above regarding transfer of land apply equally to transfer of Council land to such a vehicle.
- 4.4 Supplementary planning documents (SPD) can be adopted in order to expand on the Council's adopted policies in its UDP in order to provide more detailed information than can be contained in the policies themselves. There are detailed regulations made under the Planning and Compulsory Purchases Act 2004 setting out the procedure for consulting on, and subsequently adopting SPD's. Provided the correct procedure is followed, SPD's can be given considerable weight in determining planning applications. Accordingly if an amended masterplan for South Kilburn is adopted as an SPD then it will be a weighty material consideration in considering future developments within the South Kilburn area.

### *Procurement of Developer Partner*

- 4.5 This tender is being procured in accordance with EU Regulations and specialist advice has been sought from Trowers & Hamlins the Council's legal advisors on this project. The contract will also be subject to the Council's Contract Standing Orders in respect of High Value contracts and Financial Regulations.
- 4.6 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

- 4.7 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar standstill period imposed by the EU Regulations before the contract can be awarded.
- 4.8 The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request.
- 4.9 The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

#### *Use of the HCA Framework*

- 4.10 As advised in the detail of the report the contracts for Architects are being procured under a Framework Agreement set up by the HCA. The Public Procurement Regulations allow the use of framework agreements (call-off contracts) and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process.
- 4.11 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a Framework Agreement established by another contracting authority, where call off under the Framework Agreement is recommended by the relevant Chief Officer. However, this is subject to the Borough Solicitor advising that participation in the Framework Agreement is legally permissible and approval to participate in the Framework being obtained from the Director of Finance and Corporate Resources. Such approval is currently being sought from the Borough Solicitor and the Director of Finance and Corporate Resources.
- 4.12 The contracts for architects have individual values of less than £500k each and as such officers have delegated authority to award the contracts pursuant to paragraph Paragraph 2.5 of Part 4 of the Constitution.

#### *Compulsory Purchase Orders*

- 4.13 The Council has power to make a compulsory purchase order under section 226 (1)(a) of the Town and Country Planning Act 1990 if it thinks that the acquisition will "facilitate the carrying out of development, redevelopment or improvement or in relation to the land". Under section 226(1)(A) the Council must not exercise the power under sub paragraph (a) unless it thinks that they development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic wellbeing of their area; (b) the promotion or improvement of the social wellbeing of their area; (c) the promotion or improvement of the environmental wellbeing of their area.
- 4.14 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling public interest to do so. Para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04 states:

*"A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be*

*had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.”*

For the reasons set out in this report, it is considered that there is such a compelling case and that the public interest requires that the order be made in order to carry through the necessary redevelopment of the CPO Land.

- 4.15 Further, in making the order there should be no impediments to its eventual implementation. Para's 22 and 23 of Part 1 of the Memorandum to ODPM Circular 06/04 advise (in part):

*“22. In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure accommodation works or remedial work which may be required, and any need for planning permission or other consent or license.*

*Where planning permission will be required for the scheme, and has not been granted, there should be no obvious reason why it might be withheld...”*

Members will note that there will be sufficient funds available to meet the compensation costs for the acquisition of the land as South Kilburn Partnership has approval from Government Office for London. Officers consider that there is a reasonable prospect of the Scheme going ahead subject to HCA funding being obtained. Whilst planning permission has not been granted for the development, it is considered that there is no obvious reason why it might be withheld, taking into account that a Masterplan has already been approved albeit that it is now intended to revise this slightly. Accordingly, it is considered that there are unlikely to be any impediments to implementation.

- 4.16 It is necessary to consider the human rights implications of making CPOs. The Convention Rights applicable to the making of any CPO orders are Articles, 6 and 8 and Articles 1 of the First Protocol. The position is summarised in para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04.

- 4.17 Article 6 provides that:

*“In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law”*

- 4.18 Consultation has already taken place with communities that will be affected by any orders made, and further consultation is proposed as set out in this report.

- 4.19 All those affected by the Orders will be informed and will have the right to make representations to the Secretary of State and to be heard at a Public Inquiry. Those directly affected by the Order will also be entitled to compensation for any losses that they may incur as a result of the acquisition.

- 4.20 Article 1 of the First Protocol states that:

*“Every natural or legal person is entitled to peaceful enjoyment of his possessions” and “(n)o one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law....”*



- 4.21 Whilst occupiers and owners will be deprived of their property if an Order is confirmed, this will be done in accordance with the law. It is being done in the public interest as required by Article 1 of the First Protocol. The reasons for this are set out in this Report.
- 4.22 Members need to ensure that there is a reasonable prospect of the Scheme underpinning the CPO proceeding. This is addressed in paragraph 12.10 below
- 4.23 The consequences of abandoning a confirmed CPO depends on:
- (a) whether a notice to treat or entry has been served on the owner of the land or not; and
  - (b) whether the Council has entered the land following the service of the notice or made a General Vesting Declaration in respect of the land.
- 4.24 The passing of a resolution to make a CPO does not trigger the right to serve a blight notice. However, residential occupiers could claim blight after a CPO has been submitted to the Secretary of State for confirmation and notices have been served on owners and occupiers.
- 4.25 If the CPO is not acted upon at all, then no compensation is payable. Where notice to treat and entry have been served, and then not acted upon, the Council is under an obligation to inform the owner of the withdrawal of the notices or expiry as the case may be (as notice to treat has a life span of three years from date of service) and will be liable to pay compensation to the owner for all losses and expenses occasioned to him by the giving of the notice and its ceasing to have effect. The amount of compensation shall in default of agreement be assessed by the Lands Tribunal. Interest is payable on the compensation.
- 4.26 The acquisition procedure is governed by the Acquisition of Land Act 1981, the Compulsory Purchase of Land Regulations 2004 and the Compulsory Purchase of Land (Vesting Declarations) Regulations 1990.
- 4.27 The CPO must be advertised locally and copies served on any owners, lessees, tenants (whatever the tenancy period), occupiers, all persons interested in, or having power to sell and convey or release, the land subject to the CPO. In addition the CPO must be served on persons whose land is not acquired under the CPO but nevertheless may have a claim for injurious affection under Section 10 of the Compulsory Purchase Act 1965, such as owners of rights of access to and from the public highway, easements and covenants that are affected by the CPO. Officers will prepare a detailed Statement of Reasons setting out the justification for compulsory acquisition. This statement will cover all the issues set out in this Report.
- 4.28 If any duly made objections are not withdrawn, the Secretary of State must hold an Inquiry and consider the conclusions and recommendations of the Inspector before confirming the Order.
- 4.29 Before and during the compulsory acquisition process, the Council is expected to continue the process of seeking to acquire the properties sought by negotiation and private agreement: see Part 1 of the Memorandum to Circular 06/04 Paras. 24 and 25. Para. 25 notes that “undertaking informal negotiations in parallel with making preparations for a compulsory purchase order can help to build up a good working relationship with those whose interests are affected by showing that the authority is willing to be open and to treat their concerns with respect...”.

- 4.30 Any dispute as to the amount of compensation to be paid is referred to the Lands Tribunal for determination.

## **5.0 Financial Implications**

5.1 Delivery of regeneration in South Kilburn will be dependant on ongoing support from the government, most substantially through the Homes & Communities Agency. Recent meetings with senior staff at the HCA have indicated that there is likely to be significant funding available under the National Affordable Homes Programme for schemes in South Kilburn that can begin on site within the 2009/10 financial year, and to a lesser extent those that can begin during the 2010/11 financial year. It is this availability of funding that is driving the Council's short term delivery strategy.

5.2 If the Council is to exploit this funding opportunity it is critical that it takes a lead on progressing potential development sites to the point where they are able to begin on site within this financial year. In order to achieve this, a considerable proportion of the available budgets for South Kilburn will be committed to this end. Current availability of funding for South Kilburn includes:

- £3.6 million of New Deal for Communities capital funding (split between 2009/10 and 2010/11)
- £1 million per annum capital contribution from LB Brent
- £1 million of section 106 funding specifically to bring forward the delivery of affordable housing in South Kilburn

In addition, there is potential capital funding available in future years from the South Kilburn Neighbourhood Trust from the sale of the former Texaco garage site (estimated £1.3 million). All expenditure proposed within the report is within the available budget allocations for South Kilburn.

### *Appointment of Design Teams*

5.3 It is proposed to appoint two design teams from the Homes & Communities Agency consultants' panel to bring forward design work for Albert Road East (Zone 11) and the Carlton Vale roundabout site. Both contracts will be less than the £500,000 threshold for Executive approval, and both will be resourced from within the resource envelope outlined above. Depending on the end sale value of the sites, it may be possible to recoup these costs when the sites are ultimately disposed.

### *Procurement of Developer Partner*

5.4 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1 million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90.

5.5 The estimated value of this works contract is £50m for the combined sites; £30m for site 11 phase 1 and £20m for the "roundabout" site in Carlton Vale.

5.6 It is anticipated that the cost of this contract will be funded from Social Housing Grant from the Homes and Communities Agency and RSL / Developer private funding supported by future rent income for the affordable housing and sales receipts for any market sale units. The pre-development works are being funded by S.106 monies available for South Kilburn and NDC grant for design and master planning. The Council may receive a capital receipt from the disposal of the two sites but the development costs are high and any receipt is likely to be small.

## *Gordon House*

- 5.7 Gordon House is currently used as a hostel for homeless households, and is managed by Stadium Housing Association. These are households who have applied as homeless to the Council and we have either accepted a duty to assist them or are carrying out further enquiries into their application. The hostel has 39 rooms and is occupied by around 26-30 households at any one time.
- 5.8 The Council does not pay any fee for use of the hostel – the running costs are covered by Stadium through the rent charged. Officers have been aware that Gordon House is part of the wider redevelopment plans in South Kilburn and have therefore planned for use of the hostel to end in due course.
- 5.9 The good performance in terms of reducing homelessness overall in the borough will help to mitigate the impact of use of this hostel coming to an end. In particular there was a 36% reduction in homeless applications and a 46% reduction in the number of cases accepted as homeless in 2008/09 compared to 2007/08. This was mainly achieved through successful homeless prevention measures, since the number of households seeking assistance with housing remained consistent with previous years. These were the lowest levels of homeless applications and acceptances for over ten years.
- 5.10 However, not only is this hostel provided at nil cost to the Council (whereas there is a cost for hotel accommodation), hostel accommodation is also exempt from the 'six week rule' which limits the stay of homeless households in hotel accommodation with shared facilities to six weeks or less. When use of Gordon House as a hostel for homeless households ends, there will be a significant risk to the Temporary Accommodation budget if homeless approaches increase, as this will result in increased use of hotel accommodation and associated costs to the Temporary Accommodation budget. Officers are mindful of this risk, and will incorporate monitoring of this within overall budget monitoring for Temporary Accommodation.

## *Leasehold buybacks*

- 5.11 Marshall House was identified in July 2007 as a key redevelopment site. It had 24 tenants and 12 leaseholders and its tenants were prioritised for decanting into Granville New Homes. South Kilburn Partnership (SKP) agreed in February 2008 to fund the leasehold buybacks. SKP allocated £2,978,000 capital funding. £1,704,000 was spent by 31 March 2009, leaving £1,274,000 to be spent in 2009/10. There is sufficient funding to buy back the remaining homes. Four of the remaining homes are owned by an investment landlord and although we will seek to arrive at an agreement, the Council may need to use CPO powers.

## **6.0 Diversity Implications**

- 6.1 South Kilburn is a designated New Deal for Communities area and as such all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Partnership has a Race & Equality strategy, and through its widening participation theme seeks to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.
- 6.2 At a project level, each South Kilburn Partnership sponsored and supported project is subject to a full and independent appraisal undertaken by a panel of local residents and relevant officers. Part of the appraisal process is to test each activity against the Partnership's Race & Equality strategy to ensure full compliance. In line with the

Council's Equality standards, all expenditure is monitored against equalities indicators on a regular basis.

**7.0 Staffing / Accommodation Implications**

7.1 There are no direct staffing or accommodation implications associated with this report.

**Appendix 1: South Kilburn Site Plan**


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	<b>Executive</b> 15 November 2010  <b>Report from the Director of Children and Families and the Director of Regeneration and Major Projects</b>
Wards Affected: All	
<b>Brent Primary Schools Expansion: Delivery Strategy 2010-14</b>	

## 1 Summary

- 1.1 Demand for primary school places is forecast to exceed the supply of places. 1680 new primary places are required by 2015-16 including a 5% planning margin, according to GLA school roll projections 2010, which equals approximately four new 2FE primary schools (420 places).
- 1.2 The projections of the rising demand for reception school places in the borough are matched by evidence on the ground. As is the case across most London Authorities, Brent Council is overwhelmed by the shortfall of primary school places, with severe shortage in the reception cohort.
- 1.3 A detailed review of the school assets portfolio will be undertaken in the next year to ensure that the limited Council resources are applied to areas of maximum need in order to meet the statutory duty to provide sufficient school places, improve the educational outcomes and achieve value for money on delivery of capital schemes.
- 1.4 A report titled "Primary Places – Allocation of the balance of Basic Need Safety Valve funding and Council's Main Capital Programme allocations to primary schools for expansion" was agreed by the Executive on 11 August 2010.
- 1.5 Brent Council was allocated £14.766m from the previous Department for Children, Schools & Families (DCSF) under the Basic Need Safety Valve (BNSV) in November 2009. The Executive report included information on schemes providing 1.5FE (315 primary school places) and further recommended the allocation of the balance of funds under BNSV and the Council's main capital programme to supply an additional 8FE (1680 primary school places) across 6 primary and secondary schools. The net effect would be an increase by 9.5FE (1995 primary places).
- 1.6 The Executive was notified in August 2010 that a further paper will be presented with detailed costing information and making recommendations on which projects will actually be taken forward in order to meet the current pressures.

- 1.7 This report clarifies the strategy and options for delivering sufficient primary school places utilising the School's Capital Programme and the Basic Need Safety Valve Funding.

## **2 Recommendations**

The Executive is recommended:

- 2.1 To approve the reprioritisation of recommended schemes for spending the £14.766m Basic Need Safety Valve funding as set out in the table under paragraph 3.3.8 for providing additional primary school places.
- 2.2 To approve a further allocation of £4.997m, over and above the previously approved £12.013m from the Council's main Capital Programme as set out in the table under paragraph 3.4.3 towards new permanent primary school provision in the borough.
- 2.3 To agree that a further report will be presented to Executive in February 2011 setting out recommendations for prioritising the expenditure of £17.010m from the Council's main Capital Programme on primary expansion schemes, including those set out in Table 6 relating to new and/or expanded schools at Braintcroft, Capital City Academy and Wembley High.
- 2.4 To award three contracts to Mott McDonald for project management and full design team services (including CDM Co-ordination) for the Preston Manor, Newfield and Brentfield schemes, respectively.
- 2.5 To delegate authority to the Director of Regeneration and Major Projects to appoint one or more works contractors using existing construction frameworks, for the Preston Manor, Newfield and Brentfield schemes.
- 2.6 To authorise an exemption from the quotation requirements of Contract Standing Orders to allow the appointment of Watts as Employer's Representative for the construction phases of the Preston Manor, Newfield and Brentfield schemes, for the good operational reasons set out in paragraph 4.4 of this report.

### 3 Detail

#### 3.1 Background

##### 3.1.1 Update on Demand for School Places

- 3.1.2 Brent Council has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area.
- 3.1.3 In the last two academic years, the GLA's accuracy rate for the projection of primary school rolls has been falling and has not addressed the real rise in demand for primary school places. This is generally true across London authorities, which are being caught by extremely high number of applications for reception and Year 1 places.
- 3.1.4 Brent Council has already provided 135 additional places for September 2010. At the time of writing this Executive report, 150 reception children did not have a school place in the 2009-10 academic year. The numbers of children without a school place for the 2010-11 academic year in each primary year group as at 26 October 2010 are as follows:

Table 1.

