



## Executive

**Wednesday, 11 August 2010 at 6.00 pm**  
Committee Rooms 1, 2 and 3, Brent Town Hall, Forty Lane, Wembley, HA9 9HD

### Membership:

#### Lead Member Councillors:

#### Portfolio

John (Chair)	Leader of the Council
Butt (Vice-Chair)	Deputy Leader of the Council
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**

To follow.

**3 Matters arising (if any)**

**4 Deputations (if any)**

**Children and Families Reports**

**5 Primary places - allocation of the balance of Basic Need Safety Valve funding and Council's Main Capital Programme allocations to primary schools for expansion** 1 - 16

This report recommends 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. Schools have been proposed after all the primary schools were sent an invitation to expand, followed by an initial feasibility assessment and on the basis of maximum need for school places in the local areas. It should be noted that the BNSV funding must be spent and invoiced by August 2011, should this not be possible it is more than likely that the funding will be lost. A further paper will be presented to the Executive with detailed information presenting on the outcome of more detailed costing and recommendations on which projects will actually be taken forward.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Arnold  
**Contact Officer:** John Christie, Director of  
Children and Families  
Tel: 020 8937 3130 [john.christie@brent.gov.uk](mailto:john.christie@brent.gov.uk)

**6 Educational use of Coniston Gardens** 17 - 20

At their meeting of January 2010 the Executive were presented with two options in respect of the former scouts' hut site on 2 Coniston Gardens, NW9 OBB (adjacent to Oliver Goldsmith Primary School): to dispose of the site to a Housing Association for the provision of two large family homes or to retain the land within the council's portfolio and develop Extended Services from the site. The Executive agreed at that meeting to dispose of the site to a Housing Association. This report provides the Executive with an update on that decision and recommends that the decision be revoked and the site be retained within the council's portfolio for educational and community use.

**Ward Affected:**  
Fryent;

**Lead Member:** Councillor Arnold  
**Contact Officer:** John Christie, Director of  
Children and Families  
Tel: 020 8937 3130 john.christie@brent.gov.uk

**7 Authority to extend the existing contract for the delivery of Play Services in Brent 21 - 24**

This report updates the Executive to the progress of the current tender process for the delivery of play services in Brent. The report requests authority to further extend the current contract with Brent Play Association to 31 March 2011 while officers consider options for the future delivery of play services with a report back to the Executive on such options by December 2010.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Arnold  
**Contact Officer:** John Christie, Director of  
Children and Families  
Tel: 020 8937 3130 john.christie@brent.gov.uk

## Environment and Culture Reports

**8 Waste Strategy Review 25 - 36**

This report presents options for making efficiency savings in the council's waste management operation, specifically with respect to waste collection and disposal. This work represents the initial outcome of the Gold Review, as part of the council's Improvement and Efficiency Programme. The report offers service change recommendations for implementation in the period to July 2011. The report also addresses proposals to repeal the £25 charge for bulky household waste collections. This report seeks permission to consult on the Draft Waste Strategy.  
*(Appendices A & B circulated separately and Appendix C referred to below)*

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Powney  
**Contact Officer:** Chris Whyte, Environment  
Management

**9 Introduction of a vehicle emission-based charging regime for residents' parking permits 37 - 54**

This report sets out details of a proposal to generally increase charges for residents permits for parking on the highway (within Controlled Parking Zones (CPZs)) at the same time as introducing a full vehicle emission based charging regime.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor J Moher  
**Contact Officer:** Tim Jackson, Transportation Unit  
Tel: 020 8937 5151 tim.jackson@brent.gov.uk

### Housing and Community Care Reports

**10 Authority to renew advice service grants to Brent Citizens Advice Bureau and Brent Community Law Centre Limited 55 - 70**

This report seeks authority to renew grant funding for a period of one year for Brent Citizens Advice Bureau (BCAB) and the Brent Community Law Centre Limited (BCLC). There is no provision in the Council's Constitution to extend existing grant funding, so the renewals would amount to fresh grants.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor R Moher  
**Contact Officer:** Linda Martin, Head of Service Development and Commissioning  
Tel: 020 8937 4061 linda.martin@brent.gov.uk

**11 Authority to call off from a West London collaborative procurement framework agreement for the provision of home care for adults 71 - 86**

This report requests the award of call off contracts from a series of Framework Agreements, following a successful collaborative procurement exercise with other London Boroughs for the provision of home care for adults. Approval for participation in this procurement exercise was given by the Executive Meeting of 19 October 2009.  
*(Appendix also referred to below)*

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor R Moher  
**Contact Officer:** Linda Martin, Head of Service Development and Commissioning  
Tel: 020 8937 4061 linda.martin@brent.gov.uk

**12 The transfer of resources from NHS Brent to Brent Council for people with learning disabilities 87 - 94**

Following the regulatory reports on Cornwall, Sutton and Merton NHS services to people with learning disabilities, and the MENCAP report on acute healthcare for the same user group, in August 2008, the government issued guidance and support to effect the transfer of responsibilities for the commissioning of health and social services for people with learning disabilities from the NHS to local authorities. The negotiations with NHS Brent have been concluded regarding the resources and commissioning responsibilities for those under the relevant criteria from 2007, with effect for 2009/10 and going forward from April 2010, as outlined in this report.

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor R Moher  
**Contact Officer:** Alison Elliott, Adult Social Care  
Tel: 020 8937 4230 alison.elliott@brent.gov.uk

**13 Award of contract for procurement and management of temporary accommodation 95 - 104**

This report details the process of the competitive tendering of two contracts for the Procurement and Management of Temporary Accommodation (Brent Direct Leasing Scheme), and makes a recommendation as to award. The Executive gave authority to tender for the contracts at the meeting of 19 October 2009.  
*(Appendix also referred to below)*

**Ward Affected:**  
All Wards;

**Lead Member:** Councillor Thomas  
**Contact Officer:** Perry Singh, Housing Needs/Private Sector  
Tel: 020 8937 2332 perry.singh@brent.gov.uk

### Central Reports

**14 Rising to the challenges: re-shaping Brent Council to deliver the new Administration's priorities 105 - 184**

Brent Council faces many challenges over the next four years but its current structure is ill-equipped to meet them. In important respects, we remain a very fragmented organisation with a traditional departmental structure which, with a few exceptions, has remained largely unchanged for nearly two decades. The arrival of a new Administration and the adoption of a new Corporate Strategy inevitably prompts us to examine our internal arrangements to ensure they are still fit for purpose. This need is reinforced by the acute financial crisis facing local government which means that we need to review critically everything that we do to ensure that frontline services are protected and resources are not wasted on inappropriate structures, out of date ways of working and inefficient

business processes. The proposals in this report set out how we can meet the very real financial challenges facing local government while enhancing our ability to deliver the ambitions set out in the new Administration's policy programme.

*Appendix also referred to below.*

**Ward Affected:**

All Wards;

**Lead Member:** Councillor John

**Contact Officer:** Gareth Daniel, Chief Executive

Tel: 020 8937 1007 [gareth.daniel@brent.gov.uk](mailto:gareth.daniel@brent.gov.uk)

**15 Treasury Management Annual Report 2009/10**

185 -  
198

The purpose of this report is to provide information to members on borrowing and investment activity, and performance compared to prudential indicators during 2009/10. It also sets out revised requirements in the 2009 Treasury Management Code of Practice and a progress report for 2010/11 as required by the revised Code. As the Treasury Management Annual Report should be agreed by Full Council, the Executive is asked to recommend them to Full Council for approval.

**Ward Affected:**

All Wards;

**Lead Member:** Councillor Butt

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

Tel: 020 8937 1472

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

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

**17 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.

**18 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:

**APPENDIX**

- Waste Strategy Review

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

**APPENDICES:**

- Authority to call off from a West London collaborative procurement framework agreement for the provision of home care for adults
- Award of contract for the procurement and management of temporary accommodation
- Rising to the challenges: re-shaping Brent Council to deliver the new Administration's priorities

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

*(Reports above refer).*

**Date of the next meeting:            Tuesday, 14 September 2010**



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- 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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	<p><b>Executive</b> 11 August 2010</p> <p><b>Report from the Director of Children and Families</b></p>
<p>Wards affected: All</p>	
<p><b>Primary Places – Allocation of the balance of Basic Need Safety Valve funding and Council’s Main Capital Programme allocations to primary schools for expansion.</b></p>	

**1.0 Summary**

- 1.1 Brent continues to experience a sharply increasing demand for primary school places owing to a rising birth rate, new housing, inward migration and parental choice. The rising popularity of Brent schools is further underpinned by continually improving standards and educational achievements.
- 1.2 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 four 2FE (420 places) or under three 3FE (630 places) primary schools.
- 1.3 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 funding is an emergency allocation to provide sufficient permanent primary places by September 2011. However, the allocated amount alone is insufficient to meet the long-term needs of Brent. The strategy for developing long term high quality school places will require funding in excess of BNSV.
- 1.4 This report recommends 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. Schools have been proposed after all the primary schools were sent an invitation to expand, followed by an initial feasibility assessment and on the basis of maximum need for school places in the local areas. It should be noted that the BNSV funding must be spent and invoiced by August 2011, should this not be possible it is more than likely that the funding will be lost.
- 1.5 A further paper will be presented to the Executive with detailed information presenting on the outcome of more detailed costing and recommendations on which projects will actually be taken forward.

## 2.0 Recommendations

The Executive is recommended:

- 2.1 To approve the allocation of Basic Need Safety Valve funds across the schemes set out in the table in paragraph 3.3.8.3 for the primary expansion schemes presented.
- 2.2 To approve the allocation of funds under the Council's main capital programme across the schemes set out in the table in paragraph 3.3.8.8 for the primary expansion schemes presented.
- 2.3 To note that the Council will commence initial procurement activity for consultants to advise on these projects in accordance with the Council's procurement procedures.
- 2.4 To note that a further report will be presented at the Executive's September meeting with further costing and recommending which projects will be taken forward.