<b>Year Groups</b>	<b>Unplaced Children 2009-10</b>	<b>Unplaced Children 2010-11</b>	<b>Vacancies 2010-11</b>
<b>Reception</b>	72	150	*12
<b>Year 1</b>	25	154	15
<b>Year 2</b>	17	91	42
<b>Year 3</b>	15	73	78
<b>Year 4</b>	4	63	127
<b>Year 5</b>	16	36	179
<b>Year 6</b>	15	67	125
<b>TOTAL</b>	<b>164</b>	<b>634</b>	<b>578</b>

\*Additional Reception places are planned to commence in the current academic year.

- 3.1.5 The number of unplaced children and vacancies in the system are constantly fluctuating but overall demand is exceeding supply in the lower year groups (reception to Year 2), which is correlated to the pattern of rising demand in the borough, and indeed across London, over the last three years.
- 3.1.6 On time reception applications are up on last year, 3,817 applications for 2010-11 compared to 3,583 on time applications for 2009-10. Since the closing date, a further 429 applications have been received, making a total of 4,246 applications. More applications will inevitably come in throughout the academic year.
- 3.1.7 According to GLA's current projection of school rolls (based on the January 2010 pupil census data), the number of four year olds on roll is expected to rise by over 300 pupils between 2010 and 2013, after which the demand is projected to decrease slightly. Whilst this translates into a shortfall in the capacity by 270 reception places (9 classes) by September 2012 it does not fully take into account GLA's analysis presented in September 2010 that the birth rate across London is increasing more than previously expected. The impact of rising birth rate may further impact on the demand for reception places.

3.1.8 The GLA school roll projection analysis estimates that Council will need to provide an additional 1680 (Reception to Year 6) primary places by 2015-16 (including a 5% planning margin), which approximately equates to four new 2FE primary schools.

3.1.9 Ongoing Permanent Expansion of Capacity:

3.1.10 In May 2009, the LA consulted with primary schools in the borough to explore the possibility of increasing the number of school places. Subsequently, the local authority reviewed opportunities to increase capacity at all primary schools and attempted to match these to areas where there was the highest demand for school places. Discussions took place with schools which were suitable and willing for expansion. This was followed by an initial feasibility assessment for a long list of schools. A priority list for expansion of school has been drawn from this work based on the following criteria:

- shortage of school places in a local area;
- physical expansion of a school deemed to be feasible;
- availability of funding to expand the school in accordance with the initial feasibility study;
- risk associated with the expansion of the specific schools, likelihood of planning consent;
- expression of interest and/or agreement by the school to expand its capacity on a permanent basis.

3.1.11 Expansion proposals will promote good quality and design, and ensure that value for money, sustainability and above all improved learning outcomes are realised.

3.1.12 The schools will be built using a mixture of traditional and innovative off-site solutions, which may include modular/off-site steel frame structures or engineered timber frame solutions which are both designed for at least a 60 year life and are BBA certified. The designs are however still being developed to ensure that the schools are being built in the most efficient way, and meeting sustainable standards such as BREEAM Very Good (as a minimum on all 3 schools), 20% renewables, and with natural ventilation where possible. Suppliers will generally have ISO 9001 for Quality Assurance and ISO 14001 Environmental Assurance accreditation.

## **3.2 Strategy and options for delivering additional primary school places**

3.2.1 Bulge Classes for September 2010:

3.2.2 As stated in the August 2010 Executive report, the Council has delivered 120 additional temporary Reception places and 15 permanent Reception places by September 2010 to alleviate the significant shortfall in the Reception classes.

3.2.3 The schools which have taken in 'bulge' reception classes in September 2010 are listed in the table below:



Table 2.

Sr. No.	School Name	'Bulge' Classes	Funding £ '000	Comments
1.	Park Lane Primary	1FE (30 places)	45	The temporary 1FE provision will convert to permanent places from Jan 2011, subject to planning approval by Dec 2010. The permanent expansion will cost £2.2m, funded from BNSV and School's Capital Programme.
2.	Braintcroft Primary	1FE (30 places)	157	1 in-fill permanent classroom including extension/refurbishment to a kitchen and a conversion for a classroom. From Sep 2011, the school will offer permanent 1FE provision, subject to new buildings, currently planned to be completed by Sep-Nov 2011.  The school has agreed to run a 'bulge' Year 1 class consisting of 30 places from January 2011, subject to redevelopment and permanent expansion of the school. Includes FF&E.
3.	Wykham Primary	1FE (30 places)	25	Budget to be confirmed by the school since it had commissioned the adaptation work.
4.	Islamia Primary	1FE (30 places)	28	School will offer permanent 1FE provision, subject to new buildings, currently planned to be completed by September 2012.
5.	Brentfield Primary	1FE (30 places)	129	1 temporary classroom including services connection. From Sep 2011, the school will offer permanent 1FE provision, subject to new buildings, currently planned to be completed by Sep-Nov 2011. Includes FF&E.
6.	Ashley Gardens Early Learning Centre, sited at Preston Manor High School	2FE (60 places)	526	The temporary accommodation will provide for Reception/Year 1 Project from January 2011. This provision will be replaced by permanent 2FE provision, subject to new buildings, currently planned to be completed by Oct 2011. Includes FF&E.
7.	Contingency	-	57	Budget for meeting unforeseen expenditure on the above temporary provision schemes.
	<b>Total</b>	<b>7FE</b>	<b>£967</b>	This amount is being paid from the main Capital Programme, which is separate from the capital amounts for which Executive agreement is being sought.

3.2.4 Total funding of £967k has been allocated to meet the cost of these temporary expansions from the Council's School Capital Programme. This money is separate from the capital amounts for which Executive agreement is being sought within this report.

3.2.5 In addition, the Council has provided 'temporary' reception places at Granville Nursery school (12), Curzon Crescent Nursery School (governors have to provide 30 places from 22 November 2010) and College Green Nursery School (8 places). Pupils in these places will need to be relocated to permanent Year 1 provision next year.

### 3.3 Basic Need Safety Valve Funding (BNSV)

3.3.1 In August 2010, the Executive was informed that Brent Council was allocated £14.766m in November 2009 from the previous DCSF under the additional round of Basic Need Safety Valve (BNSV). The funding is an emergency allocation to provide sufficient reception places by September 2011.

3.3.2 The previous DCSF's criteria for allocation of BNSV funding to Local Authorities (LA) is given in the Executive report dated 11 August 2010. The department reserved the right to claw back surplus funding where the 2012 census shows that forecast growth has not occurred.

- 3.3.3 Most of the local authority including Brent's bids did not meet the initial BNSV criteria, which required that predicted growth in the number of reception age pupils from September 2008 to September 2011 must be higher than 15%. Subsequently, DCSF agreed to revise the BNSV criteria and this resulted in Brent being allocated £14.766m.
- 3.3.4 Baseline and forecast pupil Number on Roll (NoR), excluding Academies, in Brent's bid were as follows:

Table 3.

	<b>Reception</b>	<b>Total Primary (Growth Areas)</b>
September 2008	3235	3350
September 2011	3642	5190
Difference (Forecast – Actual)	407	1840

- 3.3.5 There are currently 150 reception aged children without a school place. At the time of writing this report, a total of 634 primary (reception to year 6) aged children remained without a school place. If all these children were to be placed in primary schools in the current academic year, the increase in the primary numbers on roll (reception to year 6) over the bid baseline (September 2008) would equate to approximately 1522 pupils. This is being used as a basis for calculation of the claw back risk value of £2.551m from the BNSV funding if the growth in pupil numbers were to not rise beyond 1522 primary pupils. However, further applications for primary school places are expected throughout the 2011-12 academic year and the demand for primary places is expected to significantly grow in the next academic year.
- 3.3.6 The Executive approved the previous report in August 2010 to allocate the £14.766m of BNSV funds on primary expansion schemes. It was stated in the report that these schemes would be reviewed to ensure they are affordable, contribute towards meeting the forecast demand for primary school places, whilst still meeting the funding criteria.
- 3.3.7 The Council has reviewed and reprioritised the expansion schemes which best fit the criteria under this funding allocation. The reprioritisation and the funding allocation for the recommended schemes is listed in paragraph 3.3.8.

3.3.8 Basic Need Safety Valve Scheme: The following schemes are underway for permanent expansion, which comply with the criteria for BNSV funding:

Table 4.

<b>Basic Need Safety Valve Allocation (£14.76m):</b>			
<b>School Name</b>	<b>Form of Entry (FE)</b>	<b>Funding Requirement (£ million)</b>	<b>Proposal Summary</b>
<b>a) BNSV funded Schemes currently in progress:</b>			
St. Robert Southwell Primary School	0.5	0.02	Internal adaptation, leading to permanent expansion.
Park Lane Primary School	1	1.6	Statutory Proposal has been approved, subject to planning approval by December 2010. Expansion of school is essential for allowing previous 'bulge' classes to progress.
<b>Total 1.</b>	<b>1.5FE</b>	<b>1.62</b>	<b>This 1.5FE permanent expansion is already accounted by the increase in the NoR by September 2008, 2009 &amp; 2010.</b>
<b>*b) Reprioritised schemes since the 11 August 2010 Executive report for spending BNSV funding:</b>			
Preston Manor Secondary School	2	7	Permanent high quality building utilising innovative off site construction with flexibility to expand. Classrooms for new reception intake and previous 'bulge' year groups to be delivered in time for Sep 2011. May require provision of MUGA for additional <b>£300k to compensate for loss of secondary school playing field.</b>
Brentfield Primary School	1	3	Permanent high quality building with flexibility to expand. Classrooms for new reception intake and previous 'bulge' year groups to be delivered in time for Sep 2011.
Newfield Primary School	1	3.1	Permanent high quality building with flexibility to expand. Require additional area to that currently occupied by the school. Key risk is the delay in obtaining possession of the Mission Dine Community Centre. The estimated delivery time would be dependent on how soon the use of the community centre could be developed for educational works. Classrooms for new reception intake and previous 'bulge' year groups to be delivered in time for Sep 2011.
<b>Total 2.</b>	<b>4FE</b>	<b>13.1</b>	<b>This 4FE permanent expansion will be required for the increase in NoR from September 2011.</b>
<b>BNSV TOTAL 1. + 2.</b>	<b>5.5FE</b>	<b>£14.72m</b>	

\*The cost estimates are subject to further work on design and evaluation of the schemes. Fees for the Design Team and for project managers are included. We will provide an update to the Executive if the estimated costs of these schemes increase more than the total BNSV funding of £14.766m and make recommendations for how a balanced portfolio of work can be progressed. The schemes are subject to statutory consultation and planning approval.

### 3.4 Update on the allocation under the Council's Main Capital Programme

- 3.4.1 The Executive report in August 2010 also identified a budget of £12.013m under the School's Capital Programme between 2010/11 and 2012/13, which could be used for primary school expansion projects. These monies consisted of unallocated budget for hut replacement (£4.243m) and expansion of schools (£7.770m).
- 3.4.2 At the time of writing this report, the Council has identified additional unallocated monies totalling £4.997m, within the School's Capital Programme. This consists of a further £325k from the 2010/11 hut replacement allocation (carried forward from the 2009/10 budget), £332k from the 2010/11 allocation for school expansion (accrued from 'strategy for development of school places' allocation), £2m from the 2013/14 hut replacement allocation and £2.590m from the 2013/14 allocation for school expansion, less £250k in 2011/12 under provision for school expansion.
- 3.4.3 The sum total of all the funding available in the Capital Programme totals £17.010m. The table below details the profile of these allocations across the financial years.

Table 5.

<b>Children &amp; Families Capital Programme Allocation</b>	<b>2010/11 Budget £'000</b>	<b>2011/12 Budget £'000</b>	<b>2012/13 Budget £'000</b>	<b>2013/14 Budget £'000</b>	<b>Total £'000</b>
Provision for School Expansion	2,922	2,340	2,590	2,590	10,442
Hut Replacement Programme	568	2,000	2,000	2,000	6,568
<b>Total Available Allocation</b>	<b>3,490</b>	<b>4,340</b>	<b>4,590</b>	<b>4,590</b>	<b>17,010</b>

- 3.4.4 As stated in the previous report in August 2010, in order to meet the recommendation of spending the school's Capital Programme it will be necessary to re-profile the budget allocations to the scheme timelines which will require bringing funding forward to meet expenditure. It is probable that in order to do this it will be necessary to incur increased levels of unsupported borrowing in the earlier years of the Council's overall capital programme and reduced amounts in later years with a likelihood of a nil net impact overall. This would mean that there would be increased debt charges falling upon the general fund revenue account in earlier years. The requirement for additional unsupported borrowing in the short term could be nullified if there is sufficient levels of re-phasing to schemes elsewhere in the Council's capital programme but it will not be possible to quantify this until later in the financial year. The current funding identified within the Capital Programme is based on pre-Spending Review allocations and forecast which could vary subject to the announcement on 20 October 2010, once the government departments have notified Brent of local level impact. In general terms the Comprehensive Spending Review announced a 60% reduction in real terms in schools capital spending, with an expectation that demographic pressures and maintenance needs will be met.
- 3.4.5 The suggested reprioritisation of the schemes and the funding allocation for the recommended schemes under the Council's School Capital Programme is listed in paragraph 3.4.7. Detailed business plans will be developed to guide the final selection of primary expansion schemes funded from the School's capital Programme and a report will be presented to the Executive in February 2011.

### 3.4.6 Ongoing Permanent Expansion of Capacity (to 2014):

3.4.7 The schemes listed in Table 6 below are being considered for permanent expansion, subject to availability of funding from the Council's main Capital Programme. These schemes were included in the August 2010 Executive report but require further evaluation and will need to be reprioritised to ensure compliance with the criteria listed in paragraph 3.1.10.

Table 6.

<b>Council's Main Capital Programme (£17.010m):</b>			
<b>School Name</b>	<b>Form of Entry (FE)</b>	<b>Funding Requirement (£ million)</b>	<b>Proposal Summary</b>
<b>**Schemes pending Executive approval to spend Capital funding:</b>			
Braintcroft Primary School	1	10.8	Proposed rebuild of the entire school and expansion by 1FE (3FE to 4FE) with a new asset life of 60 years. The rebuild could be in phases subject to availability of funding. Alternatively, the existing buildings urgently require an investment of at least £2.5m to undertake essential repair works which will extend asset life by 2 to 5 years or at least £6.7m for full scale refurbishment extending the asset life by 10-15 years.
Wembley High Primary School	1	1m	Remodelling / extension project. Costs to be confirmed.
Capital City Academy	2	6.01	Key risk is grant of planning permission.
<b>Total</b>	<b>4FE</b>	<b>17.81m</b>	<b>No request for new capital is being made at present time.</b>

\*\*The cost estimates are subject to further work on design and evaluation of the schemes. Fees for the Design Team and project managers are included.

3.4.8 The schemes in Table 6 above could provide additional 4FE provision. However, the cost will be reviewed to ensure that all the schemes could be delivered within the available Capital Programme funding of £17.010m listed under paragraph 3.4.3.

3.4.9 If these schemes are to be delivered within the timescales required, it is important that the Council moves quickly to the design, planning and procurement stages. In order to ensure effect progress, full project governance and management arrangements have been implemented. Inevitably as the schemes are developed and timelines and delivery dates become more certain, it may be necessary to alter whether schemes are funded from the Basic Need Safety Valve or from the Council's main Capital Programme. This assessment will be undertaken by the Director of Regeneration and Major Projects, in conjunction with the Director of Children and Families, and would be subject to the overall scheme costs remaining below the identified total funding allowance of £31.776m (£14.766m BNSV and £17.010m Capital Programme).