## 3.0 Detail

### 3.1 Background

#### 3.1.1 Demographics & Pupil Forecast

- 3.1.1.1 The diversity and mobility of Brent's population is increasing and this is reflected in population growth. The Local Authority is statutorily required to provide sufficient school places for resident pupils. Brent primary schools will be operating at over capacity by September 2012 unless additional suitable permanent places are built.
- 3.1.1.2 In 2009-10, the GLA had forecast a surplus of 80 Reception places based on 3360 total Reception places. The Council analysed the increased demand for places and prudently added a further 68 Reception bulge places, at Anson Primary School (7) Park lane (30) Newfield (30) Avigdor Hirsch Torah Temimah (1), providing a total of 3428 Reception places.
- 3.1.1.3 The Council has been adding new primary places each year, further details in Appendix 1. Despite adding new places, there is a shortfall of Reception places in the borough. The numbers of children without a school place for the 2009/10 academic year in each primary year group as at 29<sup>th</sup> July 2010 are as follows:

Table 1.

<b>Year Groups</b>	<b>Unplaced Children 2009-10</b>
Reception	72
Year 1	25
Year 2	17
Year 3	15
Year 4	4
Year 5	16
Year 6	15
<b>TOTAL</b>	<b>164</b>

- 3.1.1.4 On time applications are up on last year, 3817 applications for 2010-11 compared to 3583 on time applications for 2009-10. Since the closing date, a further 295 applications have been received, making a total of 4112 applications. More applications will come in throughout the summer and the academic year.
- 3.1.1.5 Temporary provision of 135 additional reception places has been added for September 2010 in the following schools; Brentfield (30) Wykeham (30) Braintcroft (30) Islamia (30) St Robert Southwell (15).
- 3.1.1.6 After these additional places are taken into account 193 reception children are still unplaced for September 2010, with overall 21 vacancies in schools. Leaving a net shortage of 172 Reception places for the upcoming Reception year in September 2010.
- 3.1.1.7 Latest GLA forecast update based on January 2010 pupil census projects the number of four year olds on roll to rise strongly between 2010 and 2013, increasing over 300 (11 classes) pupils in this period after which the demand will decrease (Appendix 1). This translates into a shortfall in the capacity by 270 Reception places (9 classes) by September 2012.
- 3.1.1.8 The Council will need to provide additional 1680 (Reception to Year 6) primary places by 2015-16 including a 5% planning margin, according to GLA school roll projections 2010, which equals four 2FE or under three 3FE primary schools.

### **3.1.2 Basic Need Safety Valve Funding (BNSV)**

- 3.1.2.1 In July 2009 the Government agreed to make available up to £200 million to support those authorities with the greatest need for school places. This is a funding pot under Basic Need Safety Valve which is to provide additional permanent primary pupil places by 2011.
- 3.1.2.2 The Council applied in August 2009 to secure additional funding based on best information available at that the time. It was allocated from the previous DCSF £14.766m under the additional round of Basic Need Safety Valve (BNSV) in November 2009. The funding is an emergency allocation to provide sufficient Reception places by September 2011.
- 3.1.2.3 The criteria for allocation of BNSV funding to Local Authorities (LA) was as follows:
- 3.1.2.3.1 Local Authorities were eligible for additional funding from the 2009 BNSV where:
- there is exceptional growth in reception numbers;
  - other sources of funding are being used to provide primary places;
  - permanent primary places (not just additional reception classes) to be funded can be delivered in time for September 2011.
- 3.1.2.3.2 The funding was provided for qualifying authorities based on the projected demand for September 2011.

3.1.2.3.3 The department reserved the right to claw back surplus funding where the 2012 census shows that forecast growth has not occurred.

3.1.2.4 Baseline and forecast pupil Number on Roll (NoR), excluding Academies, in Brent's bid were as follows:

Table 2.

	<b>Reception</b>	<b>Total Primary (Growth Areas)</b>
September 2008	3235	3350
September 2011	3642	5190
Difference (Forecast – Actual)	407	1840

3.1.2.5 As per the latest GLA forecast based on January 2010 census, schools across Brent are forecast to receive additional 370 Reception pupils and 1780 total primary pupils by September 2011 in comparison to the baseline in September 2008, including 5% planning factor. This validates the previous year's forecast data (GLA forecast based on January 2009 census) used in the BNSV bid. The bid data is also supported by the current shortage of places, 164 primary children unplaced in the current academic year and the lack of 172 Reception places for the upcoming September 2010 intake.

3.1.2.6 The allocated amount of £14.76m is intended to make a contribution towards the cost of the Council's overall plans where basic need is in excess of formulaic allocations and as such is insufficient to meet the longer term needs of Brent. The capacity for primary provision in the borough is under considerable pressure. The availability of land for developing new schools is limited. The Council is seeking to secure S106 funding from new housing programmes and/or to seek opportunities for land to be identified that accommodate new primary school(s). The Director of Children and Families will continue to submit detailed proposals to the Department for Education (DfE) pressing for additional capital resources to increase primary school capacity. In order to keep the previous allocation £14.76m this needs to be spent by August 2011, should this not be possible it is more than likely that anything not spent will be clawed back by the DfE.

3.1.2.7 The notification letter from DCSF allocating the grant stated that "funding is strictly for investment in the provision of primary age places in permanent accommodation" and "in the event that your pupil numbers in the January 2012 census fall short of the forecasts you have made for September 2011, we reserve the right, in fairness to other authorities, to claw back where there has been undue overfunding". If the Council invests the grant monies provided but fails to meet the forecast levels of pupil places it is probable that the DfE will seek to claw back funding from the Council on a proportional basis.

3.1.2.8 The approach laid down within this report has therefore been developed to achieve the twin aim of maximising the take up of the £14.76m allocation of BNSV and expanding capacity to help meet the forecast demand for school places, whilst still meeting the criteria of the grant funding.

### 3.2 Allocation under the Council's Main Capital Programme

3.2.1 The Children and Families Capital Programme between 2010/11 and 2012/13 currently includes agreed allocations of £7.770m for expansion and £4.243m for hut replacement that have not currently been allocated to specific schemes, providing a total of £12.013m which could be allocated to the provision of additional primary places. The table below details the profile of these allocations across the financial years.

Table 3.

<b>Children &amp; Families Capital Programme Allocation</b>	<b>2010/11 Budget £'000</b>	<b>2011/12 Budget £'000</b>	<b>2011/12 Budget £'000</b>	<b>Total £'000</b>
Provision for School Expansion	2,590	2,590	2,590	7,770
Hut Replacement Programme	243	2,000	2,000	4,243
<b>Total Available Allocation</b>	<b>2,833</b>	<b>4,590</b>	<b>4,590</b>	<b>12,013</b>

3.2.2 The recommendations to this report request that approval be given to utilise these allocations for the schemes set out in the table at paragraph 3.3.8.8 underpinning the investment of the BNSV funding. In order to meet this recommendation 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 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.

3.2.3 The recommendations in this paper ask for approval of an expenditure of £26.77m of which £14.76m is being funded by the BNSV and £12.01m is from the Council. It is recommended that the shortfall from the BNSV funding should be met by from the Council's allocation for expanding primary schools.

### 3.3 Expanding Primary Provision to meet new demand

3.3.1 The Local Authority has a sum total of £26.77m (£14.76m + £12.01m) available to expand primary schools for providing sufficient school places in the face of rising demand. These funds are available over and above any committed spending by the Council i.e. ongoing expansion projects and bulge classes.

3.3.2 From the total BNSV of £14.76m, £1.6m has been allocated to Park Lane Primary School permanent expansion (approved on 26 July 2010 by the Executive) by 1FE and £0.02m has been allocated to St. Robert Southwell Primary School permanent expansion by 0.5FE. The remainder of the BNSV fund £13.14m will provide 4FE additional permanent primary provision by September 2011. Please see table 4 below for further details.

- 3.3.3 A further 4FE primary expansion will be provided under the Council's main capital programme (£12.01m). Please see table 5 below for further details. If the Executive approves the recommendations in this report, we will plan the schemes in more detail and provide an update to the Executive in September 2010.
- 3.3.4 Schools have been selected following invitation to all schools for expansion and identification of areas with maximum demand for school places. We have reviewed capacity constraints at all the primary schools and are proposing the schemes which are suitable for expansion projects.
- 3.3.5 Subsequently, a series of option appraisals were commissioned to address the short term lack of school places and the long term strategy for meeting the short fall in required school places. Such appraisals take into account options for both:
- 3.3.5.1 a) expansion in the short-term through bulge / temporary provision and  
3.3.5.2 b) long-term expansion of primary places. Ideally, the Authority is aiming to match the schools selected for expansion with the local demand for pupil places.
- 3.3.6 Bulge Classes for September 2010:
- 3.3.6.1 Initially 9 schools were identified for additional places for September 2010. The initial list of schools included Braintcroft Primary School, Brentfield Primary School, Newfield Primary School, Northview Primary School, Malorees Infant School and Malorees Junior School, Wykeham Primary School, Mitchell Brook Primary School, Capital City Academy and Leopold Primary School. Subsequently, after discussions with schools, the provision of bulge Reception classes at 6 schools for September 2010 has been agreed; details of which are given in Appendix 2. Funds have been allocated for these projects.
- 3.3.7 Ongoing Permanent Expansion of Capacity (to 2013):
- 3.3.7.1 Schemes are listed in Appendix 3, which are currently being delivered as part of its strategy to develop places for long term. Funds have been allocated for these schemes and will be monitored to ensure that it is available throughout the life of these schemes.
- 3.3.8 New Schemes Proposing Permanent Expansion of Capacity (to 2015)
- 3.3.8.1 The schemes listed in tables 4 and 5 below are considered to be feasible. All six of the proposed expansion schemes are needed, for the Council to meet its statutory duty to provide sufficient primary school places.
- 3.3.8.2 The following schemes are under consideration for permanent expansion, which will comply with the criteria for BNSV funding and the Council's main capital programme:

### 3.3.8.3 Table 4.

#### Basic Need Safety Valve Allocation (£14.76m):

School Name	Form of Entry (FE)	Funding Requirement (£ million)	Estimated Delivery Time	Proposal Summary
<b>a) BNSV funded Schemes currently in progress:</b>				
St. Robert Southwell Primary School	0.5	0.02	Aug-10	Internal adaptation, leading to permanent expansion.
Park Lane Primary School	1	1.6	Aug-11	Statutory Proposal has been approved. Expansion of school is essential for allowing previous bulge classes to progress.
<b>Total 1.</b>	<b>1.5FE</b>	<b>1.62m</b>	<b>12 months</b>	<b>This 1.5FE permanent expansion is already accounted by the increase in the NoR by September 2008, 2009 &amp; projected demand in September 2010.</b>
<b>*b) Schemes pending Executive approval to spend BNSV funding:</b>				
Preston Manor Secondary School	2	7	12 months	Permanent high quality modular building with flexibility to expand.
Braintcroft Primary School	1	3.6	12 months	Permanent high quality modular building with flexibility to expand.
Wykeham Primary School	1	2.5	12 months	Remodelling returning present 2FE school to 3FE.
<b>Total 2.</b>	<b>4FE</b>	<b>13.1m</b>	<b>12 months</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>	<b>12 months</b>	

\*The cost estimates are subject to further work on design and evaluation of the schemes. We will provide an update to the Executive if the estimated costs of these schemes increase or decrease and make recommendations for how a balanced portfolio of work can be progressed. The schemes are subject to discussion with the schools' governing bodies.

3.3.8.4 Preston Manor Secondary School: has agreed to house temporary accommodation for two Reception classes on the school site from January 2011. The school has principally agreed to provide permanent primary provision from September 2011. Further discussions need to take place with the governing body.

3.3.8.5 Braintcroft Primary School: meetings have been held with the head teacher and governing body on various site options which are supported by them. A complete rebuild is not feasible due to constraints on delivery time and costs. Hence, it is proposed for an expansion through permanent high quality modular build. This is subject to discussions with the governing body.

3.3.8.6 Wykeham Primary School: The School has agreed to provide a bulge class for September 2010. The governing body may need to be persuaded to the benefits of a permanent expansion and its financial viability.

3.3.8.7 Since the delivery for these three schools will be completed by September 2011, the new places created will be eligible for funding through the Basic Needs Safety Valve allocation; thus ensuring that the Local Authority maximises the number of places delivered to meet the previous DCSF deadline for BNSV funding.

3.3.8.8 Table 5.

<b>Council's Main Capital Programme (£12.01m):</b>				
<b>School Name</b>	<b>Form of Entry (FE)</b>	<b>Funding Requirement (£ million)</b>	<b>Estimated Delivery Time</b>	<b>Proposal Summary</b>
<b>*Schemes pending Executive approval to spend Capital funding:</b>				
Newfield Primary School	1	3	17-29 months	Require additional area to that currently occupied by the school. Key risk is the willingness of Council to accept a new enlarged school on the open space, and/or the relationship with 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.
Brentfield Primary School	1	3	12 months	Remodelling / extension project.
Capital City Academy	2	6.01	20 months	Key risk is grant of planning permission.
<b>Total</b>	<b>4FE</b>	<b>12.01m</b>	<b>20-29 months</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. We will provide an update to the Executive if the estimated costs of these schemes increase or decrease and make recommendations for how a balanced portfolio of work can be progressed. The schemes are subject to discussion with the schools' governing bodies.

3.3.8.9 All feasibilities are at an early stage and need further development. The intention is to show where schemes are achievable and highlight the risks going forward.

3.3.8.10 Early discussions with the planning department have been positive and initial feedback has been encouraging given the high level nature of the schemes presented. The schemes have been commented on by the Major Cases Forum. The initial feasibility proposals developed by Consultants for providing new primary provision at Capital City Academy included two options on the school's existing land and one that would encroach on public open space. The latter option will not be pursued further and there are also planning concerns regarding the other two options which will be further reviewed with planning officers as soon as is practicable and reported back at the September Executive.

### 3.3.9 Risk Assessment:

3.3.9.1 The key risks with this scheme are as follows:

Table 6.

Sr. No.	Description	Mitigation
1.	The proposal is based on a desktop study of the scheme and may not reflect on all the real issues that may come to light at a later date. All risks associated with this expansion schemes may not be identified.	A risk workshop will be undertaken for each scheme during preliminary planning stage if the Executive approves recommendations in this report.
2.	Approval of Statutory Proposal will be required for the expansion of schools (8- 12 weeks plus additional time for report preparation and consultation) and this would have an impact on the commencement of the building works.	It is envisaged that the lead and lag times will be kept to a minimum to ensure the shortest possible timeline is achieved for statutory proposals without compromising the quality of consultations.
3.	Delay in obtaining planning permission could push the expansion timeline beyond September 2011. This would mean that the BNSV allocation could be withdrawn by PfS/DFE.	We are liaising with our planning colleagues to mitigate this risk as far as possible.
4.	The government could retract any unspent BNSV under its savings plan, as has been the case with the BSF programme.	We are keeping a watching brief on this. The Executive will be informed if such a situation arises along with mitigation actions appropriate at that time.
5.	In the event of BNSV funding not being available for the schemes, either partially or completely, be that through a reduction in the grant allocation or subsequent claw back of funding if the criteria of the grant is not fully met in terms of pupil places provided, the Local Authority would be required to meet any shortfall on let contracts	Whilst government's withdrawal of funds or claw backs remains a risk, it is a greater risk to the Council in the event of not using the BNSV funds (£14.766m) since we are under a statutory duty to provide sufficient places. This means that the Council may need to fund most of the listed schemes mentioned in this report irrespective of the availability of BNSV funding.
6.	The scheme could result in a higher capital cost than estimated in the initial feasibility study, e.g. omission of unforeseen costs.	We will develop detailed costs in the early part of the schemes. Cost will be a key component and it will be our best endeavours to remain within the initial estimate. Significant increase in estimated costs will required an Executive approval.

### 3.4 Appointment of Consultants

3.4.1 The Council will need the support of consultants e.g. appointment of building surveyors, technical advisors, to assist in design and planning activities in accordance with procurement guidelines, 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). These procurement aspects will be undertaken in entirety by the Strategic Procurement Unit to ensure that best value and compliance are being achieved. Further reports will be presented to the Executive where required by Contract Standing Orders to approve the tendering and award of contracts.

### 4.0 Financial Implications

4.1 It is proposed that expenditure will be met from a combination of Basic Needs Safety Valve (BNSV) funding totalling £14.76m and council capital programme funding of £12.01m. 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.

4.2 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 levels 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.

4.3 The cost estimates included within the report are subject to further work on design and evaluation of the schemes. There is no budgetary provision to meet an increase in the estimated costs of these schemes. We will provide an update to the Executive if the estimated costs of the schemes listed in this report increase or decrease and make recommendations for how a balanced portfolio of work can be progressed.

### 5.0 Legal Implications

5.1 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. LA 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 LA has to undertake a planning function to ensure that the supply of school places balances the demand for them.

5.2 Under section 19 of the Education and Inspection Act 2006, (and in accordance with the school organisation regulations), an LA 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.

- 5.3 Contract Procurement: The Council will need to appoint consultants such as architects, engineers and quantity surveyors in order to design and implement these schemes. One option for appointing these consultants is the Council's own property services frameworks, however if these are not used then a formal tender process is likely to be required for all contracts worth over £156,000 in value (below that limit a quotation process can be used). Any such tendered contracts that exceed £500,000 in value will require Executive approval both for the commencement of tendering and for award. The consultants will subsequently advise on the most appropriate way of procuring the works contracts.

## 6.0 Diversity Implications

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 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.

## 7.0 Staffing/Accommodation Implications

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

### Background Papers

- 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>

## Contact Officers

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John Christie

Director of Children and Families

## Additional primary places provided:

Table 1.

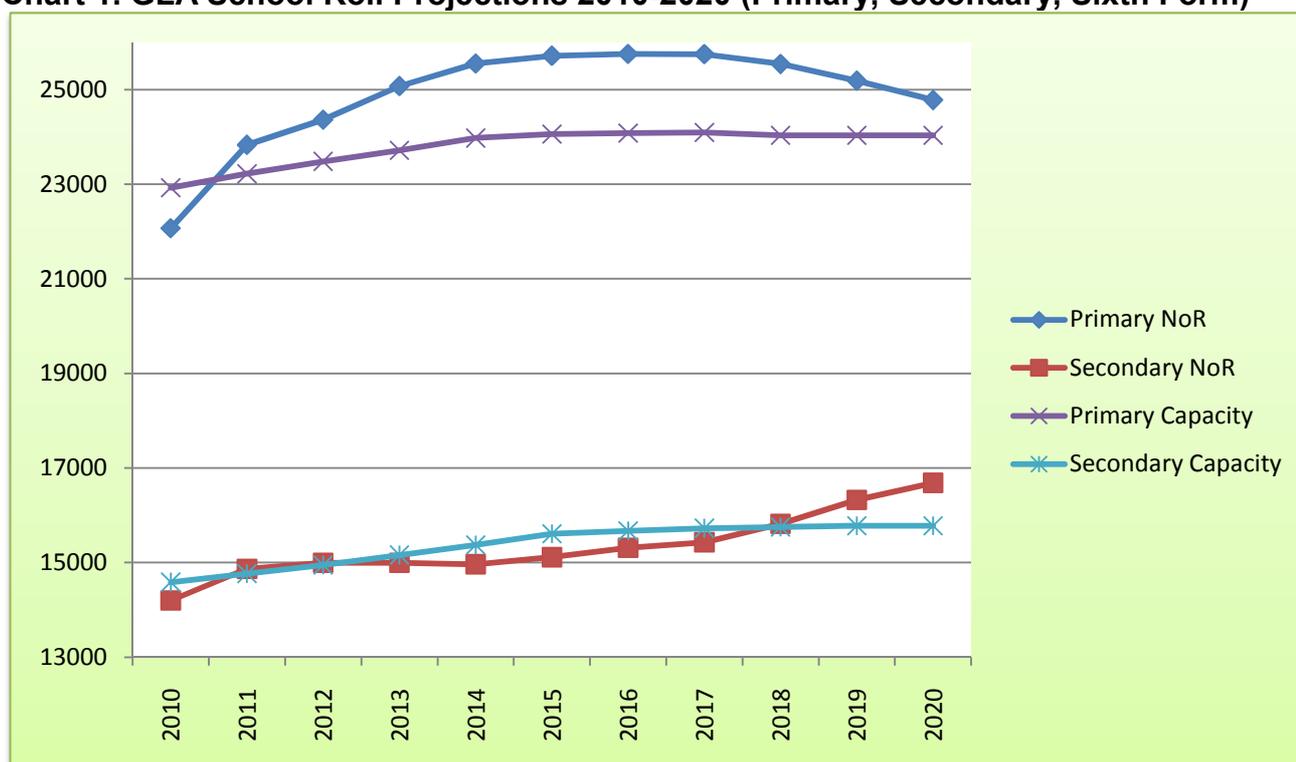
Year	*Reception places provided	*Year 1- Year 6 places provided	Increase in demand for Reception Places	Increase in demand for Primary Places
<b>2006/07</b>		30	93	143
<b>2007/08</b>	128		257	359
<b>2008/09</b>	120	128	3	208
<b>2009/10</b>	68	188	101	565
<b>Total</b>	<b>316</b>	<b>346</b>	<b>454**</b>	<b>1275**</b>
<b>2010/11</b>	135	195	97	627
<b>2011/12</b>	tbc	tbc	159	506
<b>2012/13</b>	tbc	tbc	65	676
<b>Total</b>	<b>135</b>	<b>195</b>	<b>321^</b>	<b>1809^</b>

\*Including bulge classes and temporary accommodation. Tbc – additional places to be confirmed following Executive decision on this report.