### 3.5 Summary Risk Assessment:

3.5.1 The key risks for developing these schemes are as follows:

Table 7.

Item No.	Risk	Mitigating action
1.	Disconnect between Council and Schools vision.	Continuous communication between the Council and the School. This will require a single person responsibility from the Council.
2.	Planning Risk for the recommended schemes.	Planners to be informed of progress on a monthly basis.
3.	BNSV funding may be withdrawn by the DfE.	Continual dialogue with DfE to understand and mitigate risk.
4.	Rushing Schemes in order to maximise BNSV funding affects quality.	Procurement and Strategic Risk workshop to be set up following Feasibility report. Programme Manger to report risks and cash flow on monthly basis.
5.	Delay means that some of the BNSV money is withdrawn – it is a grant condition that it must be spent by August 2011	According to the previous DCSF criteria, permanent primary places (not just additional reception classes) to be funded can be delivered in time for September 2011.
6.	The previous DCSF reserved the right to claw back surplus funding where the 2012 Pupil census shows that forecast growth has not occurred.	There are currently 150 reception aged children without a school place. At the time of writing this report, a total of 634 primary (reception to year 6) aged children remain without a school place. If all these children were to be placed in primary schools in the current academic year, the increase in the primary numbers on roll (reception to year 6) over the bid baseline (September 2008) would equate to approximately 1522 pupils. The financial risk has been calculated and is mentioned in paragraph 3.3.5.
7.	Council departments not aware of developments.	Project Board has been set up. Project managers also to ensure that there is clear communication with the various Council Departments regarding developments all the way through the process.
8.	Schools deciding that expansion is not good for them and/or major concerns from any of the stakeholders.	Clear consultation and gaining approval along the way. Intensive renegotiation and consultation required, or others schools brought into the mix if necessary Strategic Gateways to be set up (i.e. formal approval /feedback of Feasibility reports from schools before further consultant or design is approved). Alternative options to be prepared.
9.	Schools do not agree with findings of feasibility report.	Open and transparent discussions about the reasoning behind the study, the issues surrounding funding, and the possible options.
10.	Unclear communication	Brent to nominate internal Project Manager

	within Brent amidst restructuring.	and provide a structure chart. External consultants to communicate with all contacts with Brent as much as possible to ensure that there are effective communication channels.
11.	Delays to one of the school programme may affect funding for other schools.	Monthly reporting against delivery with clear guidance on cash flow and funding arrangements from Programme Manager. Contingency plans to be discussed, including the understanding of Executive Approval for more funds.
12.	Funding from other sources could be withdrawn by DFE or other ongoing major school expansion projects may be overspent on delivery, which could impact on funds identified within this report.	BNSV funding needs to be ring fenced for delivery of the projects identified within this report.  School's Capital Programme Funding will be reviewed and adjustments in relation to other funding schemes, such as, Primary Capital Programme (PCP) and Targeted Capital Fund (TCF) including overspent projects, will be made prior to a report being submitted to the Executive in February 2011.

#### **4 Appointment of Consultants and Works Contractors**

- 4.1 Although the BNSV funding was granted to the Council in November 2009, there has been slow progress in implementing the proposed schemes, with the first Executive report being in August 2010.
- 4.2 In early September 2010 Council had appointed Watts as primary consultants to assist in preliminary design and planning activities, in parallel to the statutory proposal process so that the Council is given a realistic chance of complying with the funding terms of the Basic Need Safety Valve (BNSV). The Council is currently going through a further appointment process for project management and design services to continue the work completed so far by Watts.
- 4.3 A framework has been identified, the OGC framework for Project Management and Full Design Team Services, these being the services which the Council requires for these schemes. Use of a framework is as an alternative to a full tender process under the EU public procurement rules. Due to the need to spend the BNSV funding by August 2011, it is urgent to get a consultant in place to work with the Council until the schemes are completed. Although there are 12 consultants on this OGC framework, under the rules of the framework it is possible to appoint a consultant direct without going through a mini-competition, provided it is possible to identify which consultant provides best value for money from the information within the OGC on-line documentation. Here the lowest priced consultant did not have a satisfactory supply chain (i.e. sub-consultants) to deliver on the Council's projects, and instead the second-lowest priced consultant is proposed to be used. This is Mott McDonald with a fee for each of the three projects (Preston Manor, Newfield and Brentfield) of between 6.61% and 7.61% of the total construction cost (fees vary according to whether the project is a new build or a refurbishment), with a total estimated contract value for the three contracts of around £950,000. The appointment will be for RIBA stages C – L. There is likely to be some ongoing involvement of Watts in the project as sub-consultants to Mott McDonald.

- 4.4 Again due to the urgent need to secure delivery on this project or risk losing funding, the Council will need to appoint an Employer's Agent for the construction phase – where the building contract awarded is to be for design and build, the client needs an Employer's Agent to monitor ongoing compliance with the initial Council design, and for related contractual supervision. The contract estimate for this appointment is below the threshold for tendering under the EU rules, and under the Council's own contract standing orders three quotations are required. However in order to ensure ongoing continuity in the face of a very tight timescale, the Executive are recommended to approve an exemption from the quotation requirements of Contract Standing orders for this appointment.
- 4.5 Again due to the urgent need to deliver on these schemes by August 2011 or risk losing funding, it is also proposed that there be delegation to the Director of Regeneration and Major Projects to award one or more works contracts to deliver on these schemes. Normally all works contracts exceeding £1m in value have to be awarded by the Executive. The Council will require the appointment of one or more design and build contractors to build the schemes that Mott McDonald will design. It is proposed to use a framework run by the organisation called Improvement and Efficiency South East (IESE), however other frameworks are available and may be used as an alternative. The IESE framework has previously been used to appoint contractors for projects such as Harlesden Library and Roundwood Youth Centre.

## **5 Financial Implications**

- 5.1 It is proposed that expenditure (both for design fees and building costs) will be met from a combination of Basic Needs Safety Valve (BNSV) funding totalling £14.766m and council capital programme funding of £17.010m. The BNSV funding allocation is dependent on pupil numbers in the January 2012 census meeting those forecast for September 2011 and the Department for Education have reserved the right to claw back funding where these targets have not been met. As such the allocation must be expended in full by August 2011 in order to achieve these targets. If the targets are not met the liability to meet committed costs will fall to the Council for which there is no budgetary provision.
- 5.2 Utilisation of the council capital programme funding will require re-profiling of the budget allocations to meet the scheme timelines. This will require bringing funding forward to meet expenditure and as such will be necessary to incur increased levels of unsupported borrowing in the earlier years of the Councils overall capital programme and reduced amounts in later years with a nil net impact overall. This would mean that there would be increased debt charges falling upon the general fund revenue account in earlier years. The requirement for additional unsupported borrowing in the short term could be nullified if there is sufficient level of re-phasing to schemes elsewhere in the Council's capital programme. This will need to be monitored and the Executive will be notified of the position via the quarterly PFR monitoring reports.
- 5.3 The current funding identified within the Capital Programme is based on pre-Spending Review allocations and forecasts which could vary subject to the announcement on the 20 October 2010, once the government departments have notified Brent of local level impact. In general terms the Comprehensive Spending Review announced a 60% reduction in real terms in schools capital spending, with an expectation that demographic pressures and maintenance needs will be met.
- 5.4 The cost estimates included within the report are subject to further work on design and evaluation of the schemes.



## 6 Legal Implications

- 6.1 Under sections 13 and 14 of the Education Act 1996, as amended by the Education and Inspections Act 2006, a local education authority has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area. Local Authority must promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. They must also ensure that there are sufficient schools in their area and promote diversity and increase parental choice. To discharge this duty the Local Authority has to undertake a planning function to ensure that the supply of school places balances the demand for them.
- 6.2 Under section 19 of the Education and Inspection Act 2006, (and in accordance with the School Organisation Regulations), a Local Authority can publish proposals to expand any category (community, voluntary, foundation, community special and foundation special) of maintained school. The governing body of a maintained school may also publish proposals to expand their school. Where the Local Education Authority propose to make a prescribed alteration to a maintained school, the Authority must publish their proposals.
- 6.3 Contract Procurement: The Council will need to appoint consultants and building contractors, in order to implement these schemes. As indicated above, one option for appointing these consultants or building contractors is to use a framework. Where this is a Framework set up by a third party, such as is proposed for use here, the Council's procedure for this under Contract Standing Order 86(d) is that the Chief Officer has to recommend this, and then the Borough Solicitor has to confirm that use is legally permissible. The Director of Finance and Corporate Services also has to approve. If such a framework is not used then a formal tender process is required for all contracts worth over £156,000 in value (or £3.9m for works). This consent procedure has already been followed in relation to the recommended Mott McDonald appointment, and will be followed for any works contracts where it is proposed to use a framework. Any appointment of one or more building contractors under the IESE framework (see paragraph 4.5 above) will also have to follow this procedure.
- 6.4 Any contracts that exceed £500,000 in value (or £1m in the case of works contracts) require Executive approval for award (Standing Order 88). As a result the proposed appointment of Mott McDonald is being recommended for award to the Executive in relation to three different contracts. As these contracts are being awarded from frameworks, then under Contract Standing Order 86(d), the Chief Officer and Director of Finance and Corporate Resources need to approve the use of the framework, and the Borough Solicitor needs to confirm that its use is legally permissible. This will be addressed prior to the Executive meeting. In addition it is proposed that the Executive delegate the decision to award contracts from appropriate frameworks to building contractors to the Director of Regeneration and Major Projects in order to minimise further delay in the delivery of this project. It is not usual for award decisions to be delegated however it is considered justified in these circumstances. Again the CSO 86(d) process just referred to will need to be followed for these building contractors.
- 6.5 It is also recommended that the Executive grant an exemption to the usual quotation requirements of Contract Standing Orders to allow direct award of a contract for Employer's Agent services. A process of obtaining three written quotes is normally required for all contracts below £156,442 in value, however the Executive can grant an

exemption from this where there are good operational and financial reasons. Here the reasons are set out in paragraph 4.4 above.

## **7 Diversity Implications**

- 7.1 In 2008, the Council consulted widely on schools strategy in Brent, receiving over 800 responses. Brent residents were in favour of the Council's strategy for school places and believed that the LA should play a major role in managing and running schools (89% agree). Parent groups were the next most frequently identified (73% agree). Only around four in ten participants felt that charities (38%), faith groups (37%) or private sponsors (36%) should have such involvement in Brent schools.
- 7.2 Ensuring equal access to school places in Brent - over two thirds of participants did not feel they were disadvantaged in obtaining a school place for their children due to any of the main diversity strands. Over, 90% did not feel they were disadvantaged due to their gender. This was also true for 85% of participants in relation to disability; 77% in relation to ethnicity; and 66% in relation to their faith.
- 7.3 The schools proposed for expansion have a diverse ethnic representation of children. Expanding the schools listed in this report would enable the Council to provide additional new places required for Brent's growing pupil population.
- 7.4 Overall the expansion strategy will improve choice and diversity. The impact on Equalities will be kept under review and reported to the member level Strategy Board on a regular basis together with proposals for the implementation of specific proposals within the Strategy.

## **8 Staffing/Accommodation Implications**

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

## **Background Papers**

- 11 August 2010 Executive Report
- Primary Capital Program Updates & Office Files
- Scrutiny Committee 25 March 2010 - School Organisation Report
- Confirmation from DCSF on allocation of the BNSV funding (Brent Council allocated £14,766,000) is available at the following link: <http://www.teachernet.gov.uk/docbank/index.cfm?id=14690>
- Research Study - A Good School Places for Every Child in Brent, 2008  
<http://intranet.brent.gov.uk/consultation.nsf/0/38c39cab7915e95c802573b8003feb74?OpenDocument>

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	<p style="text-align: center;"><b>Executive</b> 15 November 2010</p> <p style="text-align: center;"><b>Report from the Chief Executive</b></p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p><b>Inspiring Brent: Brent Councils programme for the London 2012 Games</b></p>	

## 1.0 Summary

- 1.1 This report provides an update on the delivery of Brent's Action Plan for the London 2012 Games which has been developed by the 2012 Steering Group. The report outlines key achievements to date and areas we want to develop to secure a legacy for Brent.
- 1.2 The report outlines developments in the London 2012 City Operations Programme and the role Brent will be required to play in delivering successful Games.

## 2.0 Recommendations

- 2.1 To note the progress made Brent's on the 2012 Action Plan
- 2.2 To note the financial and operational implications of being a host borough and to agree the city operations work programme as detailed in paragraphs 3.6 to 3.10

## 3.0 Detail

### Progress of delivery the 2012 Action Plan

- 3.1 The London 2012 Games will provide a catalyst to improve sports participation and physical activity across the borough, celebrate Brent's rich cultural heritage and develop volunteering skills and opportunities for businesses; all of which will help to achieve our corporate strategy aims and secure a legacy for Brent. The Games will have a significant impact on Brent as Wembley Stadium will be hosting the women's and men's football semi and finals and Wembley Arena has been confirmed as the host venue for

badminton and rhythmic gymnastics. In recognition of this, Brent along with all London boroughs has been granted permission by the London Organising Committee of the Olympic and Paralympics Games (LOCOG) to use the descriptor of 'Host Borough for London 2012'.

3.2 Over the last few years huge progress has been made on the 2012 programme. The Brent 2012 steering group membership has been widened to include representatives from NHS Brent, Brent Association for Voluntary Action and West London Partnership for the 2012 Games allowing a more strategic and borough wide approach to the Games. A dedicated Manager for the London 2012 Games was appointed in May 2009 and has developed strong relationships with LOCOG, the Olympic Delivery Authority (ODA), the Greater London Authority (GLA), London Councils and West London Partnership for 2012 Games through a number of partnership projects.

3.3 In February 2010 a revised action plan was launched under the title 'Inspiring Brent: Brent's action plan for the 2012 Games'. The action plan covers five themes; young learners, sports and health, business/skills/employment, culture and events and a new theme around city operations and sustainability. Each of the above themes is led by a small theme group which has a lead officer who has identified key projects to be delivered in the lead up to the London 2012 Games as detailed below. Over the last year a number of projects have been delivered and a selection are detailed below. The full list of projects delivered and projects planned over the next 18 months are in appendix one.

3.3.1 **Flavours of Brent: Inspiring Brent's Food Stalls to Boost Their Businesses** - The Flavours of Brent Project was designed to target food stall holders and micro caterers to provide them with the relevant qualification and skills in order to benefit from catering opportunities leading up to and during Games time. Twenty people participated in the four day course which covered Health and Safety, Sustainability, Marketing and a Level 2 Award in Food Safety. In addition participants were offered a free pitch at this year's Respect festival and a number of participants have gone on to trade at other festivals across west London. The Flavours of Brent project has been recognised by LOCOG as a project which is truly inspired by the London 2012 Games and has been awarded the coveted London 2012 Inspire Mark. The project has also received press coverage from London Councils as a case study of good practice.

3.3.2 **Brent Inspires Award** - The Brent Inspires Award is a virtual competition aimed at young people up to 19 years old in schools, colleges, youth groups or clubs across the borough allowing them to engage in sports, culture and creative experiences. The Awards recognises the achievements of young people who participate in activities which incorporate the Olympic and Paralympic values. Fifty one Brent schools/groups participated in year one of the competition which ran from September 2009 – May 2010. Byron Court Primary, St Marys CofE and St Josephs Junior School were awarded Gold, Silver and Bronze respectively, Capital City Academy was awarded the innovation award and the Tamil Arts Centre was awarded the special award at the Inspiring Brent PE and Sports Awards. A student from Kingsbury High School designed the awards and presented them at the ceremony. Year two

of the competition will be launched in early November. The Brent Inspires Award has been recognised by LOCOG as a project that is genuinely inspired by the 2012 Games and has been awarded the coveted London 2012 Inspire Mark.