\*\*Actual increase in demand for school places.

^Forecast increase in demand for school places.

Chart 1. GLA School Roll Projections 2010-2020 (Primary, Secondary, Sixth Form)



\*Capacity includes bulge classes, new secondary Provision at Ark Academy and expansion programme at the Crest Boys' and Girls' colleges. The data in the chart above includes 5% planning margin.

Planning margin is required to meet sudden shift in demand due to factors such as inward migration, demand generated from new dwellings (e.g. more than forecast pupils have applied to be admitted in the Reception class for 2010-11) and for allowing parental preference. Hence, it is prudent that new capacity should be created taking into account the planning margin.

The GLA forecast 2010 supersedes the Council's forecast 2009 prepared under the BSF programme, which was presented to Brent's Scrutiny Committee in March 2010. The Council's BSF forecast was based on a methodology agreed with Partnership for Schools.

Bulge Classes for September 2010:

The following schools have agreed for a bulge class for September 2010:

Table 1.

School Name	Bulge Reception Class - Form of Entry (FE)	Start Date	Proposal Summary
Braintcroft Primary School	1FE	September 2010	Infill extension @ £166,000 Planning application granted. Contract out to tender
Brentfield Primary School	1FE	September 2010	Temporary classroom @ £150,000 Planning application submitted
Islamia Primary	1FE	September 2010	Adaptations @ £28,000
St. Robert Southwell Primary School	0.5FE	September 2010	Internal adaptation @ £25,000 leading to permanent expansion.
Wykeham Primary	1FE	September 2010	£150,000
Park Lane Primary School	1FE	September 2010	Repeat bulge class until permanent expansion of the school from Jan 2011 has been approved by Brent Executive.
<b>TOTAL</b>	<b>5.5FE (165 places)</b>	<b>September 2010</b>	<b>135 new temporary places are being created excluding Park Lane expansion.</b>

The following Bulge Class proposals are to be confirmed:

Table 2.

School Name	Bulge Reception Class - Form of Entry (FE)	Start Date	Proposal Summary
Chalkhill Primary	1FE	January 2011	£170,000 (tbc)
Preston Manor Secondary School	2FE	January 2011	Temporary classroom @ £170,000
Capital City Academy	2FE	January 2011	£150,000 (tbc)
<b>TOTAL</b>	<b>5FE (150 places)</b>		

Longer Term Expansion of Capacity (to 2013)

The following schemes are currently being delivered by the Council as part of its strategy to develop places for long term:  
Table 1.

School Name	Reception Class - Form of Entry (FE)	Start Date	Proposal Summary
St. Robert South Well School	0.5FE	September 2010	Covered under bulge class expansion leading to permanent expansion.
Park Lane Primary School	1FE	September 2011	Permanent expansion on track following Executive approval on 26 July 2010. Approx. project value £2.2m, of which £1.6m is being funded from BNSV.
Islamia Primary School	0.5FE	September 2012	Approx. project value £8.26m, out of which £2.93m is funded from PCP Phase 1.
Sudbury Primary	1FE	August 2011	
Total	<b>3FE</b>		This 2FE permanent expansion is already accounted by the increase in the NoR by September 2008, 2009 & projected demand in September 2010.

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	<b>Executive 11 August 2010</b>  <b>Report from the Director of Children and Families</b>
Ward affected: Fryent	
<b>Former Scouts Hall Site, Coniston Gardens, Kingsbury NW9</b>	

## 1.0 SUMMARY

- 1.1 At their meeting of January 2010 the Executive were presented with two options in respect of the former scouts' hut site on 2 Coniston Gardens, NW9 OBB (adjacent to Oliver Goldsmith Primary School): to dispose of the site to a Housing Association for the provision of two large family homes or to retain the land within the council's portfolio and develop Extended Services from the site. The Executive agreed at that meeting to dispose of the site to a Housing Association.
- 1.2 This report provides the Executive with an update on that decision and recommends that the decision be revoked and the site be retained within the council's portfolio for educational and community use.

## 2.0 RECOMMENDATIONS

The Executive is recommended to:

- 2.1 Revoke the decision made by the January 2010 Executive meeting to dispose of the site to a Housing Association and instead to retain the site within the Council's portfolio for educational and community use;
- 2.2 Instruct officers to re-engage with Oliver Goldsmith Primary School and various Council service areas to establish the potential service options and appropriate funding streams available to support the development and sustainable use of the site for the local community and/or educational purposes;

## 3.0 DETAIL

- 3.1 The site is situated at the junction of Coniston Gardens and Kingsbury Road and is shown on the attached location plan edged red. It is adjacent to Oliver Goldsmith Primary School. The site is currently occupied by a hut that was formerly used by the Scouts Association. The Association vacated this site in 2007. The hut is in a derelict state,

beyond repair and presents Health and Safety risks in its current condition. The remainder of the site is overgrown with brambles, sycamore trees and weeds.

- 3.2 The Executive's earlier decision to dispose of the site to a Housing Association allowed for a proposed scheme comprising 2 five bedroomed houses that could accommodate up to 9 persons each. Since that decision in January 2010, the funding and financial regime supporting social housing and Registered Social Landlords (RSLs) has tightened with less funding available for schemes. It is therefore unlikely that a housing scheme on this site will be sustainably funded. The Housing Association identified for the sale of the site has withdrawn interest due to the passage of time and changes to the grant funding regime and property market.
- 3.3 As the original decision to dispose of the site can no longer be implemented, officers have reviewed the potential future use of the site with Councillors, Oliver Goldsmith Primary School and the local Residents Association. A recommendation is now made to this Executive to revoke the previous decision to dispose of the site and instead to retain the site within the Council's portfolio for education and community use. The use of the site for housing or educational/ community is one for members to determine and either use is consistent with the Council's corporate aims. The change in the housing funding position tilts the balance in favour of retaining the site for educational and community use.
- 3.4 In the short term, the proposal is to demolish the existing scout hut and to secure the site. Officers in Property and Asset Management are currently commissioning this work under the Head of Service's estate management responsibilities in order to ensure health and safety risks are addressed. It is expected that this work will take place during October. Once the site is cleared the short term proposal is to incorporate it as part of the Oliver Goldsmith Primary School grounds and for the school to use it as a wildlife garden or similar until such time as alternative proposals for education/community use can be agreed. The school would manage the site at during this period.
- 3.5 In the longer term, the school with officers, the local community and Councillors will draw up proposals for how the site could be used more effectively for education and community use. These proposals would include a review of available capital funding to invest in new facilities as well as revenue funding for the ongoing and sustainable operation of services. A further report will be brought to the Executive to approve these proposals once developed.
- 3.6 Oliver Goldsmith Primary School supports these recommendations and welcomes the retention of this land for education and community use. The school is committed to identifying available funds to support any development and to manage the site at least in the short term. The local Residents Association also supports both the short and long term plans.

- 3.7 For information, it is unlikely at this time that the site could be used for the purposes of statutory education. The school currently has two forms of entry and there are no plans to expand pupil numbers. The current pressure for additional school places is not in the Kingsbury area. It is appropriate and in line with the recommendations in this report that the site should be used to enhance education and community use activities. This is in line with the Government's Extended Services for schools programme. The needs of children and young people related to the Extended Services core offer are identified by the Kingsbury Locality Partnership Board and at the time of the last report in January 2010, the Board had identified leisure opportunities for young people and support for parents to raise young people's attainment as priorities for the locality.
- 3.8 A feasibility study of the site was carried out in January 2010 with the school to look at the option of providing a new extended services building and the estimated total cost was £725,000. There are currently insufficient resources available to make this investment hence the two staged approach to the proposal.
- 3.9 It is likely that any new building on the school site would have to be managed by the school. This would require the school having the significant operational resources required to ensure that the facility was available before, during and after school, during the evenings, at weekends and through school holidays. A full business case would be prepared.

#### Risks

- 3.10 There are risks associated with the recommendations made in this report, these will be managed by officers and are outlined below:
- Inability to reach stakeholder agreement on services/activities that meet local need for the longer term proposal
  - Insufficient capital funds to construct a new building on the site
  - Insufficient revenue funds to ensure sustainable operation of any new building
- 3.11 The risks outlined above are partially addressed by the two staged approach which secures the site and retains it under school site management and use while viable options for more effective and wide ranging education/community use are explored.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 Terms for the disposal of this site to a Housing Association were agreed earlier this year in principle which would have resulted in a capital receipt of around £150,000 plus s106 contributions of approximately £74,000 together with the creation of two large family sized units. Should the site be retained by the council the capital receipt, section 106 contributions and the residential nomination rights would not then be available from this site.

4.2 In respect of funding for any longer term proposal for use of the site for education/community uses there are currently no identified capital funding streams available.

4.3 The costs of the demolition of the scout hut and the incorporation of the land into the school site will be met from existing maintenance budgets

## **5.0 LEGAL IMPLICATIONS**

5.1 The Council has the power under Section 123 of the Local Government Act 1972 to dispose of land in its ownership. However, when it disposes of a freehold interest, it must do so for the best consideration reasonably obtainable unless it obtains the consent of the Secretary of State to a disposal at a lesser value. However, in this case the Head of Property and Asset Management was satisfied that a disposal to a registered social landlord for the construction of affordable housing, would have achieved the best consideration reasonably obtainable, since in current market conditions, a disposal for open market housing would not generate a higher receipt. A decision not to proceed with a disposal to a RSL will obviously mean that the Council will not obtain the anticipated receipt. It will also forego the affordable housing units which would have been built on the site and would have been available for tenants nominated by the Council.

## **6.0 DIVERSITY IMPLICATIONS**

6.1 None for the immediate purposes of this report.

## **7.0 STAFFING/ACCOMMODATION IMPLICATIONS**

7.1 None.

## **8.0 BACKGROUND PAPERS**

8.1 Location Plan attached at appendix 1.

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John Christie  
Director of Children and Families

	<p><b>Executive</b> 11 August 2010</p> <p><b>Report from the Director of Children and Families</b></p>
<p>Wards affected: All</p>	
<p><b>Authority to extend the existing contract for the delivery of play services in Brent</b></p>	

## 1. Summary

- 1.1 This report updates the Executive to the progress of the current tender process for the delivery of play services in Brent. The report requests authority to further extend the current contract with Brent Play Association to 31 March 2011 while officers consider options for the future delivery of play services with a report back to the Executive on such options by December 2010.

## 2. Recommendations

The Executive is recommended to:

- 2.1 Note the current position with regard to the tender process for the delivery of play services in Brent and officers intention to report to the Executive on options for the future delivery of play services by December 2010.
- 2.2 Authorise a further extension of the existing contract for play services with Brent Play Association (BPA) for a period of 7 months from 1 September 2010 to 31<sup>st</sup> March 2011.

## 3. Background

- 3.1 As outlined in previous reports to the Executive (see background papers), a strategic review of Brent Play Service was commissioned in June 2006 to provide recommendations for future structural and service delivery arrangements that would be effective, efficient and accountable and that would enable the achievement of play service objectives within the broader Brent Children and Young People's Plan and Brent Play Strategy. The outcomes from the strategic review formed the basis of a report brought to the Executive in February 2007, which sought Executive approval concerning:

- The recommendations in respect of the future delivery of play services in Brent

- The pre-tender considerations and the criteria to be used to evaluate tenders.
  - Authority to invite tenders and evaluate them in accordance with the approved evaluation criteria.
- 3.2 The report also sought approval to develop and improve the existing arrangements with Brent Play Association (“BPA”) during the period April 2007 - March 2008, with contractual documentation to be prepared and agreed between the Council and BPA. This approach sought to ensure continuity of the play service for an interim period during which the planning and tendering of the new contract could be undertaken.
- 3.3 As set out fully in the report to the Executive dated 14 July 2009, there have been a number of delays and setbacks in the tendering process including the award in November 2008 of the play services contract to a contractor called Kids, only for Kids to subsequently indicate that it would not be able to proceed with the contract. Owing to the need to ensure continuity of delivery of play services during the period of tendering, the existing arrangements with BPA have been extended on a number of occasions. Initially the extension was authorised under delegated powers but more recently extensions have been authorised by the Executive on 17 November 2008 and 14 July 2009. The Executive on 14 July 2009 agreed to extend the existing arrangements with BPA to 31 August 2010.
- 3.4 Following Executive authority to retender play services in July 2009, the contract was advertised on 7 October 2009 in both national and local publications. This resulted in eight organisations expressing an interest in the procurement. Pre-qualification questionnaires were submitted by four organisations and these were assessed. In finalising the specification prior to inviting tenders, issues arose as to the level of services required for the duration of the play services contract. The play services contract is funded through a number of different budgets and financial issues affecting the council necessitated the reconsideration of service levels. Until such issues were resolved, it was not considered appropriate to progress the procurement. The financial budget for the play service beyond 31<sup>st</sup> March 2011 is currently unclear therefore the procurement process remains on hold.
- 3.5 Given that financial budgets are still to be finalised, it may be that the service to be procured and the duration of the contract will be different from that for which Executive authority was obtained in July 2009. In the circumstances, it is considered that the most appropriate way forward is to extend the existing arrangement with BPA to 31 March 2011 to ensure continuity of service. During this period, budgets will be finalised and it will be possible to report back to the Executive as to procurement options.

#### **4. Financial Implications**

- 4.1 The extension of the existing contract with BPA until 31 March 2011 has a range of funding streams :- Early Years, Children's Fund, Carers Grant, Section 17 and Aiming High. The extension of this contract is within existing budget allocations for the financial year 2010- 2011.

## **5. Legal Implications**

- 5.1 The current contract with BPA originally ran for the period April 2007 to March 2008. This was extended to 30 March 2009 by the use of the delegated powers pursuant to Part 4 of the Constitution which allows Chief Officers to extend contracts by a period not exceeding one year. Further authority was obtained from the Executive in November 2008 and again in July 2009 to extend the contract to 31 August 2010.
- 5.2 Given that delegated powers have been used to extend the contract with BPA, any decision to further extend it must be approved by the Executive pursuant to Standing Order 112.
- 5.3 In extending the contract with BPA, certain minor amendments will need to be made to the contract to reflect the fact, for example, that the Council no longer leases accommodation at Middlesex House to BPA.
- 5.4 Depending on the outcome of officers' deliberations on procurement options, it may be necessary to abort the current procurement process and recommence any procurement process.

## **6. Diversity Implications**

- 6.1 There are no equalities or diversity implications arising from the extension of this contract with BPA for a further 7 months.

## **7. Staffing/Accommodation Implications**

- 7.1 There are no staffing implications should this contract be extended.
- 7.2 BPA operates after-school clubs and holiday play schemes at the Stonebridge Adventure Playground. Parents and carers pay fees to BPA for attendance. These BPA services are not included within the scope of the tender process but the Management and Support Services specification attached as Schedule 2 of the current contract with BPA does include provision that the Council shall provide the Contractor with financial support which shall require the Council:
- To pay the running and utility costs relating to the Contractor's use and occupation of the Stonebridge Centre for the running of Play Schemes (with BPA paying for the phone charges relate to such use and occupation).
  - Some of the BLF revenue funded projects contracted to BPA operate from the Stonebridge site. BPA would continue to occupy the site and re-

tendering process will take into account options for the future funding and operation of the Stonebridge site.

## **8. Background Papers**

- Report to the Executive 12 February 2007 Review of Play Services Ref: C&F-06/07-019
- Ofsted Registration of childcare providers from September 2008
- Report to the Executive 17 November 2008 Authority to Extend the Existing Contract and Award a New Contract for the Delivery of Play Services in Brent Ref: C&F08/09-008
- Report to the Executive 16 March 2009 Authority to Extend the Existing Contract for the Delivery of Big Lottery Funded Play Services in Brent Ref: C&F08/09-021
- Report to the Executive 14 July 2009 Authority to extend the existing contract and invite tenders for the delivery of play services in Brent. Ref: C&F-09/10-002

## **9. Contact Officers**

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**John Christie**  
**Director of Children and Families**

	<p style="text-align: center;"><b>Executive</b> <b>11 August 2010</b></p>
<p style="text-align: right;">Wards affected: All</p>	
<p><b>Waste Strategy Review</b></p>	

## 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 increasing the recycling rate to 60% and restoring the free collection of bulky waste items for householders.

1.2 This report presents the outcome of a review of the Council's waste strategy undertaken as part of the Council's Improvement & Efficiency Programme which:

- ◆ Offers 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 proposes the elimination of the charges presently made to households for bulky waste collection

1.4 Finally, the report proposes a programme of public consultation on the draft waste strategy and the revised collection and recycling arrangements.

## 2.0 Recommendations

2.1 That Members note the detailed outcomes from the Waste Strategy Review as described in this report.

2.2 That Members approve consultation on the preferred scenario for waste collection as set out in Sections 4.0 – 5.3 of this report.

2.3 That Members approve consultation on the revised Waste Strategy for Brent as set out in Appendices A and B.

- 2.4 That Members note the financial implications of repealing the £25 charge for bulky household waste collections, as set out in paragraph 6.14.
- 2.5 That Members agree to the introduction of a free bulky waste collection service and that this should be introduced from 1<sup>st</sup> October 2010.
- 2.6 That Members instruct the Director of Environment & Culture to develop proposals for the street cleansing service in discussion with the Council's service provider – Veolia ES (UK) Limited, and that these proposals are reported back to the Executive.

### **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%, and to eliminate charges for special collections of bulky waste from households.
- 3.2 As part of the Council's Improvement & Efficiency Programme a review has been undertaken of the Council's waste strategy. 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 £1.2million savings and that these should be notionally split as follows;

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

- 3.4 This report presents the Review outcomes for waste collection and disposal. The options for street cleansing will be set out in a subsequent report.
- 3.5 The proposed changes to the service will help to address the administration's green commitment to increasing recycling rates across Brent to 60%.
- 3.6 This report also proposes a timeframe for repealing the £25 charge for bulky household waste collections.

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

### **4.1 Background**

The Review's objectives with respect to waste collection 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, and;***

#### **4.2 Current Situation**

The Council offers the following waste collection systems at present:

- Residual (i.e. landfilled) waste – wheeled bin system collected weekly from 80,000 households, and bulk bin collections from around 25,000 flats;
- Organics - wheeled bin for food waste, garden waste and cardboard collected weekly from around 60,000 households.
- Dry Recyclables – weekly kerbside green box system from around 80,000 households, plus bring site collections from some flats.

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.

4.4 Brent has a statutory obligation to achieve a 40% recycling rate by 2011. The current contract was devised to deliver a 30% recycling rate by 2009/10. It is clear that radical change in the current arrangements will be needed to meet the Council's obligations and the administrations ambitions.

4.5 In order to reduce landfill costs further, Brent has made recycling compulsory for those households served by the green box scheme.

4.6 Despite increased diversion rates and significantly improved customer satisfaction, the council's waste collection service is still considered to be high cost. Reducing collection costs per tonne and ensuring further expansion is financially sustainable is, consequently, a significant consideration in developing new service options. It is clear that any one system alone will not achieve the required savings and achieve the improved recycling rate required. A mix of options needs to be considered. Fundamental changes to

the methods currently used to collect waste are required for the new Administration to meet its goal.