**3.3.3 Inspiring Brent PE and Sports Award** - The first PE and Sports Awards took place on the 15<sup>th</sup> July at Brent Town Hall. Inspired by London 2012, the awards evening provided an opportunity to recognise and celebrate the physical education and sporting achievement, success and commitment of children and young people in the borough of Brent. It also recognises the dedication and development work undertaken by adults working with children and young people in PE and Sport, such as sports coaches, instructors and teachers. The award ceremony was attended by Larry Achike, Brent resident and triple jumper for Great Britain, Rod Penny, rugby player for Saracens and the Mayor of Brent. Winners included Young Sports Person of The Year, Young Disabled Sports Person of the Year, School Sports Coach and Unsung Hero to name a few. It is intended that this award will become an annual event.

**3.3.4 Inspiring Brent Young Ambassadors** - The Inspiring Brent Young Ambassadors programme is aimed at young people between 14-16 to engage them with the Games. The role involves promoting London 2012 opportunities and 2012 inspired activities in Brent to young people as well as working on 2012 related events. The ambassador programme aims to develop leadership skills and build confidence, self esteem and motivation. The first cohort of eight young people received training in events management and have visited the Olympic Park. The ambassadors had a key part in the delivery of the Inspiring Brent Challenge Weekend which involved learning design and marketing skills as well as the overall management of the event.

#### **3.4 LOCOG Host Cooperation and Licence Agreement**

Brent has signed the host borough agreement which allows the council to use the London 2012 Olympics logo, the London 2012 Paralympics logo, a newly created host borough logo and the descriptor of 'host borough for London 2012'. Whilst using the logo is an opportunity to promote the boroughs involvement in the Games to residents, young people and businesses, there are very strict limitations on where and how it is used. LOCOG need to protect the exclusivity they grant to their sponsors and merchandise licensees, and due to the commitments they have made to the IOC and IPC to preserve the value of the Olympic and Paralympic brands, LOCOG have put a number of controls on the way the logos can be used. Logos can be used on a flag outside the Town Hall, on the website (but only on the 2012 page and where there is no commercial sponsorship) on signage at main entry points to the borough and on newsletters and publications relevant to the 2012 Games and informative posters (as long as there is no other sponsorship).

**3.4.1** In line with the terms and conditions of the licence agreement, the use of any 2012 logos prevents the council from seeking commercial sponsorship (unless from official 2012 sponsors) for 2012 related projects. In addition any commercial logos can not be used in conjunction with the 2012 logo in order to protect the rights of the official sponsors. This means for Brent that the designated logos can only be used on neutral areas such as the website or

council publications and not in the Brent Magazine or on Brent vehicles where third parties advertisers/sponsors could create an association with the Games.

3.4.2 The agreement also includes a section on 'principles of cooperation' which relates to areas such as providing access to land or premises under council control, for activities like the torch relay, photo shoots and filming for free of charge, or at the lowest standard rate that the council charges for hiring. Another area of cooperation is to sign up to the 'look of London' programme and to not create Brent branded banners and signage for the Games.

3.4.3 Brent Legal Services worked with LOCOG, London Councils and representatives from the five east London 'host boroughs' on the terms and conditions of the licence. Not all of Brent's recommendations as to amendments to the licence were accepted by LOCOG but many were, most significantly, amendments allowing boroughs to terminate the agreement at anytime.

### 3.5 **Pre Games Training Camps**

Willesden Sports Centre and Capital City Academy have been confirmed as pre Games training camps and are listed in the official pre games training camp guide prepared by LOCOG. Training camps have been designed for National Olympic Committees (NOCs) and National Paralympic Committees (NPCs) to help them adjust and prepare for competing in the UK. The aspiration is for NOCs and NPCs to start arriving and training in the UK up to a year before the Games. A number of agreements with NOCs and NPCs have been signed across the UK however only has been confirmed in London. Brent has made efforts to attract an NOC or NPC. A letter was sent last year to the Indian Olympic Authority and contact with the Brazilian Olympic Committee was attempted but neither have resulted in further discussion. Experience from around the country has indicated that contacts from either the community or business leaders have been key to attracting a nation. Brent will continue to work with LOCOG, West London Partnerships and community members to attract a nation.

## **London 2012 City Operations Programme**

3.6 Hosting events at Wembley will bring significant opportunities for the borough. However on an operational level it is likely to have a considerable impact on a number of council services. Brent is not hosting any Paralympic events but will be hosting events at the Stadium and Arena from the 28 July to 12 August 2012. In addition, parts of the Olympic Route Network run through the borough and this is likely to have an impact on specific service areas and delivery of services.

In order to deal with the multitude of issues which arise from being the host city for the Games, the GLA have developed a city operations programme which has 4 key aims:

- *To extend an inspirational Games experience across London, ensuring that everyone is safe, well informed and involved*



- *To showcase London domestically and globally as an outstanding place to live, visit, learn and do business*
- *To ensure a safe, efficient and mutually supportive approach to operational delivery for the Games; and*
- *To keep London working and moving in Games time.*

- 3.7 The successful delivery of the Games is heavily reliant on the GLA and local authorities delivering essential public services. The City Operations programme comprises of 16 workstreams split into Public Services (to ensure London operates effectively at Games time) and London Experienced (to showcase London during Games time). The GLA City Operations Steering Group membership comprises of key stakeholders of which Brent Councils Chief Executive sits on representing CEOs of non host boroughs.
- 3.8 The Olympic and Paralympic Games will create unavoidable costs for the London boroughs, who have responsibilities for a range of 'clean and safe' services that will be of enormous importance to ensuring the Games are a success. In October 2009, London Councils commissioned the London School of Economics led by Tony Travers, to carry out research to gauge the scale and likely cost impact of the 2012 Games on local authority services. The report also examined the likely economic benefit from the Games, but concluded that this economic benefit will go direct to central government and will not reimburse local authorities for their outlay.
- 3.9 In July the Government Olympic Executive (GOE), the Communities and Local Government (CLG) and GLA agreed to consider costs submitted from boroughs who have a Games time venue and who they felt would have additional costs directly attributable to the 2012 Games. Brent along with twelve other venue boroughs were asked to submit cost estimates and throughout August and September GOE, GLA and boroughs examined the figures submitted. A number of moderation meetings for boroughs were organised by London Councils to agree an approach to costs within their submissions. Final submissions were made from each borough on 23 September to GOE for inclusion in their overall Comprehensive Spending Review (SCR) submission to the Treasury. If the submissions are successful further discussions will take place on the process for drawing down funding. Early indications suggest that the funding will be capped and boroughs will be expected to provide audited evidence of expenditure.
- 3.10 In response to emerging city operations issues, a Brent city operations sub group has been set up to progress and implement the actions from the programme locally. The group have assisted the GLA, LOCOG, Olympic Delivery Authority (ODA) and the GOE on emerging strategies and new legislation and have been heavily involved in the following areas of the programme.
- 3.11 **Olympic Route Network/Games Lanes**  
In July 2010 the ODA published 'On Time', their plan to ensure that London keeps moving during the 2012 Games and that athletes, officials and the Olympic family get to venues on time. The aim of the Olympic Route Network and Paralympic Route Network (ORN/PRN) is to help people who are essential to the Games get to the venues, but also to ensure that millions of

Londoners are able to go about their business with as little disruption as possible. Two and a half per cent of London's roads have been designated as part of an ORN/PRN, which will be roadwork free and subject to measures such as traffic signal timing changes. Most roads on the ORN will remain fully open for general traffic. Along the ORN/PRN will be a series of temporary 'Games Lanes' which are dedicated lanes for the athletes, the Olympic family and emergency blue light services on call only. The Lanes will be a temporary measure mainly used on the busiest sections of the network and will only be used for fixed and specific periods of time, where and when they are needed to meet journey times specified in the host city contract.

- 3.12 The roads in Brent that have been designated as ORN and 'Games Lanes' are A406 (North Circular Road) from Hanger Lane to Drury Way, Great Central Way, South Way, First Way, Fifth Way, Fourth Way, Engineers Way, Empire Way (from Engineers Way - Wembley Hill Road) Wembley Hill Road (from Empire Way - The Triangle). Other roads on the network e.g. Royal Route, are on private land owned and operated by Quintain Estates. During the three weeks of the games period the ODA will become the Traffic Authority for the Olympic Route Network. Officers from Brent have attended a series of meetings with the ODA and Transport for London and understand that enforcement on Brent's roads (with the exception of the A406) would be undertaken by Brent Council's parking enforcement team. The Olympic Games and Paralympic Games Act 2006 allows the ODA to set the level of Penalty Charge Notices for traffic offences on the ORN and the PRN which has been set at £200 with a 50% discount if paid promptly.
- 3.13 In July the ODA presented draft plans for the ORN and the Games lanes to Brent officers, the Lead member for Transport and the members for Tokyngton, Stonebridge Park, Wembley Central & Barnhill wards. There is continued dialogue between Brent officers and the ODA on the traffic regulation orders and the local area traffic plan for Brent which should be completed in summer 2011. The detail of the operation times of the 'Games Lanes' are still being worked out however it is expected that the ORN and Lanes will only be operational when there are events at the venues.
- 3.14 The formal consultation period for the ORN runs from the 27 July through to the 31 October 2010. Brent has submitted a response opposing the penalty charge rate which is significantly higher than the current bands. The ODA aim to deliver phase one of the public consultations in November where they plan to share their plans for the ORN to key stakeholders along the A406 to Stonebridge Park. Phase two of the public consultation is estimated to start next summer and will target stakeholders from Stonebridge Park through to Wembley Stadium and Arena. Brent officers are currently working the ODA on the stakeholder communication strategy.
- 3.15 **Command, Coordination and Communication (C3)**  
The Olympic Games will involve 318 days of sporting competition spread across 26 sports being compressed into a 16 day period. The Paralympics follows ten days after with 133 days of competition across 20 sports compacted into an 11 day period. This complete period is known as 'Games Period' and is the 77 day period starting from when the Main Media Centre opens prior to the Olympic Games to when it closes following the

Paralympics. Planning assumptions have identified the need to develop a structure capable of supporting national co-ordination from agencies, local authorities and Games family as well as emergency planning response across all UK Olympic venues and locations.

The GLA city operations programme have developed the command, coordination and communication workstream (known as C3) which aims to:

- *To provide effective co-ordination of all City related operations*
- *To ensure that all relevant information is shared appropriately on a timely basis*
- *That decisions; taken at the most appropriate level, use existing structures and protocols wherever possible for planned and unplanned activities;*
- *To provide a centralised and coordinated physical function to achieve the above aims*

3.16 All London local authorities will have a role to play in C3 as information on key public services will need to be coordinated across borough boundaries and fed into the London Operations Centre (LOC). To achieve this, boroughs have been split into borough groupings covering Central Zone, Park Zone, River Zone, South Zone, and North Zone. Each zone is lead by a 'host venue' of which Brent is the lead for the North Zone. It is expected that the lead borough will create a Borough Group Support Unit (BGSU) to be used to facilitate mutual aid, and coordinate communication to and from central government. Pre Games time the BGSU will operate as a Secretariat leading on pre Games planning and during Games time will become operational with boroughs within the group feeding through their information.

3.17 The full details of Brent's role in the BGSU are still being developed however there is an expectation that the Secretariat function will be established from November 2010 to facilitate pre Games planning involving:

- Establishing the BGSU
- Overseeing the set up of, and support to, and organising working group
- Providing a single point of contact, for Olympic planning purposes
- Putting systems in place across the group boroughs to collate the information required for 2 x daily situation reports
- Organising staffing with work rotas
- Creating group contact lists and formulating contact arrangements
- Preparing and circulate structure charts

3.18 It is expected that the BGSU will be in operation from the 17 May – 12 September 2012 from 7am – 11pm during two weeks of the Games to respond to twice daily reporting. It is not clear where the BGSU will be located or how it will be staffed pre and during Games times. Brent officers will continue to work with the GLA on the details. The estimated costs of leading on the BGSU have been included in the financial impact exercise as referenced in paragraph 3.9.

3.19 **ODA Enforcement**

The 2006 London Olympic Games and Paralympic Games Act gives the GOE the power to control, by regulations, advertising and trading in the vicinity of 2012 Games events. GOE are currently developing new regulations for street trading and advertising and have consulted with Brent officers to ensure that the regulations strike the right balance between preserving the image of the borough during the Games and protecting sponsors' and licensees' investment in the Games.

It is not clear if officers from the ODA will be responsible for enforcing the new regulations or whether it will be passed to the borough. In the event of the borough carrying out enforcement of street trading, advertising and the regulations of the ORN, the costs may fall to the borough. The estimated costs to the borough have been included in the financial impact exercise as referenced in paragraph 3.9.

### 3.20 **London 2012 City LOOK and FEEL Programme**

The London 2012 "LOOK and FEEL" programme has been designed by LOCOG and the GLA to ensure that boroughs have a coordinated approach to dressing the city at Games time. 'LOOK and FEEL' will be achieved through numerous applications such as the dressing of street furniture, flag banners, building wraps, lighting and decorating of fencing scrim and road markings to name but a few. In April, LOCOG and the GLA invited boroughs to submit a product list of items to be considered for the 'Kits of Parts' a toolkit for boroughs. GLA are scoping 16 geographical zones which will potentially be activated and Wembley has been proposed. The GLA have indicated there is a small budget to access items from the kits of parts however this will need to be split across all 33 London boroughs.

### 3.21 **London Ambassador Volunteer Programme**

The London Ambassador Volunteer programme is an LDA funded programme feeding into the London Experience and Welcome to London workstreams of the city operations programme. Up to 8000 volunteers will be required during Games time to welcome visitors in to the capital. Volunteers will be based at major transport hubs, tourist attractions, live sites and outside venues. Wembley has been earmarked as a location for the volunteers and Brent officers are working with the LDA to identify a suitable location for the 'pod' which will coordinate the volunteer activity in the area.

## 4.0 **Financial Implications**

- 4.1 Brent's cost assumptions for the Games are based on the 14 day period which Brent is hosting events and are modelled on the current operating structures in place with Wembley Stadium. Additional costs to some services have been factored in for preparation work required in specific service areas and for set up of the Borough Support Group Unit. There are still areas which lack clarity and in these instances costs have been worked out on the current information we have.
- 4.2 Additional costs in preparing for the Games are not fully known at this stage. It is also not clear whether the external funding streams will fully support the costs incurred. The Spending Review decisions will, undoubtedly, influence the funding that will be received. However, it should be noted that Brent will have to pick up the difference in any funding shortfall.

- 4.3 There is no allocated funding to deliver specific 2012 projects and in the current climate funding is becoming more challenging to secure. Officers will re align existing activities to meet the 2012 agenda where possible. Officers will bid for any external funding opportunities which arise in the future in relation to 2012. The 2012 Manager is also working with external partners to identify funding for 2012 activities within Brent and the sub region.

## **5.0 Legal Implications**

- 5.1 Having signed the London 2012 Host Borough Licence and Cooperation Agreement, Brent has agreed to accept the terms and conditions and this now requires stringent management across the council as misuse of the logo could lead to legal action not just by LOCOG but also by other Games bodies such as the IOC, the IPC, the BOA and BPA. The 2012 Manager is currently putting together detailed guidance for officers and members on the use of the logo and the conditions of the licence agreement.