- 4.7 As well as the recycling target, the objectives need to be aligned to the requirements of National Waste Strategy 2007, West London Waste Authority's Joint Municipal Waste Management Strategy (JMWMS) and the Mayor of London's MWMS.
- 4.8 Officers 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, and officers are now able to recommend one preferred option.

## 5.0 Waste Collection and Disposal Recommendation

- 5.1 As an outcome from this process, officers recommend the following scenario as the most advantageous option for implementation in Brent.

In essence, it is a 3-bin collection system for the majority of households.

It generates no saving in 2011/12 but a £766k saving in Year 2 of implementation and a 53% recycling rate in Year 4.

This saving is based on a comparison with the current method which requires an additional cost of £255k per annum from year 2 onwards for the replacement of 10 organic waste vehicles not provided for in the current contract. The replacement of these vehicles is still required in the proposed method and therefore will be met from the forecast savings.

It comprises the following:

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.

### For low rise properties:

Overall a weekly collection will be maintained, however different streams would 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 dirty 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 has been used to analyse the likely outcome taking all the factors into account. The model shows 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 considering this Waste Collection and Disposal recommendation, it is important that Members are 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 dirty 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.
- 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 will be incorporated into the Draft Waste Strategy. This document is available in full at Appendix A and should be read in conjunction with this report. The Draft Waste Strategy and its constituent policies will be consulted upon as part of the Review process.

## **6.0 Bulky Waste Charges**

- 6.1 At the time the Waste Services Contract was tendered and approved by Full Council (2005/06), the Bulky Waste Service was not a chargeable service.
- 6.2 After the change in the Council's political administration at the 2006 Local Elections, a £25 charge was introduced alongside a concession scheme for vulnerable residents.
- 6.3 The implementation of the charge coincided with a reduction in demand for the Bulky Waste Service. The reduction in demand has resulted in the budget income target not being achieved, year on year.
- 6.4 Waste collected under the Bulky Waste Service is separated and sorted for reuse and recycling. The anticipated increase in the volume of bulky waste collected is expected to see greater volumes of waste reused and recycled.

### Implications for the Waste Services Contract

- 6.5 When charging was introduced, the demand for the service reduced and a Contract Variation was negotiated with Veolia that resulted in an annual reduction of contract payments of £191,534 (at 2007/08 prices). This significant variation demonstrated the flexibility of the Waste Services Contract in enabling service changes to be introduced during its term.
- 6.6 The re-introduction of a free service essentially returns the service to that which was originally tendered for. If the Executive approves the decision to repeal the £25 charge, the Contract Variation referred to at paragraph 6.5 above would need to be reversed.
- 6.7 Whilst the contractor payments are able to be estimated with some certainty, this is not the case for the disposal costs.

6.8 Any waste that is not reused, recycled or composted will need to be disposed of and thus incur a payment under the s52(9) payment mechanism, currently around £89 per tonne.

#### Financial Implications – Bulky Waste repeal of charges

6.9 The costs of introducing a free service are made up by the following components:

- a. Additional collection capacity;
- b. Paying for the disposal of the additional waste expected to be collected;
- c. Adjusting the revenue budget to remove the current income target.

6.10 In terms of components a. to c. above, the estimated costs have been calculated and are shown in the table at paragraph 6.14 below.

6.11 The methods of calculating these costs are as follows:

- a. A simple reversal of the contract variation that was negotiated when the bulky waste charge was introduced;
- b. An assumption of the additional tonnage likely to be generated and the costs of this using the current disposal cost per tonne;
- c. Adjusting the current £81,300 income target to zero.

6.12 With regards to 6.11b above, the bulky waste tonnages are not separately recorded and thus there is no definitive data to base an estimate of additional tonnages on.

6.13 It is proposed that ground rules for the new 'free' service are similar to those that existed prior to charging being introduced. These include that:

- We will only collect items that are classified as household waste. For example we will not collect fixtures and fittings (from house and grounds refurbishment waste), soil and rubble, and clinical and hazardous waste. We will collect items that can be safely carried on a trolley, or safely by two people (up to around 40kg in weight)
- Up to three collections per financial year will be provided without charge
- There will be a concession scheme, as with the existing scheme, for those on certain benefits etc., should a fourth collection be required within the financial year

6.14 The estimated costs of repealing the £25 charge for bulky waste collections are itemised in the following table:

ITEM	DESCRIPTION	COST
Reversal of previous contract variation, re-calculated at 2010-11 prices	This returns the resource levels to those tendered, before charging was introduced	£205,004
Disposal costs for additional waste collected	An estimated 1,200 tonnes per annum at the current rate of £89 per tonne	£106,800
Current income target	This will need to revert to 'zero' as the repeal of charges will mean that no income is generated	£81,300
<b>TOTAL COST</b>		<b>£393,104</b>

6.15 The total cost of repealing the £25 Bulky Waste Charge, therefore, in a full year (at 2010-11 prices) is estimated at £393,104 (£196,552 in 2010-11).

6.16 A decision to repeal the charge on 1<sup>st</sup> October 2010 will incur additional costs in the financial year 2010-11. Early indications on waste tonnage arisings suggest that there will be some capacity to fund these costs from reduced tonnages through s52(9) waste disposal budgets and composting credits (estimated at £90,000), although waste tonnages can be volatile. Whilst every effort will be made to contain the remaining costs of around £100k within other existing budgets, there is a risk associated with this.

## 7.0 Conclusions

7.1 In conclusion, the Waste Strategy Review is potentially able to deliver the required Waste Collection and Disposal savings fully in Year 2 of implementation, to a value of £1.02m compared with the overall waste / cleansing savings target of £1.2m.

7.2 The cost of repealing the £25 Bulky Waste Collection Charge is estimated at £393k in a full year, and can be implemented from 1<sup>st</sup> October 2010.

## 8.0 Next steps

8.1 The following actions must now be undertaken:

ACTION	TIMEFRAME
Development of street cleansing savings options in discussion with Veolia and full and open consideration of the conclusions of the "independent" Veolia Contract Review commissioned by PRU	July & August 2010
Executive approval to consult on the Council's revised Waste Strategy and changes to the waste collection systems	Executive – August 2010

<b>ACTION</b>	<b>TIMEFRAME</b>
Waste Collection Implementation Plan devised	August 2010
Consultation programme delivered	August 2010 – October 2010
Approval to procure bins, vehicles and treatment capacity	Executive - November 2010
Procurement and delivery period	August 2010 – June 2011
Implementation of waste collection changes	August 2010 – July 2011
<b>Bulky Waste Collection Charge repealed from</b>	<b>1<sup>st</sup> October 2010</b>
<b>New Waste Collection Services commence</b>	<b>July 2011</b>

## 9.0 Financial Implications

- 9.1 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 or retendering of the contract as outlined in the legal comments below.
- 9.2 The cost of new vehicles is based on Veolia making this investment and depreciating the value of these vehicles over 7 years. The vehicles would transfer to either Brent or any incoming contractor at the end of the current contract. However, this may not be the best option and Brent Finance will consider options for funding the estimated £1.4m capital cost of new vehicles and the estimated financing costs of these vehicles have been built into the cost model.
- 9.3 The cost of new containers has also been calculated . It is possible that these should be financed through a leasing arrangement over 7 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.
- 9.4 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.
- 9.5 There will be minimal other costs in 2010-11 (printing, publicity, etc), and these will be contained within existing budgets.
- 9.6 The summary of comparative costs between the existing service (i.e. no change) and the preferred scenario is as follows:

	Year 0 2010	Year 1 2011	Year 2 2012	Year 3 2013	Year 4 2014	Year 5 2015	Year 6 2016	Year 7 2017	Year 8 2018
<b>No change</b>									
% Diversion		28.0%	28.1%	28.1%	28.1%	28.1%	28.1%	28.1%	28.1%
Collection K£ PA		5,870	5,870	5,870	5,870	5,870	5,870	5,870	5,870
Other Costs K£ PA		80	335	335	335	335	335	335	335
Treatment K£ PA		7,963	8,567	9,184	9,800	10,416	11,033	11,649	12,266
Total k£ PA		<b>13,913</b>	<b>14,773</b>	<b>15,390</b>	<b>16,006</b>	<b>16,622</b>	<b>17,239</b>	<b>17,855</b>	<b>18,472</b>
<b>Proposed Change</b>									
% Diversion	28.0%	43.2%	50.9%	52.0%	53.0%	53.0%	53.0%	53.0%	53.0%
Collection K£ PA	0	5,694	5,694	5,694	5,694	5,694	5,694	5,694	5,694
Other Costs K£ PA	0	906	800	800	800	800	824	800	471
Treatment K£ PA	7,861	7,301	7,256	7,593	7,915	8,306	8,698	9,090	9,481
Total k£ PA	<b>7,861</b>	<b>13,901</b>	<b>13,750</b>	<b>14,087</b>	<b>14,409</b>	<b>14,800</b>	<b>15,217</b>	<b>15,584</b>	<b>15,646</b>
Saving		12	1,022	1,302	1,596	1,821	2,022	2,270	2,826

NB There may be one-off costs associated with the disposal of obsolete vehicles, but these are not possible to estimate at this stage. It is not expected that there will be any redundancy costs.

## 10.0 Legal Implications

10.1 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.

10.2 Further legal implications are contained in Appendix C of this report.

## 11.0 Staffing/Accommodation Implications

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

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

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

## Appendices

Appendix A  
Appendix B  
Appendix C [not for publication]]

Draft Brent Waste Strategy 2010 – 2015  
Draft Waste Strategy Consultation Plan  
Legal Implications – 'Below the Line' Appendix

Executive  
11.08.10

version 5.1  
03.08.10

## **Background Papers**

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

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**Executive**  
11 August 2010

**Report from the Director of  
Environment and Culture**

Wards affected:  
ALL

**The introduction of a vehicle emission-based charging regime for residents parking permits.**

## 1.0 Summary

- 1.1 This report sets out details of a proposal to generally increase charges for residents permits for parking on the highway (within Controlled Parking Zones (CPZs)) at the same time as introducing a full vehicle emission based charging regime.
- 1.2 The report explains that the proposal will encourage residents to consider the contribution their vehicle makes to CO<sub>2</sub> emissions and climate change whilst revising the charge for an “average” vehicle so that it is more closely aligned to permit charges in other London boroughs with similar parking conditions and practices.
- 1.3 The report recommends that the Director of Environment & Culture is instructed to undertake the advertising of the necessary Traffic Orders to introduce the new charges and regime, and to the undertaking of appropriate consultation into the proposals.
- 1.4 The report recommends that the Executive delegate authority to the Director of Environment & Culture to consider all representations made during the consultation and subsequently, having given consideration to those representations and if appropriate, introduce the amended regime and charges from 1<sup>st</sup> April 2011 or as soon as practicable after that date.
- 1.5 The report also recommends the introduction of a “permit surrender prize” scheme for existing resident permit holders and the introduction of a permit which allows users of car club cars to park free of charge within any CPZ in Brent as incentives for residents to reduce non-essential car use and contribute to combating climate change.