## **6.0 Diversity Implications**

- 6.1 As one of the most diverse boroughs in the country, the London 2012 Games are a fantastic opportunity to celebrate Brent's diversity and promote community cohesion across the borough. There are over 200 countries that will be competing in the London Games, many of which will be reflected in the makeup of the borough. The 'World in Brent' activity at the Respect festival aimed to capture this. The London 2012 Cultural Olympiad programme will provide a platform to celebrate the diversity through cultural activities and events which develop community cohesion. The projects delivered to date have recognised and celebrated the diversity of the borough. Where possible, efforts will be made to link projects to major 2012 milestones such as Open Weekend, test events and the Torch Relay celebrations.

- 6.2 The London 2012 bid was won on the promise to 'inspire a generation of young people'. Brent has a young population and the Games provide them with an opportunity to engage in and celebrate the experience of hosting the world's biggest sporting competition in London. The Inspiring Brent Young Ambassadors programme, Brent Inspires Awards and the PE and Sports Awards are aimed at young people providing them with opportunities to celebrate the Games.

- 6.3 The Olympics in particular the Paralympics presents an opportunity to engage the disabled community. Disability dance is an area the culture and events theme group have been developing with an initial piece premiered at Respect Festival. The people's record project aims to capture the thoughts of the disabled community on 2012 with the results being accessioned into the archives for future generations. All of the activities that are planned for 2012 will be fully inclusive in line with LOCOG's vision to host an 'accessible Games'.

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

### **7.1 Staffing Levels During Games time**

Hosting the London 2012 Games is likely to have a significant impact on staffing levels during the height of the summer period. There are a number of HR issues which have emerged across London in relation to staff and annual leave. With the Games being in London, staff may want to take time off to either volunteer or attend the Games and some may have plans to leave the capital altogether for the duration of the Games. At the other end of the spectrum, the demand on public services will see an increase in staff resources which could result in annual leave for those teams being postponed during the summer. Local authorities are facing up to 25% reductions in budgets which could result in downsizing. The knock on effect could lead to a surge across London for specialist skills with a lack of specialist teams to carry out vital public services required.

- 7.2 The London Councils City Operations Co-ordination Group (LCCOOG) have been working with HR Directors across London to begin addressing some of the issues. Initial discussions have indicated that boroughs do not plan to produce a pan London annual leave policy for Games times as it would be difficult to take a consistency approach across London. In September a report was sent to the Chief Executives London Committees (CELC) asking for consideration to be given on developing a shared approach to workforce issues. The HR issues are due to be explored at the CELC seminar 'Meeting the Olympic Challenge' on the 17 November 2010 for Chief Executives and other senior managers. Brent officers plan to look at Brent's approach to annual leave with the aim to have a position ahead of next spring when tickets for the Games go on sale.
- 7.3 The 2012 campaign will be lead by the 2012 Manager who will work with the theme leads and colleagues from across the council. The 2012 Manager will be responsible for developing relationships with external organisations and stakeholders to ensure that Brent benefits from hosting three sports in the borough.


### **Background Papers**

Inspiring Brent: Brent Council Action Plan for the London 2012 Games

### **Contact Officers**

Zerritha Brown, Brent Manager for London 2012, 0208 937 5313

Gareth Daniel,  
Chief Executive

	<b>Executive</b> 15 November 2010  <b>Report from the Director of Finance and Corporate Services</b>
Wards Affected: ALL	
<b>Internal Audit provision - 2011 onwards</b>	

## 1. Summary

- 1.1. This report seeks approval for the council to enter into a contract with the London Borough of Croydon for the provision of internal audit services via Deloitte as set out in paragraph 3.11 to 3.12 for a two year period from April 2011 to March 2013. The anticipated cost of this contract over two years, including inflationary uplift is £577,675.

## 2. Recommendations

- 2.1. The Executive give approval for the council to enter into a contract with the London Borough of Croydon to provide internal audit services from April 2011 to March 2013 and to enter into a related third party agreement with Deloitte Public Sector Internal Audit Ltd.

## 3. Detail

### Background

- 3.1. In April 2007 the Council entered into a contract with Deloitte Public Sector Internal Audit Ltd (“Deloitte”) for the provision of internal audit services. This contract was awarded from a framework agreement procured in a joint exercise by the London Boroughs of Ealing, Hammersmith and Fulham and Brent. The contract was approved by the Executive at its meeting on 15<sup>th</sup> January 2007<sup>1</sup> and runs from 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2011. The total cost of this contract over the four year period is estimated to be £968,740.
- 3.2. The original contract price was based on the delivery of 702 audit days per annum. The remaining 450 planned days being delivered by a small in-house team of three staff. This in-house team was also responsible for managing the contract. Following award of the contract it became necessary to procure additional days via a variation order due to recruitment problems. This resulted in the purchase of 100 additional days in the first year and 190 in each of the subsequent years.

- 3.3. The rationale for entering into a framework contract was documented in an earlier report to the Executive<sup>1</sup>. At that time the internal audit section was unable to recruit to five posts within a team of eight full time equivalent posts. Similar recruitment problems existed across London and the use of agency staff was prolific, with the costs of using agency being significantly higher than permanent posts with consequent implications for contract costs.
- 3.4. The annual internal audit provision for 2010/11 is 1,142 days comprising 250 from an in-house team of two staff and 892 from Deloitte. This includes 140 days relating to Brent Housing Partnership resulting in 1,002 net audit days for council services and schools.
- 3.5. The Director of Finance and Corporate Services has a statutory duty to ensure that the council has an adequate and effective internal audit service based on discussions with the Audit Committee and advice from the Head of Audit and Investigations. The number of audit days is the third lowest when compared against twenty five other London Boroughs whose plans were publicly available. The average number of audit days across these boroughs (net of ALMO or equivalent and fraud coverage) was 1,347, placing Brent in the bottom quartile. The level of provision per £1 million spent shows a similar quartile position with Brent at 1.18 days against an average of 2.24.
- 3.6. However, the apparent low level of coverage is mitigated by having a fraud investigation team embedded within the Audit and Investigation Unit (as is the case in most London boroughs). In carrying out reactive and proactive fraud investigation, this team contributes significantly to the identification and rectification of system weaknesses across the council and within schools. However, recent events and findings would suggest that a further reduction in the number of audit days would not be prudent. It is thus proposed that there is no reduction in the number of audit days for 2011-12 onwards. The current contract includes a provision of 80 days for Deloitte management time and it is intended that this figure be reduced in order to provide more direct audit resource.
- 3.7. Since the joint procurement exercise, the London Borough of Croydon has entered into a separate framework agreement with Deloitte and has offered to provide up to 15,000 audit days to other local authorities via this framework agreement ("the Croydon Framework"). This has been available from 1st April 2008 and is due to expire on 31st March 2015 although LB Croydon does have an option to extend it by a further 3 years until 31st March 2018. Authorities wishing to avail themselves of this would contract directly with the London Borough of Croydon for a minimum period of two years although Audit services would effectively be delivered by Deloitte staff and managed by the procuring authority.

### **Options for 2011 onwards**

- 3.8. As the existing contract comes to an end on 31<sup>st</sup> March 2011, a replacement must be put in place. Three options have been considered and estimated costs have been profiled for each option depending on the size of the in house resource. Whilst costs arising from a new contract following a full tendering exercise can only be estimated at this stage, for each additional in-house full



time equivalent post, total costs would decrease by some £14,000 per annum when compared with the costs available through the Croydon Framework. Savings will, however, be reduced by the cost of recruitment, which may be significant if a number of exercises are needed over the currency of a new contract and the need to buy-in specialist capacity.

3.10 It should also be noted that experience has proved that it is highly unlikely that an in-house resource could be recruited and retained to undertake computer audit as this is a specialised skill. Therefore, there would be a requirement, under any of the options, to utilise an external provider for some 150 days computer audit coverage.

3.11 The advantages and disadvantages of each approach are set out below:

### **Full Re-Tender**

3.12 The council would need to conduct a full re-tendering exercise as a sole contractor. There is now insufficient time to allow for negotiations with other boroughs to undertake a joint procurement exercise and due to the relatively recent Croydon Framework exercise, the appetite for joint procurement is limited. One of the boroughs who were party to the 2007 joint procurement have already transferred to the Croydon Framework. Therefore, the costs and time associated with preparing a full specification, tender documentation and evaluation process would fall solely on the council.

3.9. Should re-tendering produce a cheaper composite day rate, each £5 reduction would equate to some £4,400 per annum. Of course the price could also increase and any increase above the rates available through the Croydon Framework would render the tender exercise useless from a cost perspective. Officers consider it unlikely that there will be any significant betterment of the Croydon Framework prices as a result of a new tender exercise and that any reduction would be offset by the costs of procurement. Moving to the Croydon Framework for a two year period also allows time for officers to assess the market conditions with a view to a potential re-tender in 2013.

3.10. Utilising a new provider would inevitably require a period of familiarisation for their staff, close contract management and significant input from the in-house Audit Manager.

### **Join the Croydon Framework**

3.11. The contract would be between the council and the London Borough of Croydon and could be for any period up to 31 March 2015, or if the London Borough of Croydon extends the Croydon Framework, up to 31 March 2018.

3.12. The costs available through the current Croydon Framework are known and fixed. Although rates for routine audit work are relatively similar to the rates achieved in the previous West London procurement, the costs for computer audit are considerably higher than the council's current composite rate. However, once an adjustment is made to the number of management days built into the contract, a slight reduction in total cost in 2011-12 can be achieved.

- 3.13. The Croydon Framework, whilst in theory being “managed” by the London Borough of Croydon, is delivered through Deloitte, the council’s current provider, in accordance with an auditing approach similar to that which it currently uses in Brent. It is considered likely, although not guaranteed, that the current provider would continue to utilise staff working on the existing Brent contract, thus retaining their accumulated knowledge about the council.

#### **Full In-House provision**

- 3.14. Reverting to a full in house service is a viable option. It is unlikely that staff would transfer from Deloitte to the council pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) if reverting to a full in house service. As a result, this would require a significant recruitment exercise for five Internal Audit posts. There is little research available as to the state of the current market for local government internal audit staff. Brent have traditionally struggled to recruit internal audit staff with sufficient experience of local government and the current grade is not particularly competitive. However, given the economic climate, the winding up of the Audit Commission in 2013 and likely downsizing of some internal audit teams, there may be a pool of talented staff available in the run up to April 2011. However, this would represent a risk.
- 3.15. An in-house service would be cheaper than a like for replacement of the existing contract with the Croydon Framework by some £52,000 per annum. This would, however, be offset by recruitment and training costs. In addition there is an increased risk of non-delivery of the audit plan arising from vacancies, sickness or poor performance. One advantage in using an outsourced contractor is that the risk of non-delivery of the plan is minimised as the contractor is committed to deliver a specific number of days. Therefore, time lost to sickness or other absence of contractor staff is of no consequence to the council other than the loss of any knowledge or skills of these specific staff.

#### **Full outsourcing**

- 3.16. A fully outsourced contract either via a re-tender or through the Croydon Framework has been considered. This would mean no in-house internal audit staff and day to day contract management would be undertaken by the Head of Audit and Investigations. This option has been discounted primarily because the changing shape and scale of local government means that Brent is not yet in a position to specify adequately its long term requirements. Additionally, the Head of Audit and Investigations would need to engage an additional contract manager and outsourced contractors have been unwilling to undertake certain types of work, for example the certification of grant claims. External contractors are also unwilling to operate outside the scope of the specification without making additional charges, for example where further in depth work may be required following a routine audit. Having no in-house capability would leave the team with no flexibility to conduct such work.

#### **Recommended Option**

- 3.17. Officers recommend that the council join the Croydon Framework and maintain the existing in-house provision, for the following reasons:
- Re-tendering is expensive and the likelihood of achieving a lower price is considered low
  - The framework employs the council's existing contractor, who has a proven track record of delivery and accumulated knowledge of the council's operations
  - Returning to a full in-house service will incur significant recruitment costs and officer time with no guarantee of success
  - The risk of non-delivery of the audit plan is lower with a primarily outsourced service

3.18. The costs of this proposal are set out below:

Croydon Framework costs 2011/12	= £283,730
Croydon Framework 2012/13	= £293,944 (includes contractual inflationary uplift of 1% less than RPI)
Existing annual contract costs 2010/11	= £285,460

3.19. It should be noted that these costs may be subject to change as a result of changes to the services provided by the Council and external requirements such as the DFES Financial Management Standard in Schools.

#### **4. Financial Implications**

4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 89.

4.2 The estimated value of this services contract is £577,675.

4.1. It is anticipated that the cost of this contract will be funded from existing resources.

#### **5. Staffing Implications**

5.1. Internal audit services are currently provided by a combination of Deloitte staff and staff employed by the council. As it is intended to retain the in-house provision, there will be no staffing implications for Council staff.

#### **6. Legal Implications**

6.1. The estimated value of an outsourced contract over its lifetime is in excess of the current EU threshold for Services and the nature of these services means they fall within Part A of Schedule 3 of the Public Contracts Regulations 2006 ("the EU Regulations"). The tendering of the services is therefore governed in full by the EU Regulations. As the estimated value of the contract over its

lifetime is in excess of £500k, the procurement and award of the contract is subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulations.

- 6.2. It is proposed that the council procure the majority of its internal audit services through the Croydon Framework. Contract Standing Order 86 (d) indicates that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority where the framework agreements is recommended by the relevant Chief Officer provided that the Borough Solicitor has advised that participation is legally permissible and approval to participate has been obtained from the Director of Finance and Corporate Resources save that any High Value contract may only be awarded on the approval of the Executive.
- 6.3. The Croydon Framework has been set up with Croydon acting as a Central Purchasing Body. Regulation 22(2) of the EU Regulations permits the Council as a contracting authority to enter into a contract for services with any other contracting authority provided such contracting authority is acting as a Central Purchasing Body and in carrying out the procurement exercise in question, has fully complied with the Public Contracts Regulations 2006. Croydon is acting as a Central Purchasing Body under the Croydon Framework and has informed the council that it has fully complied with the Public Contracts Regulations 2006 in concluding the Croydon Framework. The council has also had sight of the Official Journal of the European Union notice in respect of the Croydon Framework and this states that Croydon would be purchasing the service "*on behalf of other contracting authorities*". It would thus appear that the council is able to use the Croydon Framework
- 6.4. To use the Croydon Framework requires the following contractual agreements:
- 6.5. a) main contract between Croydon & Deloitte - This is the contract that Croydon entered into with Deloitte following a full tender process for the provision of up to 15000 audit days per annum (covering all routine audit work and fraud work). This contract commenced 1 April 2008 and runs for 7 years with an option to extend for a further 3 years.
- 6.6. b) sub contract between Brent & Croydon - Underlying this main contract would be a sub contract between Brent and Croydon, whereby Croydon would undertake to provide Brent with a number of audit days as per its requirement / specification. Croydon would be responsible for delivering the services using their main contract with Deloitte. Croydon would charge Brent at the same contract day rates for any work they undertake in managing and monitoring this contract (the number of days would be agreed in advance each year and would be kept to the absolute minimum necessary).
- 6.7. c) 3<sup>rd</sup> party agreement between Brent & Deloitte - This agreement is necessary to ensure that the process remains as stream lined as possible at the operational level and allows existing working practices to continue as far as is required. This agreement would enable Deloitte to issue all audit reports direct to Brent rather than via Croydon

6.8. As indicated in paragraph 3.14, in view of the way Deloitte has operated the current contract, it is not considered that the Transfer of Undertakings (Protection of Employment) Regulations 2006 would be of relevance to the use of the Croydon Framework.

## **7. Diversity Implications**

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

## **8. Background Information**


1. Report to the Executive from the Director of Finance and Corporate Resources: Joint Procurement of Internal Audit Services, 15<sup>th</sup> January 2007

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Director of Finance and Corporate Services

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	<b>Executive</b> 15 November 2010  <b>Report from the Director of Finance and Corporate Services</b>
For Action	Wards Affected: ALL
<b>Authority to award contract for the provision of revenues and IT support</b>	

Appendix 1 is not for publication.

## **1.0 Summary**

- 1.1 This report requests authority to award a contract for the provision of Revenues and I.T. Support as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

## **2.0 Recommendations**

- 2.1 That Members award the contract for the provision of Revenues and IT Support Services to Capita Business Services Limited with effect from 1<sup>st</sup> May 2011.
- 2.2 That delegated powers provided through regulations issued under the Deregulation and Contracting Out Act 1994 for the assessment and collection of Council Tax and Business Rates be granted to Capita Business Services Limited with effect from the 1<sup>st</sup> May 2011.

## **3.0 Detail**

- 3.1 The Council invited tenders for the provision of the Revenues and I.T. Support Services in accordance with the restricted tendering procedure following prior approval from the Executive on 18<sup>th</sup> January 2010. The restricted tendering procedure is applicable in circumstances where the

requirements of the proposed contract can be clearly specified. Bidding companies are required to set out how they meet the specified requirements and are required to comply with all requirements set out in the Invitation to tender.

- 3.2 Members may be aware that the existing contract with Capita Business Services Limited began in 2003 and is due to expire on 30<sup>th</sup> April 2011. The scope of the contract includes the collection of Council Tax from 109,000 domestic properties, Business Rates from 8,000 businesses in the Borough and the provision of I.T. specific to the Revenues and Benefits service. The contract was for a 5 year period with provision for extension by a further 3 years for which the extension period has been fully utilised.
- 3.3 The proposed scope for the new contract which is scheduled to commence on 1<sup>st</sup> May 2011, includes the current contracted services outlined in section 3.2 above, with the additional provision of telephone call handling for Council Tax enquiries. Telephone enquiries are currently handled through a dedicated team in the Council's One Stop call centre service located at Brent House.

### **Background**

- 3.4 The existing contract scope includes the administration and management of Revenues collection for Council Tax and Business Rates. Historically, the provision of staffing resources relating to face to face and telephone enquiries for Council Tax has been the responsibility of the Council, with all written correspondence being processed directly by Capita staff. However, since November 2008, Capita employees have been answering a proportion of enquiries for recovery and enforcement received by telephone.
- 3.5 Between 2003 and 2010 there has been significant year on year improvements in collection performance through the Council's existing Contractor (i.e. Capita). This has resulted in improvements to the Council's position in the league tables when compared to other London Boroughs.
- 3.6 In year Council Tax collection rose by 5% between 2003 and 2010 and for in year NNDR (National Non Domestic Rates) by 3% for the same period.
- 3.7 In 2003, Brent was 31 out of 33 London Boroughs for Council Tax collection and this improved to 23 out of 33 by 31 March 2010. NNDR collection was 32 out of 33 London Boroughs in 2003 and this improved in 2010 to 14 out of 33.
- 3.8 The provision of I.T. has remained stable throughout the current contract with the exception of issues experienced at the beginning of



the contract which led to systems availability being severely affected for 2 weeks; and which had a major impact on the service at that time.

- 3.9 Despite these improvements, concerns exist that the rate of improvement for the services have slowed down and could potentially plateau, unless the way in which the services are delivered are fundamentally changed. Most significantly, it has become evident that customer contact is not being used as effectively as it could be to optimise collection and support arrears recovery.
- 3.10 As a consequence, in November 2008, a “pilot” telephone study was undertaken whereby telephone calls relating to Council Tax across multiple years were transferred, after speaking to a customer service officer, to Capita staff in order to discuss payment arrangements. This change in procedure assisted in ensuring that a payment arrangement was agreed that was suitable to the Council and the customer.
- 3.11 The telephone study was subsequently expanded in November 2009 to permit customers with arrears to speak directly to Capita recovery staff without the need to first speak with a customer service officer in order to agree payment arrangements.
- 3.12 A more fundamental review of service delivery arrangements was conducted in January 2010 using Lean Systems thinking methodologies. These had been used successfully by the Housing Benefits service during 2009/2010 resulting in both improved customer service and efficiencies.
- 3.13 Key findings that emerged from that review were as follows:
  - Customer contact handling was primarily focussed on query resolution and not collection and the impact on actual Council Tax collection was not visible or measured.
  - Customer contact was not being used to optimise accurate first time billing and this was resulting in significant delays in sending correct bills and as a result reducing the number of instalments available to customers to meet their liability by the end of the financial year,
  - Customer contact was not being used to proactively manage collection because there was insufficient capacity to achieve this with existing customer service resource and it was not perceived as a customer services function,
  - Back office staff were remote from customers and as this was resulting in missed opportunities to optimise customer contacts to collect payments from customers,
  - The failure to optimise contact with customers was generating unnecessary customer contact, duplication of effort and rework,

- Management for end to end service delivery was fragmented and often resulted in inefficient handling of work.
- 3.14 The findings from the lean review, combined with the concerns outlined in 3.9 above, culminated in a decision to increase the service scope comprised within the new contract package but with the Council's One Stop Service retaining responsibility for the handling of face to face enquiries.
- 3.15 This revised service package offers the advantages of a more integrated collection management arrangement with greater flexibility in the deployment of Revenue skilled resources to handle telephone contact and the optimisation of customer contact to support the collection process.
- 3.16 The inclusion of the Council Tax call handling service within the contract package is also expected to provide greater ownership of customer contact leading to more effective call resolution. It also provides greater contractual clarity for collection performance as the Contractor will be responsible for end to end service delivery in relation to Revenues collection.

### **The tender process**

- 3.17 The new contract will be let for a five year term with an option to extend for a further three year period.
- 3.18 Using the restricted tendering procedure, advertisements were placed in the Official Journal of the European Community (OJEU) on 18<sup>th</sup> February 2010 to seek initial expressions of interest, which elicited eleven initial enquires. Short-listing questionnaires, and an information pack containing the outline specifications and tender approach were sent out and five contractors returned the questionnaires.
- 3.19 Short-listing was carried out on the basis of the contractors' financial viability, economic standing, business probity and technical ability and on 14<sup>th</sup> May 2010, three contractors as detailed in Appendix 1 were invited to tender.
- 3.20 The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following as set out in Appendix 3:
- Price
  - Proposed methods of service delivery
  - Ability to deliver continuous improvement
  - Added value and innovation

- Risk sharing and risk management
- Approach to working in partnership with the Council.

3.21 Tenderers were also required to submit additional information for performing the services through the following:

- Meeting the Government's Code of Connection requirements.
- Pension arrangements for potentially transferring employees.

Code of Connection refers to compliance with a list of security controls for Local Authorities that is required when connecting to secure Government networks. Such compliance is mandatory. Its objective is to ensure that data held about customers is maintained securely and confidentially to prevent loss or misuse. It is of particular importance to this contract in view of the data that is accessed from the Department for Work and Pensions Customer Information System (CIS) and that is used in the assessment of Benefit claims.

#### **Evaluation process**

3.22 The tender evaluation was carried out by a pre-determined panel from Corporate Finance, Information Technology and Revenues and Benefits with expert advice provided by Audit and Investigations and Pensions.

3.23 All tenders had to be submitted no later than 12.00 p.m. on 31<sup>st</sup> August 2010 and all tenders were opened on that day. Following a review of the tenders received, it was determined that each of them was non compliant having regard to the requirements of the Instructions to Tender and consequently, tenderers were advised in writing of the Council's intention to discontinue the restricted tendering procedure and enter into a negotiated procedure.

3.24 This provision is expressly provided for in accordance with the Public Contracts Regulations 2006 where a procedure leading to the award of a contract by the contracting authority using the restricted procedure is discontinued because of irregular tenders or unacceptable tenders arising and provided that the original terms of the proposed contract offered in the discontinued procedure have not been substantially altered in the negotiated procedure.

3.25 The Council proceeded to negotiate with each of the tenderers in relation to the matters of non compliance and a submission date of 19<sup>th</sup> October was notified to them for the provision of their best and final offers.

3.26 On that date, best and final offers were received from the 3 contractors. These consisted of a variant and a compliant bid for Contractors A and

B and a compliant bid for Contractor C. These were provided to each member of the evaluation panel. Each member of the panel read the tenders using evaluation sheets (see Appendix 2) to assess the extent to which each of the award criteria was addressed.

- 3.27 Consideration was given to the variant and compliant bids referred to in paragraph 3.26 above as part of the evaluation process with regard to the potential risks involved and benefits arising in relation to the tender prices submitted. Following a review of variant bids, the evaluation panel concluded it did not wish to further consider the variant bid from Contractor A but would continue to evaluate Contractor B's variant bid. As a result, the evaluation panel proceeded to evaluate compliant bids from Contractors A, B and C and a variant bid from Contractor B.
- 3.28 The requirement for a parent company guarantee and performance bond was also considered as part of the evaluation process and the following requirement was determined as a minimum:
- Contractor A – Performance Bond;
  - Contractor B – Parent Company Guarantee;
  - Contractor C – Performance Bond.
- 3.29 The panel met and each submission was marked by the panel against the award criteria.
- 3.30 The scores received by tenderers are included in Appendix 4 with the names of the tenderers contained in Appendix 1. During the evaluation process, the evaluation panel concluded that Contractor B's variant bid offered better value to the Council than its compliant bid and therefore the variant bid score for Contractor B is included in Appendix 4. It will be noted however that Tenderer A has achieved the highest score of the three tenderers as indicated in Appendix 4.
- 3.31 Following evaluation of all tenders, officers recommend the award of the Revenues and IT Services contract to Capita Business Services Limited registered at 71 Victoria Street, London, SW1H 0XA.
- 3.32 The contract will commence on 1<sup>st</sup> May 2011 subject to the Council's observation of the requirements of the mandatory standstill period noted in paragraph 5.3 below.

#### **4.0 Financial Implications**

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.

- 4.2 The estimated value of this contract is over this threshold as it averages £3.02M per annum over the five year contract term.
- 4.3 It is anticipated that the cost of this contract will be funded from within the existing contract budget held by the Revenues and Benefits Department subject to the details outlined in this section of the report.
- 4.4 The One Stop Service currently holds and manages the budget for Revenues Call handling. This shall need to be vired from their budget to the Revenues and Benefits budget for 11 months in 2011/12 and all months for subsequent years in order to finance this element of the contract costs. The total virement is likely to be in the region of £692,000. However, this figure is currently being validated with the One Stop Service to enable approval for the virement to be obtained.
- 4.5 The location of the Contractor in Brent House will require office partitioning to be erected within the 8<sup>th</sup> floor west wing offices. There will also be costs incurred in configuring the phones and IT infrastructure on the 8<sup>th</sup> floor of Brent House where the Contractor will occupy. The cost to the Council of this work is estimated to be £12,000.
- 4.6 Each of the tenderers was asked to submit pricing schedules for payment profiles as follows:
- Quarterly in advance
  - Half yearly in advance
  - Monthly in arrears

Following a review of the pricing submitted, it was determined that quarterly in advance offered the Council the best value for the purposes of this contract.

- 4.7 The existing budgetary provision for this service (including provision for Council Tax telephone call handling) is £22.5M over the five year contract period. The total anticipated cost under the new contract arrangement is, subject to due diligence, £16.7M which includes £15.1M for the contract price and £1.6M for other service related costs which do not form part of the contract price. This additional expenditure represents £1.39M revenue expenditure that includes accommodation rental, contract incentives and IT related charges. The remaining £210,000 relates to one off expenditure and will not necessarily be incurred on an evenly distributed basis. The total anticipated savings are therefore estimated to be £5.8M for the 5 year contract duration.
- 4.8 The annual budget allocated for this service for 2011/12 is £4.5M. This compares to the new average annual contract price of £3.02M with other service costs averaging £320,000 per annum. The average annual savings are therefore £1.16M although the profile of these savings will not be even for each year of the contract. Server

replacement costs of approximately £100,000 will be incurred in year 1 and again in year 3 of the contract and these costs will affect the savings in those years. There will also be one final contract payment during 2011/12 relating to the existing contract with Capita which expires on 30<sup>th</sup> April 2011.

- 4.9 If the recommendations in this report are accepted, the savings to the Council from this tender are anticipated to be circa £1.16M per annum, which represents £5.8M over the 5 year period. Precise determination of the cost reduction will in part depend on other financial pressures within the service concerning matters such as summons costs income; HB subsidy deficit and unavoidable growth in Housing Benefits service demand may affect the overall savings achievable within the service as a whole.
- 4.10 No provision has been made within the above figures for indexation as it is assumed that this will be addressed through the normal budgetary process.
- 4.11 Members may be aware that changes have been proposed by the Government in relation to Council Tax Benefit that may impact upon the financial provisions relating to Council Tax collection performance applicable to this contract. However, there is flexibility within the contract provisions to address such changes and contractual thresholds defined for Council Tax Benefit awarded are not anticipated to be surpassed in the short term.
- 4.12 There are wider welfare reforms being proposed. However, the full details concerning these and their impact upon CTB and hence the contract is not yet known.
- 4.13 Members should note that significant changes that may arise over the contract term such as those outlined in 4.11 and 4.12 above, may have financial implications that would need to be considered through the contractual change control procedure.
- 4.14 The Contractor shall be responsible for annual collection of £138M Council Tax and £99M Business Rates. Consequently, any changes to performance could have a significant effect on the Council's overall financial status. Provision has been made within the contract for collection performance targets with financial incentives and deductions in place to address variations that may occur.

## **5.0 Legal Implications**

- 5.1 The value of this contract over its lifetime is higher than the EU threshold for Services and the award of the contract therefore is governed in full by the Public Contracts Regulations 2006 ("the EU Regulations"). The award of the contract is also subject to the Council's own Standing Orders in respect of High Value contracts and Financial

Regulations. As a result, Executive approval is required for the award of the contract.

- 5.2 As advised in the Executive Report dated 18<sup>th</sup> January 2010 requesting authority to tender this contract, the Council must observe the EU Regulations relating to the requirement of a mandatory standstill period **before** the contract can be awarded.
- 5.3 Therefore once the Executive has determined which tenderer should be awarded the contract, all tenderers will be issued with written notification of the contract award decision. The intention is to do this by electronic means and as a result a minimum 10 calendar day standstill period will then be observed before the contract is concluded – this period will begin the day after all Tenderers are sent notification of the award decision.
- 5.4 There are no direct implications arising from the observance of the standstill period. However, any unscheduled events that may subsequently arise could have an impact on the Council's proposed implementation timetable and may ultimately affect the Council's ability to award the contract and commence service delivery from the proposed contract commencement date of 1<sup>st</sup> May 2011.
- 5.5 Following award of the contract, the Council will be required to publish a contract award notice in the Official Journal of the European Community within 48 days of the contract award.
- 5.6 Officers are of the opinion that the Transfer of Undertaking (Protection of Employment) Regulations 2006 ("TUPE") shall apply to the letting of this contract. As such, protection shall be afforded under the TUPE regulations to Council employees assigned to the One Stop Council Tax Call Centre Service immediately prior to the contract start date. Where employees transfer under the above arrangements, they will transfer to the contractor awarded the contract on their existing terms and conditions. As Officers are recommending award of the contract to the incumbent, there are no TUPE implications for its existing staff.
- 5.7 Pensions issues in relation to Council and Capita staff are addressed in Section 8 of this report.
- 5.8 The Council's powers to enter into this contract derive from section 70 of the Deregulation and Contracting Out Act 1994. In accordance with regulations made under that Act, the Council is able to delegate the performance of its Tax Billing, Collection and Enforcement functions to a third party. Under the 1994 Act, it is the entire statutory function that can generally be delivered by a third party. With most Council contracts, the Council retains responsibility for performing the statutory function whilst the contractor simply performs a service to further the delivery of the statutory function. As a result of the 1994 Act applying,

the Council can therefore delegate the function of assessing tax as well as the service of simply collecting it.