- 1.6 Finally, the report recommends that the Executive agrees that opportunities to introduce a vehicle emission based regime for business and other parking permits should be explored.

## **2.0 Recommendations**

- 2.1 That the Executive agrees to the introduction of a vehicle emission based regime and new charges for residents parking permits and accordingly instructs the Director of Environment & Culture to undertake appropriate consultation and the advertising of Traffic Orders in association with the Council's intention to introduce the new charges and charging regime for residents parking permits as set out in this report,
- 2.2 That the Executive delegates authority to the Director of Environment & Culture to subsequently consider all representations received in relation to the proposals and, having considered those representations and if appropriate, and making any modifications, makes the proposed Traffic Orders to introduce the proposed regime and charges.
- 2.3 That the Executive instructs the Director of Environment & Culture to introduce a "permit surrender price" scheme and a scheme to allow users of car club cars to park free of charge within parking bays in any CPZ within Brent and to amend, following consultation, the relevant Traffic Orders.
- 2.4 That the Executive requires the Director of Environment & Culture to explore opportunities to introduce a vehicle emission based regime for business and other parking permits and bring suitable proposals to the Executive at an appropriate time.

## **3.0 Detail**

### **3.1 Global and national context**

- 3.1.1 Carbon Dioxide (CO<sub>2</sub>) is one of the principle greenhouse gases that are contributing to predicted climate change. The transport sector is currently estimated to contribute in excess of 20% of all UK greenhouse emissions – roughly equivalent to 100 million tonnes of CO<sub>2</sub> per annum. One estimate is that personal travel produces in excess of 10% of UK total greenhouse emissions.
- 3.1.2 The Climate Change Act 2008 makes it the duty of the Secretary of State to ensure that the net UK carbon account for all six Kyoto greenhouse gases for the year 2050 is at least 80% lower than the 1990 baseline.
- 3.1.3 A key element of Government strategy relates to vehicle emissions. The "Powering Future Vehicles Strategy" (2002) outlined the aspiration that the UK should lead the global shift to a low carbon transport economy.

One target within this strategy is that, by 2012, 10% of all new car sales should be low carbon (with CO<sub>2</sub> emissions of 100g/km or less). This is consistent with an earlier agreement between the European Commission and the European Automotive Manufacturers Association to reduce CO<sub>2</sub> emissions from new cars by 25% to an average of 140g/km by 2008.

In fact the average level of CO<sub>2</sub> emissions for new cars has fallen by 13.1% since 1997 to 164.9g/km and total CO<sub>2</sub> emissions from all cars in use has fallen by 4.8% over the same period (DEFRA 2008).

There are numerous strands to the Government's strategy to reduce greenhouse gas emissions and hence combat climate change. In the context of this report the two relevant strands are (i) policies around road traffic reduction and (ii) the taxation (Vehicle Excise Duty) regime, first introduced in 2001 and subsequently strengthened, which essentially (financially) incentivises buyers of cars to move to lower emitting vehicles.

Appendix "F" sets out the emission based regime for VED introduced in 2001 and the current scale of charges.

### 3.2 Regional and local context and comparators.

3.2.1 The Mayor for London is responsible for the transport strategy for London. Successive Mayor's Transport Strategies have set out policies and proposals that would contribute to reducing transport emissions as a contribution to improving the environment and combating climate change.

The Mayors Transport Strategy (May 2010) sets out an approach to reducing CO<sub>2</sub> emissions from ground based transport around 3 core themes. Two of those themes are "Supporting & enabling the development and use of low carbon vehicles" and "Carbon efficient mode choice – improving the attractiveness of low carbon modes of transport".

Linked to these core themes are proposals which include:

Proposal 98 – "The Mayor through TfL, and working with the London Boroughs, car club operators, and other stakeholders, will support the expansion of car clubs and encourage their use of ultra low carbon vehicles and

Proposal 124 – "The Mayor, through TfL, and working with the London Boroughs,...will encourage implementation of pricing differentials based on vehicle emissions, including banded resident parking permits and other on and off-street parking charges..."

3.2.2 In 2007, the London Borough of Richmond upon Thames introduced the first emission based charging structure for resident and other parking permits in London. It included a differential charging structure for second and subsequent permits.

The Richmond regime applied differential charges for residents' permits utilizing the Vehicle Excise Duty (VED) "road tax" emission related bands for vehicles registered on or after 1<sup>st</sup> March 2001 and engine size (cylinder capacity) for vehicles registered before that date.

The regime introduced in Richmond also varied the charges across the Borough according to the nature and operating times of the various CPZs.

In introducing their regime Richmond set a precedent for the process of introducing such regimes and a model arrangement for application, with local variations, elsewhere in London.

Subsequent to Richmond introducing their regime, similar regimes have been introduced in 7 other London boroughs. These are listed, together with their annual charges, at Appendix "A".

Appendix "B" summarises current annual charges for residents permits in all London Boroughs at the current time. It illustrates that there is a wide range of charges and a variety of charging regimes. All Council's review their parking charges periodically, sometimes annually, and it is likely that many will amend their charges and arrangements in the next few months.

Appendix "C" sets out the charges for Boroughs that are adjacent to Brent.

On 12<sup>th</sup> July 2010, Richmond Council resolved to abandon their emission based charging regime. Their Cabinet agreed to "simplify CPZ permit charges in line with a detailed manifesto pledge made by the new Administration...to move away from the complex and confusing emission based taxation structure" in line with a commitment to "reduce levels of taxation". The relevant report says there is no clear evidence of the regime changing behaviours and that there is "some evidence of movement away from upper (emission) bands to lower bands....but the percentage was small and more likely to be influenced by other factors...such as VED". The report contains no supporting data/evidence.

The stance taken by Richmond is contrary to the view presented by the Mayor for London in the Mayors Transport Strategy which states "parking controls have been identified as one of the key measures that can be implemented at a local level to encourage the purchase and use of road vehicles with low CO<sub>2</sub> and air pollutant emissions."

### 3.3 The Brent Context

- 3.3.1 The Council is committed to making a positive contribution to combating climate change. It is a signatory to the Nottingham declaration on climate change. The Brent Climate Change Strategy, launched in December 2009 has three principal aims, one of which is to "cut emissions produced by the Borough ....in every sphere....the way we move around.

- 3.3.2 The Council's Transport Strategy is set out in the Local Implementation Plan (LIP) adopted in 2005/6 and currently being revised in response to the Mayors Transport Strategy. The LIP states that the Council's strategy for improving the environment, promoting economic growth and addressing social issues is through a transport policy and associated programmes that support the use of sustainable transport modes and discourage non essential car use.
- 3.3.3 Parking policy and practice is an important element of transport policy and the Council's approach is summarised within the Parking Enforcement Plan (PEP) which forms part of the LIP. The PEP states that when "reviewing parking permit charges the Council will take into consideration the need to encourage a shift to vehicles that have the lowest negative externalities and set permit prices based on DVLA (VED) charging models".
- 3.3.4. Currently, approximately 25% by area of Brent is covered by CPZs and these are located in the south-east and south areas of the Borough – generally closer to inner London. At any one time there are approximately 17,000 residents permits in use – although this figure includes permits of 1,3 or 6 months duration as well as annual permits.
- 3.3.4 Historically, the Council has adopted a system of permit charges that applies Borough-wide. That is, the same permit charge is made (for the same type of car) regardless of the location of the CPZ or it's hours of operation.

Brent currently has a "loose" emission based regime for resident permit charges as shown in Table 1 below:

<b>Vehicle</b>	<b>Charge</b>
Cars registered before March 2001 with engine size below 1200cc or registered after March 2001 in DVLA emission band A,B or C.	Nil
All other vehicles	£50
2 <sup>nd</sup> permit	£75
3 <sup>rd</sup> permit	£100
Visitor permits	£100

Table 1: Current Brent resident permit charges.

In 2007/08 the "nil" charge for smaller vehicles was introduced. Prior to that change the charge of £50 for a first permit had remained unchanged for more than 10 years.

- 3.3.5. There have been significant improvements in the arrangements and infrastructure associated with transport modes (walking, cycling and public transport) that are recognised as being more sustainable than car use since the original charging regime was introduced. Facilities, infrastructure, training and information for cycling have improved. Similarly the quality of, accessibility to and information on, public transport (particularly in relation to buses) has improved. Furthermore, recent years have seen the introduction and expansion

of city car clubs which provide an opportunity for residents to have access to a car for essential car use whilst avoiding ownership.

3.3.6. An analysis of Appendices “A” and “B” and associated information illustrates that comparison between Brent charges and those of other Boroughs is difficult and subjective because charges reflect the parking pressures within those Boroughs (which can vary significantly within Boroughs and from Borough to Borough), the political and transport policies and the economic well-being of the Boroughs.