## **6.0 Diversity Implications**

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

## **7.0 Staffing / Accommodation Implications**

- 7.1 Much of the current service included within the contract is currently provided by the Council's existing contractor (i.e. Capita Business Services Limited). However, the Council currently has direct responsibility for the One Stop Council Tax Call Centre team located at Brent House.

- 7.2 Under existing contractual arrangements with Capita, the Council Tax service is predominantly provided from Brent House with the Business Rates service being provided from the Capita offices in Bromley. The valuation and recovery and enforcement elements of the services are also provided from the Bromley offices with the I.T. elements of the service being predominantly provided from Capita's data centre in West Malling, Kent.

- 7.3 Under the Contractor's proposals, the current One Stop Council Tax Call Centre team and Council Tax team shall continue to be located within Brent House potentially relocating to either the Civic Centre or another location within the Borough when the Civic Centre is scheduled to open in June 2013. Business Rates employees currently located at Capita's offices in Bromley shall continue to be based at those premises. I.T. arrangements shall be predominantly operated from West Malling / Swindon in the case of Capita.

- 7.4 The implications of the proposals for existing Council employees located within the One Stop Council Tax Call Centre that are identified on the Council's TUPE list are as follows:

They shall transfer to the Contractor under the provisions of the TUPE regulations and as such, their terms and conditions of employment shall be protected accordingly. The Council will need to consult with them in accordance with the regulations, and provide the relevant personnel information to the successful tenderer.

- 7.5 There are two full time equivalent team leader roles within the One Stop Council Tax Call Centre that are not subject to the TUPE provisions as they are generic roles which apply to all Customer Service Team Managers within the One Stop Service. However, as a consequence of the TUPE Transfer of the other Council Tax Call Centre posts to the Contractor, the requirement for these posts may



need to be reviewed closer to the contract commencement date having regard to operational requirements at that time.

## **8.0 Pensions Implications**

- 8.1 The requirements of the Best Value Authorities Staff Transfers (Pensions) Direction 2007 have been incorporated within the contractual provisions. These specifically require the Council to ensure that the contract provides protection for the pension rights of current Council staff transferring to a Contractor under TUPE as a result of a tendering process. It also requires the Council to ensure protection of the pension rights of former Council staff that previously transferred to a Contractor under TUPE as a result of a tendering process and that are subsequently transferred from that Contractor to a new Contractor as a result of the retendering of the contract.
- 8.2 Council policy at the time of the Invitation to Tender was that in either situation, a successor organisation must provide access to a pension scheme that is broadly comparable to the Local Government Pension Scheme and offer broadly comparable benefits to those available to employees under the Local Government Pension Scheme.
- 8.3 The Council set out in its Instructions to Tender the requirements expected of Tenderers in their submissions concerning Council employees. These may be summarised as follows:
- (a) Provide transferred Council Employees with pension arrangements which offer broadly comparable benefits to those available to the staff under the Local Government Pension Scheme; or
  - (b) state whether it is its intention to apply for admission into the Council's pension scheme, although whether to admit a company into the Council scheme or not is at the discretion of the Council. The Council will consider this option as an alternative to the contractor providing broadly comparable pensions or other compensation; or
  - (c) In exceptional circumstances where there are special reasons for the Tenderer not complying with (a) and (b) above, satisfy the Council that it will pay appropriate compensation to disadvantaged transferring staff.
- 8.4 Each of the Tenderers has proposed to apply for Admitted Body Status into the Council scheme under the terms of a risk share agreement in which the Council and Contractor accept responsibility for certain pre-defined pension risks.
- 8.5 In relation to former Council employees that transferred to the existing Contractor, Capita, under the TUPE provisions, the Contractor

proposes to provide a pension scheme that is broadly comparable to the Local Government Pension Scheme.

- 8.6 Sections 257 and 258 of the Pensions Act 2004 together with the Transfer of Employment (Pension Protection) Regulations 2005 impose minimum pension requirements upon Contractors involved in a business transfer. These provisions mean other existing Capita employees not referred to in 8.4 and 8.5 above will be entitled to have, as a minimum, access to the provision of a stakeholder pension in which the employer matches their contribution rates up to a maximum of 6% as defined by statute. New joiners to the proposed new provider will be entitled to a stakeholder pension as a minimum requirement provided that those employees have satisfied minimum pay and service requirements.

## **9.0 Background Papers**

- 9.1 Report from the Director of Finance and Corporate Services to the Executive dated 18<sup>th</sup> January 2010

### **Contact Officers**

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**Appendix 2 - Revenues and IT Support Service Tender Evaluation Matrix**

**Scoring for demonstrable track record:** 0 = Unacceptable, 1 = Weak, 2 = Meets requirements but with omissions / weaknesses in key areas,  
3 = Fully meets requirements, 4 = Fully meets requirements and demonstrates additional value

**Name of Supplier:**

**Date:**

<b>1. Proposed Methods of Service Delivery – Weighting 35%</b>				
<b>Method</b>	<b>Evaluation Heading</b>	<b>Mandatory Score of 2 required</b>	<b>Score</b>	<b>Comments</b>
Method Statement	Staffing arrangements and profile	<b>Y</b>		
	Electronic document management system	<b>Y</b>		
	IT organisation, procedures and support including helpdesk, systems support, hardware and software maintenance arrangements and infrastructure	<b>Y</b>		
	Code of Connection Compliance	<b>Y</b>		
	Revenues billing, collection and enforcement organisation and process	<b>Y</b>		
	Training and development	<b>N</b>		
	Sub Total			

Method	Evaluation Heading	Mandatory Score of 2 required	Score	Comments
Method Statement	Complaints	N		
	Management reporting and statistical information for service delivery	Y		
	Performance targets and monitoring	Y		
	Audit and security	Y		
	Accommodation	Y		
	Year end and printing	Y		
	Transitional arrangements	Y		
	Exit arrangements	Y		
	Sub Total			
	<b>Total</b>			

<b>2. Ability to deliver Continuous Improvement – Weighting 30%</b>				
<b>Method</b>	<b>Evaluation Heading</b>	<b>Mandatory Score of 2 required</b>	<b>Score</b>	<b>Comments</b>
Method Statement	Staffing arrangements and profile	Y		
	IT organisation, procedures and support	Y		
	Revenues billing, collection and enforcement organisation and processes	Y		
	Training and development	N		
	Complaints	N		
	Management reporting and statistical information	N		
	Performance targets and monitoring	Y		
	<b>Sub Total</b>			
	<b>Total</b>			

3. Added Value and Innovation – Weighting 10%				
Method	Evaluation Heading	Mandatory Score of 2 required	Score	Comments
Method Statement	Added value and innovation	N		
	<b>Sub Total</b>			
	<b>Total</b>			

4. Risk Sharing and Risk Management – Weighting 15%				
Method	Evaluation Heading	Mandatory Score of 2 required	Score	Comments
Method Statement and Tender Submission Overall	Risk sharing and risk management	Y		
	<b>Sub Total</b>			
	<b>Total</b>			

5. Approach to working in partnership with the Council – Weighting 10%				
Method	Evaluation Heading	Mandatory Score of 2 required	Score	Comments
Method Statement	Open Book arrangements	N		
	Change Control	N		
	Liaison and governance arrangements	N		
	<b>Sub Total</b>			
	<b>Total</b>			

## Appendix 3 – Tender Evaluation Methodology

### Evaluation Methodology

#### Introduction

Tenders received should meet all of the requirements regarding the form of tender as detailed in the tender instructions. This evaluation methodology therefore focuses attention on the evaluation mechanism used for scoring purposes only to determine the most economically advantageous tender to the Council.

The evaluation of tenders shall be carried out using a combination of both relevant Council employees and external consultants for areas of specific technical expertise such as Code of Connection compliance.

The overall evaluation will consider an analysis of both the price (criterion a) and quality (criteria b to f) of a submission as outlined below. Price and the various quality criteria shall be weighted according to a ratio of 50:50.

The evaluation criteria and their relevant weightings are as set out below in Table 1 together with details of sub-criteria:

**Table 1**

<u>Evaluation Criteria</u>		<u>Weighting</u>
A	<b>Price</b>	<b>50%</b>
B	<b>Proposed methods of service delivery</b>	<b>35%</b>
	b1 Staffing arrangements and profile *	
	b2 Electronic document management system *	
	b3 IT organisation, procedures and support including helpdesk, systems support, hardware and software maintenance arrangements and infrastructure *	
	b4 Code of Connection Compliance *	
	b5 Revenues billing, collection and enforcement organisation and processes *	
	b6 Training and development	
	b7 Complaints	
	b8 Management reporting and statistical information for service delivery *	
	b9 Performance targets and monitoring *	



	b10	Audit and Security *	
	b11	Accommodation *	
	b12	Year End and Printing *	
	b13	Transitional Arrangements *	
	b14	Exit Arrangements *	
<b>C</b>	<b>Ability to deliver Continuous Improvement</b>		<b>30%</b>
	c1	Staffing arrangements and profile *	
	c2	IT organisation, procedures and support *	
	c3	Revenues billing, collection and enforcement organisation and processes *	
	c4	Training and development	
	c5	Complaints	
	c6	Management reporting and statistical information	
	c7	Performance targets and monitoring *	
<b>D</b>	<b>Added Value and innovation</b>		<b>10%</b>
<b>E</b>	<b>Risk Sharing and Risk Management *</b>		<b>15%</b>
<b>F</b>	<b>Approach to working in partnership with the Council.</b>		<b>10%</b>
	f1	Open Book arrangements	
	f2	Change Control	
	f3	Liaison and governance arrangements	

### **Evaluation of Quality Criteria (criteria b to f)**

The weightings for each of the five criteria to be used for the quality element of the evaluation are as detailed above. Individual method statements should address the corresponding evaluation criterion and the Council reserves the right to ignore information contained in a method statement that is not relevant to the corresponding evaluation criterion.

Of the five quality criteria, three (criteria b, c and f) have sub criteria. Where a criterion does not have sub-criteria (i.e. criteria d and e), it shall be evaluated using a score of 0 to 4 marks as detailed below:

<b>Assessment</b>	<b>Score</b>	<b>Interpretation</b>
Unacceptable	0	Fails to meet requirement - major omissions/weaknesses
Weak	1	Limited evidence of ability to meet requirement - omissions/weaknesses in key areas
Adequate	2	Meets requirement but with some minor omissions/weaknesses
Good	3	Fully meets requirement
Excellent	4	Fully meets requirement and demonstrates additional value in proposal for delivery of service

It should be noted that a score of less than 2 marks on any of the mandatory criteria indicated with an asterisk in Table 1 shall result in a tender being eliminated. Subject to this requirement, the score attained out of the maximum score of 4 will be converted into a percentage and multiplied by the weighting shown to achieve an overall weighted score for the criterion. The criterion indicated as mandatory are deemed to be fundamental elements where the Council is seeking a Contractor to provide confidence in their ability to deliver the service.

Where the criteria has sub-criteria (criteria b, c and f), each sub-criterion shall be evaluated using a score of 0 to 4 marks (see above). It should be noted that a score of less than 2 marks on any of the mandatory sub-criteria indicated with an asterisk in Table 1 shall result in a tender being eliminated. Subject to this requirement, the score achieved out of the maximum score of 4 (“the raw score”) will be added to the other sub-criteria raw scores to achieve a combined raw score of all sub-criteria. The combined raw score will then be converted into a percentage and multiplied by the weighting for the criterion to achieve a weighted score for the criterion.

To determine the overall quality score for each supplier, the tenderer with the highest quality score achieves a total of 100 with other tenderers scores being adjusted using the following formula and rounded up or down as appropriate to one decimal place:

$$100 \times (\text{tenderers quality score} / \text{highest quality score})$$

**Evaluation of the Price Criterion (criterion a)**

Subject to meeting Council affordability requirements, the price to the Council of the tender shall be assessed and scored out of 100 with the lowest being awarded 100 points.

All other tenders shall then be assessed applying the following formula:

Tenderers score =  $100 \times (\text{lowest cost} / \text{tenderers cost})$  rounded up or down as appropriate to one decimal place. For example 92.55 would equate to 92.6 and 92.54 would equate to 92.5.

The cost of a tender shall incorporate not only the tendered price but also any cost to the Council resulting from the tenderer's proposal. This may include for example, the following:

- The total cost that the Council would pay for a tenderer's services including the cost of any additions, back up, support or other costs that may be incurred by the Council as a consequence of the tenderer's proposed solution,
- The costs of any in house time and effort needed to manage the contract where this may vary according to a tenderer's proposed solution.

### **Combining Quality and Price**

The scores for quality and price shall then be brought together using the 50:50 ratio as outlined in the "Introduction" section of this document.

### **Clarification**

Where necessary, the Tender Evaluation Panel may seek written clarification of tenders or else hold clarification interviews with tenderers. Clarification may be sought in relation to all matters associated with the tender including information to enable the Council to accurately establish whole life costs of the tender. In addition, the Tender Evaluation Panel may request a site visit or visits to premises where the Supplier provides similar services, the purpose of which is to provide evidence that the supplier can deliver the service as described in their tender and verify any claims made. The result of any site visit will be fed back to the Tender Evaluation Panel for consideration as part of the tender evaluation.

### **Method Statements**

Tenderers should support their responses to the method statements set out below with practical examples wherever relevant and appropriate as additional marks may be gained. The requirements set out in this document are the minimum requirements and additional marks may therefore be gained by the provision of suitable and relevant additional information to that specified.

There are five method statements required for which responses must be structured in the same sequence as that set out below. For example, in the case of the method statement for proposed methods of service delivery, staffing arrangements and profile should be the first section followed by Electronic Document Management System, etc.

### **Proposed methods of service delivery (35% weighting)**

#### **Staffing arrangements and profile**

Tenderers should ensure that they address the minimum information requirements set out below within their method statement response.

- Name and relevant purposeful experience of their proposed Contract Manager and the proportion of their time in full time equivalent terms that it is proposed they shall be allocated to the contract,
- Name and relevant purposeful experience of each key Senior Manager of the Company associated with the contract and the proportion of their time

in full time equivalent terms that it is proposed they shall be allocated to the contract,

- Name and relevant purposeful experience of the person nominated to be responsible for Health and Safety matters in relation to this contract,
- Organisational management structure showing names, roles and responsibilities,
- Name and relevant purposeful experience for the personnel carrying out the following IT roles in relation to this contract and the proportion of their time in full time equivalent terms that it is proposed they shall be allocated to the contract:

- Applications Support
- Database Administrator

- The average number of personnel (in full time equivalent terms) that shall be allocated to each component part of the service for each individual year of the contract and the estimated number of these that will be permanent and temporary. In this context, component part of the service refers to Council Tax, Business Rates and Information Technology,
- Arrangements for recruiting and retaining key personnel for roles both for the contract commencement date and during the contract term. This should include reference to any contingency arrangements required should it not be possible to recruit within reasonable timescales and should have regard particularly to niche skill areas such as Applications Support.

#### Electronic document management system

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- How they will ensure that they possess and retain the relevant knowledge and skills necessary to effectively maintain and support the Council's current Electronic Document Management System (EDMS).
- How they will effectively maintain and support the current EDMS system throughout the contract term.
- How they will assist the Revenues and Benefits department in carrying out a strategic review of its document management requirements if required during the contract term.
- Their proposals and timescales for incorporating within the Business Rates service an electronic document management system.

#### IT organisation, procedures and support including helpdesk, systems support, hardware and software maintenance arrangements and infrastructure

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- The company organisational structure they will have in place for IT service provision as a whole and specific to the Council incorporating the roles and responsibilities and the management arrangements for the Council that they will apply to ensure that IT provision is effectively co-ordinated and delivered,

- The IT procedures that they will have in place at the contract commencement date and how these will be maintained through the contract term and communicated to relevant stakeholders. This should include reference to any documentation that shall be established and maintained and any designated responsibility for ensuring this is achieved,
- The Help Desk arrangements that they intend to provide including hours of availability, details of accessibility to system users, progress reporting and resolution mechanism, call priority system and any designated responsibility,
- The maintenance and support arrangements that they propose to have in place for the hardware and software systems used to deliver the service and the arrangements they shall deploy to schedule, test and install any releases that may be applicable to achieve minimal impact on systems availability and performance,
- Their arrangements for a desktop refresh at the contract commencement date and the extent of this in terms of both hardware and software,
- The communication and liaison arrangements that they shall have in place to optimise the use of the software available by their personnel,
- How they will resource the various projects that the Council has identified are likely to be implemented during the contract term under “additional services” within the IT service specification.

#### Code of Connection Compliance

Tenderers should ensure that they complete the enclosed Code of Connection questionnaire regarding compliance as it applies to their proposed solution or alternatively evidence their formal unconditional accreditation for GSE IL3 compliance. They should also ensure that sufficient information is given within their response to this element of the method statement to demonstrate that they are either compliant or that they shall be by the Contract Commencement Date.

#### Revenues billing, collection and enforcement organisation and processes

Tenderers should ensure that they address the following minimum information requirements concerning Council Tax and Business Rates within their method statement response:

- The key arrangements they propose to have in place to ensure that Council Tax and Business Rates billing, collection and enforcement processes are timely and effective and facilitate the maximisation of income collection whilst incorporating the principles of the Council’s Anti Poverty Strategy and other notified Council Policies,
- Plans for maximising the numbers of Direct Debit Payers including any relevant targets that they would propose towards this including timescales and how they propose to achieve these,
- The arrangements and strategies they propose to have in place to ensure that collection performance for both in year and arrears meet specified targets.
- Details of how they will ensure that inactive accounts and debts are effectively monitored. In this context an inactive account or debt is where there have been no transactions applied to the account / debt and where

no active recovery steps have been taken to recover the debt for four months or more. Reference should also be made to outstanding debts that may have been returned from the Bailiff as they were unable to enforce the Liability Order.

- Details of how they will ensure that exemptions and discounts are effectively reviewed whilst minimising their impact on overall workloads and collection rates,
- Details of how equality shall be addressed within work processes and customer communications and how the effectiveness of these shall be measured.

In responding to the above requirements, Tenderers should ensure that they also incorporate the following additional information in their response.

- The organisational arrangements that will be established to ensure that there is a co-ordinated approach to obtaining all relevant customer account details first time and to eliminate the need for rework and avoidable customer enquiries,
- How they will achieve the migration from a traditional back office service arrangement to incorporate “lean” principles where service delivery occurs at the first point of contact and customer contact is utilised to optimise collection performance.
- The arrangements that will be put in place to ensure that as far as reasonably practicable all relevant customer account details are obtained correctly at the earliest opportunity,
- The management arrangements in place for ensuring that the above principles are applied across the services delivered under the contract and how these will interact with other relevant Council services such as the One Stop Local Offices,
- How the effectiveness of the above arrangements proposed will be measured across the contracted services,
- How they will reconcile appropriate resources and manage customer demand capacity in relation to the service whilst achieving the above principles.

#### Training and development

Tenderers should ensure that they address the following minimum information requirements within their method statement response for each service element of the contract (i.e. Council Tax, Business Rates and Information Technology).

- The arrangements they have in place for training and developing personnel that will be involved in the delivery of this contract including identifying their training or development needs, the type of training provided for the various roles, the location of the training, average annual training provision per full time equivalent member of staff in terms of days, and how they measure the effectiveness of training provided,
- Any management and professional training provided and details of how they propose to address any training provision that may be required by

Council employees in consequence of this contract to ensure that the service is delivered effectively.

#### Complaints

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- How they will monitor complaints to achieve the Council's specified requirements including meeting specified timescales,
- The designated personnel with overall responsibility for managing complaints received and liaison with the Council,
- Liaison arrangements with the Council concerning complaints with particular reference to stage 3, Local Government Ombudsman and MP / Elected Member complaints,
- The approach taken regarding payments of compensation that may be determined by the Council or Local Government Ombudsman,
- The extent of any Senior Management involvement in complaints received,
- The preventative measures that are proposed to minimise complaints,

#### Management reporting and statistical information for service delivery

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- The standard monthly reporting information that they propose to provide to the Council and the timing, format and media to be applied for this purpose,
- Any designated responsibility for writing and providing reports, the arrangements for submitting report requests by the Council and scheduling and their arrangements for scheduling reports to minimise the impact on system performance,
- The arrangements for scheduling and writing bespoke reports including timescales for providing these,
- The management reports that they propose to produce within their organisation to ensure the effective delivery of the services and the extent of any Senior Management involvement in reviewing the results obtained from these,
- How exception reports shall be effectively controlled and the management arrangements in place for ensuring this.

#### Performance targets and monitoring

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- How in-year and arrears revenue collection performance will be effectively controlled to ensure that specified collection targets are met and cash flow optimised,
- How performance targets will be measured and monitored for the respective elements of the service (i.e. Council Tax, Business Rates and

Information Technology) including how any variances in performance will be identified and addressed in a timely manner,

- The arrangements they propose to have in place for reporting performance to the Council,
- Any designated responsibility within the Company for measuring and monitoring performance for each service element (i.e. Council Tax, Business Rates and Information Technology),
- The timescale, format and media for reporting performance to the Council,
- Details of any Company performance measures that they will apply to measure performance of the contract outside of the scope of the contract specification,
- The extent to which Senior Management personnel within the Company are involved in setting and monitoring performance targets,
- How they will measure, monitor and report performance for incentives, deductions and service credits as they apply to the contracted services.

#### Audit and Security

Tenderers should ensure that they address the following minimum information concerning audit and security requirements within their method statement response:

- Cash receipting and banking arrangements, (in this context cash includes all means of payments received),
- Information Technology, including virus and firewall protection, audit trails, authorisation of personnel, access levels and location of hardware and software,
- Recruitment and selection of personnel,
- Segregation of duties,
- Visiting Officers and Bailiffs,
- Management checks and audits,
- Asset inventories,
- Data Protection compliance,
- Premises security,
- System access,
- Enabling system audit trails,
- Training of personnel.

#### Accommodation

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- The location or locations from which they propose to provide the contracted service clearly indicating the element of the service (i.e. Council Tax, Business Rates and Information Technology) that will be provided from it and the specific range of functions for each element that will be provided from each location. This shall include the location of servers for Academy Business Rates, Northgate Council Tax and Benefits, EDMS, AIM, SHBE and BOXI),



- Inclusion shall also be provided in this method statement of the numbers of personnel in full time equivalent terms that are proposed to be based at each location for each of the elements of the service concerned,
- Access arrangements for Council representatives including relevant liaison and meetings,
- The advantages to the Council of the proposed location for the purposes of the contracted services,
- Where a change in location is anticipated to occur during the contract term, Tenderers shall provide details of the proposed change, the current timetable for the change and how it will be managed to ensure that contractual performance is unaffected. This includes the use of any Council owned accommodation that is being offered as available for use as set out in the Instructions to Tender.

#### Year End and Printing

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- Details of any designated management responsibility for the year end arrangements,
- Outline timetable for year-end preparation and annual billing,
- How year-end arrangements shall be effectively managed and controlled,
- Arrangements for testing of year end software and printing including personnel, systems access, stationery and sample outputs,
- Details of any preferred supplier to be used for printing at year-end and their relevant experience,
- Printing and postage arrangements for all relevant Council Tax and Business Rate bills, Benefit notification letters and Overpayment notifications throughout the year to meet statutory timescales and the provision of evidence at the Magistrates Court,

#### Transitional Arrangements

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

How they propose to manage the transition of the service for the following key elements as they apply to the implementation programme:

- Project planning, responsibilities and timescales,
- TUPE,
- Employee take-on and consultation,
- IT arrangements including systems, networks, security, databases, servers, data transfer and desktop refresh,
- Code of Connection compliance,
- Accommodation,
- Stationery and supplies,
- Service Level Agreements,
- Disaster Recovery and Business Continuity,
- Handover arrangements including management reporting and statistical information,

This method statement must clearly identify the extent to which transitional arrangements and responsibilities have been provided for within the pricing schedule.

#### Exit Arrangements

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- How they will deliver the Council's specified requirements for exit arrangements as set out in the terms and conditions of contract.

#### **Ability to achieve continuous improvement (30% weighting)**

Tenderers shall be required to submit a method statement for this section based upon the response to their proposed methods of service delivery and should incorporate the following minimum requirements:

##### Staffing arrangements and profile

- How their staffing arrangements and profile shall contribute to continuous improvement throughout the contract term.

##### IT organisation, procedures and support

- How their IT organisation, procedures and support shall facilitate the achievement of continuous improvement in the provision of the services throughout the contract term.

##### Revenues billing, collection and enforcement organisation and processes

- How the arrangements they have outlined for Revenues billing, collection and enforcement organisation and processes shall facilitate the achievement of continuous improvement throughout the contract term.

##### Training and development

- The extent to which training arrangements shall facilitate the achievement of continuous improvement throughout the contract term.

##### Complaints

- How complaints shall be used to inform service improvements and achieve continuous improvement throughout the contract term.

##### Management reporting and statistical information for service delivery

- How management reports and statistical information shall be used to achieve continuous improvement throughout the contract term.

##### Performance targets and monitoring

- How the application of performance targets and monitoring shall be used to achieve continuous improvement throughout the contract term.

#### **Added value and Innovation (10% weighting)**

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- How they will add value and innovation to the service they propose to deliver with specific reference to customer benefits (i.e. Council customers), financial benefits to the Council, compliance with relevant Council and Central Government priorities, the application of IT and how this will support the achievement of e-government principles and improved accessibility to customers.
- The nature of any specific service features or innovations that they propose to deliver that will add value to the service delivered and how these will integrate with other Council services in a seamless manner.

**Risk sharing and risk management (15% weighting)**

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- The establishment and maintenance of a risk register and assessment of risks as they relate to the implementation of this contract and any provision for sharing this with Council representatives,
- The name and designation of the Company representative responsible for effectively managing risks associated with this contract,
- The details and extent of Disaster Recovery and Business Continuity arrangements proposed in relation to this contract including the details and experience of any third party that is proposed for managing and routinely testing disaster recovery arrangements under this contract,
- The extent and frequency of any disaster recovery testing and any provision for sharing the results obtained with Council representatives,
- The Company governance controls that are proposed for this contract to ensure that the contract operates efficiently and effectively,
- The controls that they shall have in place to ensure that any potential risks arising in relation to company personnel, processes, technology (including data) and finance as they relate to this contract are effectively managed and mitigated,
- Any proposed consultation / liaison arrangements with key stakeholders that may be applied to this contract to facilitate effective working relationships and minimise operational risks.
- Details of proposed incident reporting arrangements for each element of the service (i.e. Council Tax, Business Rates and Information Technology),

Evaluation marks for this section shall be determined according to supplier responses for this section and the nature and extent of any other risks that may be identified by the Council through its evaluation and arising from a supplier's overall tender submission.

**Approach to working in partnership with the Council (10% weighting)**

Open Book arrangements

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- How they propose to support the Council's Open Book principles and ensure that these are achieved from a practical perspective. Details shall also be provided within this response (including an example) as to the format in which the information will be provided, how this can be reconciled to the tender price submitted and how the Information Technology elements of the proposal will be identifiable from within the Open Book information proposed,
- How they propose to identify and manage service developments and enhancements within the open book principles including your arrangements for prioritising and agreeing these with the Council,
- The arrangements that they will have in place for recording and submitting to the Council details of quantities used, unit costs and total costs incurred for certain service functions including but not limited to printing and stationery and how these will be addressed within the Open Book principles.

#### Change Control

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- Their general approach to change control to meet the specified requirements outlined in the terms and conditions of contract and how this will interact with the proposed Open Book Accounting principles to ensure that costs and resources proposed are effectively deployed and remain transparent throughout the contract term.

#### Liaison and governance arrangements

Tenderers should ensure that they address the following minimum information requirements within their method statement response:

- The key personnel and their roles within the organisation that will be responsible for the overall management and delivery of the contract,
- Details of any operational staff with responsibility for liaison arrangements with Council representatives and the extent of their responsibilities,
- The Company's proposed approach to managing this contract in terms of representation at contract liaison meetings and co-ordination of the service elements (i.e. Council Tax, Business Rates and IT),
- How any issues that may arise under the contract shall be managed and effectively resolved.
- The liaison arrangements that shall be deployed to facilitate a seamless integration with other services including Housing Benefits, One Stop Service and Information Technology Unit.

#### Appendix 4 – Tender Evaluation Scores

B	Proposed methods of service delivery	35%	Contractor A	Contractor B	Contractor C
b1	Staffing arrangements and profile *		2	3	2
b2	Electronic document management system *		3	3	2
b3	IT organisation, procedures and support including helpdesk, systems support, hardware and software maintenance arrangements and infrastructure *		3	4	2
b4	Code of Connection Compliance *		3	3	2
b5	Revenues billing, collection and enforcement organisation and processes *		2	3	2
b6	Training and development		3	4	3
b7	Complaints		3	3	3
b8	Management reporting and statistical information for service delivery *		3	3	3
b9	Performance targets and monitoring *		3	3	3
b10	Audit and Security *		3	3	3
b11	Accommodation *		2	3	3
b12	Year End and Printing *		3	3	3
b13	Transitional Arrangements *		3	3	3

	b14	Exit Arrangements *		3	2	3
<b>C</b>	<b>Ability to deliver Continuous Improvement</b>		<b>30%</b>			
	c1	Staffing arrangements and profile *		2	3	2
	c2	IT organisation, procedures and support *		2	3	2
	c3	Revenues billing, collection and enforcement organisation and processes *		3	3	2
	c4	Training and development		3	4	3
	c5	Complaints		2	3	3
	c6	Management reporting and statistical information		2	3	3
	c7	Performance targets and monitoring *		3	3	3
<b>D</b>	<b>Added Value and innovation</b>		<b>10%</b>	2	3	2
<b>E</b>	<b>Risk Sharing and Risk Management *</b>		<b>15%</b>	3	3	2
<b>F</b>	<b>Approach to working in partnership with the Council.</b>		<b>10%</b>			
	f1	Open Book arrangements		2	3	3
	f2	Change Control		3	3	3
	f3	Liaison and governance arrangements		3	3	2

**TENDER EVALUATION SCORES AFTER APPLYING WEIGHTINGS**

	<b>Proposed Methods of Service Delivery</b>	<b>Ability to Deliver Continuous Improvement</b>	<b>Added Value and Innovation</b>	<b>Risk Sharing and Risk Management</b>	<b>Approach to Working in Partnership with the Council</b>	<b>Total Weighted Quality Score after applying 50% weighting</b>
Contractor A	24.375%	18.21%	5%	11.25%	6.66%	42.7%
Contractor B	26.875%	23.57%	7.5%	11.25%	7.5%	50%
Contractor C	23.125%	19.285%	5%	7.5%	6.66%	40.1%

**PRICING GRID**

<b>Contractor</b>	<b>Tendered Price</b>	<b>Adjusted Price for Tender Evaluation Purposes</b>	<b>Total Weighted Pricing Score after applying 50% weighting</b>
Contractor A	£14.8M	£15.1M	50%
Contractor B	£17.8M	£18.2M	41.5%
Contractor C	£15.9M	£15.9M	47.5%

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OVERALL WEIGHTED SCORES FOR PRICE AND TECHNICAL EVALUATION

Contractor A	92.7%
Contractor B	91.5%
Contractor C	87.6%