The analysis demonstrates that:

- (i) Brent is the only Borough that makes no charge for all cars with an emission rating of less than 110gCO<sub>2</sub>/km or with an engine size of 1200cc
- (ii) That the average charge made by Boroughs with emission based regimes for vehicles in the 151-175gCO<sub>2</sub>/km category is £82,
- (iii) That charges in Boroughs that can be considered broadly “similar” to those parts of Brent where CPZs exist in terms of location, parking stress and economic well being are broadly around £80-£100 per annum,
- (iv) That charges in neighbouring Boroughs range from £25-45 (Ealing) to £84-£162 (Camden)

## **4. Proposals**

4.1 The current charging regime and charges for resident parking permits in Brent:

- contribute little to persuading residents to contribute to road traffic reduction within the Borough in the context of the many improvements that have been made (by the council and its’ transport partners) in sustainable transport facilities, infrastructure and services,
- fail to provide encouragement for residents to own vehicles that cause less environmental damage through CO<sub>2</sub> exhaust emissions or to discourage those residents who own less environmentally friendly vehicles,
- are inconsistent with the charges made by boroughs with broadly similar parking conditions and practices,
- have not been adjusted so as to be aligned with the value of parking space in London, the general cost of motoring and transport or of operating the service.

4.2 It is proposed to introduce a differentiated emissions based charging regime for residents’ permits that will address the issues set out in 4.1 above. The regime would introduce a wider range of charges (than the current 2) according to the emission rating of the vehicle taken from the DVLA banding.

There will be 7 differently priced bands. The cost of a permit will increase with the emission value (gCO<sub>2</sub>/km) of the vehicle.

Vehicles registered prior to March 2001 (for which there is no nationally recognised emission rating) will be charged according to engine size – using 7 bands.

Currently, the cost of a 2<sup>nd</sup> and 3<sup>rd</sup> permit is charged at 50% and 100% greater respectively than the charge for the 1<sup>st</sup> permit. It is proposed that this arrangement should continue – subject to minimum charges of £75 and £100 (the current charges) and a maximum charge of £300.

The proposed charging regime for 12 month residents permits is shown at Appendix “D”.

It is proposed to set the charge for a visitor permit at the equivalent of the highest resident permit charge being paid at that address at the time of purchase plus a premium of £10 – subject to a minimum charge of £110 and a maximum charge of £300.

At present, residents are able to purchase permits for 1,3 or 6 months at a cost equal to the pro-rata charge for a 12 month permit plus an administration charge of £6. It is proposed that arrangement continues.

- 4.3 As an incentive to encourage residents to consider their travel choices it is also proposed to introduce a “permit surrender prize” scheme.

Under this scheme any resident that chooses to return an existing resident permit and agrees not to purchase another for a period of 2 years will be granted a voucher to the value of £200 towards the cost of being a member of a city car club or the purchase of a bicycle or “oyster” travel.

The scheme would need to have conditions to preclude fraud.

- 4.4 As an additional incentive to those residents who may be encouraged to join city car clubs by the proposed emission based regime of charges, or those that are current members, it is proposed to introduce a car club all zone permit.

At present car club cars have permits which permit them to park in car club bays and in other bays only within the CPZ in which that car is based.

The introduction of a permit which allows users of car club cars to park in any resident parking bay in the Borough free of charge during CPZ operational hours would reduce the administrative burden on car club operators and provide a small financial incentive to car club members – with little risk of encouraging non-essential journeys, significantly increasing parking stress in residents bays or reducing income from pay and display arrangements.

- 4.5 At this time it is not proposed to introduce an emission based regime for permits other than residents' permits. Nevertheless it is recognised that all permit holders will contribute to CO<sub>2</sub> emissions in the Borough and hence climate change. Accordingly it is proposed to develop an appropriate regime for other permit holders and present it to the Executive for consideration at the earliest opportunity
- 4.6 The proposed regime and charging structure set out in this report is considered to be one that will be broadly understood and relatively simple to administer and adjust as required in the future. It is consistent with the principles for the review and setting of parking charges as set out in the LIP and Parking Enforcement Plan.

## **5.0 Financial Implications**

- 5.1 The council currently has no comprehensive and accurate information relating to the type of vehicle (by CO<sub>2</sub> emission type) owned by its' resident permit holders held in a way that can be readily analysed. Historically there has never been a need to capture that information in a systematic way.

Similarly it is not possible to predict with certainty the proportion of residents with permits that will change their vehicle type or cease to apply for a parking permit as a result of the introduction of the regime and charges proposed.

As a consequence it is not possible to predict with certainty the financial implications of the introduction of the proposed regime. Nevertheless, using the results of a sample survey of recent permit applications an approximation of the Brent (resident permit) car population by emission band and engine size (prior to March 2001) has been used to model the additional income that may be generated by the proposal.

The car population approximation used in the model is shown at Appendix "E" .

- 5.2 During 2009/10 income derived from the sales of residents permits was £0.894m

Using the car population approximation model it is estimated that the additional (first year) full year income associated with the introduction of the proposal would be £1.1m.

This estimate includes an assumption that a proportion of residents would renew their permits early to avoid increased charges in the first year and an assumption that a proportion of residents may choose not to renew their permits (as a result of being able to find alternative off street parking provision/arrangements or by ceasing to own a vehicle) or may choose to move to a lower emission rated vehicle.

The estimated cost of introducing the scheme proposed (publicity, Traffic Orders, IT system changes, staff training etc) is estimated to be in the order of £75,000 and would be incurred in the 2010/11 financial year.

There would be no significant additional and on-going revenue costs associated with administering the scheme once introduced.

Hence, if the regime and charges set out in this report are introduced from 1<sup>st</sup> April 2011 an estimated additional income of £1.1m would be generated in the 2011/12 financial year.

- 5.3 Whilst it is reasonable for a Council to take due regard of estimated costs and income arising from the management of parking, is not lawful for a Council to use the Road Traffic Regulation Act 1984 to impose charges to raise revenue.

The proposals outlined in this report are consistent with the policy objectives outlined within the report.

The additional income estimated from the proposals may vary according to (i) the accuracy of the model used and (ii) whether or not the regime, together with other associated initiatives, contributes to the policy objectives behind the proposal.

In essence, the long-term effect on income levels cannot be measured as it is hoped that the effect of the new Charging Mechanism would be to reduce the use of High Emission vehicles”.

- 5.4 Local authorities are required to keep a separate account of their income and expenditure in respect of parking. Furthermore, Local Authorities are prohibited from spending any surpluses in the PPRA on anything other than the management of parking or other transport related expenditure.

The costs and income associated with the proposal will be incorporated within the Parking Places Revenue Account (PPRA) for 2010/11 and beyond.

## **6.0 Legal Implications**

- 6.1 The Council is empowered by the Road Traffic Regulation Act (RTRA) 1984 (as amended) and the Road Traffic Act 1991 to provide parking places on and off the highway and to charge for their use. Section 45(1) of the RTRA 1984 provides the power to designate by order, on-street parking places. Section 45(2) (b) extend the means to charge for such parking places.

The proposals would be introduced by making a Traffic Regulation Order under the RTRA. The procedure for doing this is set out in Regulations and requires:

Consultation with organisations representing persons who use any road to which the Order relates, or are likely to be otherwise affected,

Publication of proposals and providing documents for inspection,

Inviting written objections to proposals following publication,

Consideration of objections made.

Section 122(1) of the RTRA specifies that an Authority has a duty "...to exercise the functions conferred on them by this Act as (so far as practicable having regard to the matters specified in sub-section (2) below to secure the expeditious convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway"

The matters at Section 122 (2) include (i)The effect on amenities of any locality (ii) The strategy prepared under Section 80 of the Environment Act 1995 (Air Quality Strategy) and (iii) Any other matters appearing to the local authority to be relevant.

The Authority is therefore permitted to consider Air Quality and Environmental matters when determining the parameters of a new parking scheme.

Section 45 of the RTRA permits differential parking based on vehicle emissions and that regard may be had to environmental considerations in creating a parking regime under the RTRA.

Furthermore, local authorities have wide ranging powers under the Local Government Act 2000. These are wide ranging powers that allow authorities to do anything which they consider is likely to achieve objectives listed and include the promotion or improvement of the environmental well-being of their area.

## **7.0 Consultation**

7.1 As described above, the legislation prescribes the form of statutory consultation for the making of the Traffic Order associated with the proposals described. This requires the advertising of proposed Orders in the local press and by way of street notices.

However it is also essential that the proposals are put in the public domain and reasonable engagement methods are utilized, in addition to the statutory process, to afford those affected by the proposals opportunity to assess the impact of the proposals and make representations and objections prior to the proposals being implemented.

Accordingly the Director of Environment & Culture will embark on a communications strategy (comprising, but not limited to, information in Brent Magazine, press releases, website information, and leaflets in the parking shops and Council offices) so as to alert the wider community to the proposals prior to the advertising of the Traffic Orders.

- 6.2 All representations received in advance of and subsequent to the advertising of Traffic Orders will need to be properly considered prior to the decision on whether or not to introduce the proposals.

This report recommends that authority is delegated to the Director of Environment & Culture to consider those representations.

### **Background Papers**

Brent Local Implementation Plan (2006-11)  
Brent Climate Change Strategy (Dec 2009)  
(London) Mayors Transport Strategy (May 2010)

### **Contact Officers**

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Richard Saunders  
Director of Environment and Culture.

## Appendix A

### Details of annual resident permit charges in those Boroughs with emission based permit regimes.

#### Camden

Band	1	2	3	4
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 150.	151-185	186-224	224+
Vehicle engine size (cc) – for vehicles registered pre March 2001	0-1299	1300-1849	1850-2449	2450+
First permit annual cost.	£84	£99.80	£121	£162

#### Haringey

Band	1	2	3	4
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 100	101-150	151-185	186+
Vehicle engine size (cc) – for vehicles registered pre March 2001		Less than 1549	1550-3000	3000+
First permit annual cost.	£15	£30	£60	£90

#### Islington

Band	A	B	C	D	E	F	G
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 100	101-120	121-150	151-165	166-185	186-225	225+
Vehicle engine size (cc) – for vehicles registered pre March 2001		Less than 1100	1101-1399	1400-1500	1501-1850	1851-2500	2500+
First permit annual cost.	£0	£35	£55	£70	£85	£160	£200

#### Lambeth

Band	1	2	3	4	5	6
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 100	101-120	121-165	166-185	186-225	225+
Vehicle engine size (cc) – for vehicles registered pre March 2001			Less than 1550		1550-3000	3000+
First permit annual cost.	£0	£90	£115	£135	£180	£200

**Royal Borough of Kensington & Chelsea**

Band	1	2	3	4	5	6	7
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 100	101-120	121-150	151-165	166-185	186-225	225+
Vehicle engine size (cc) – for vehicles registered pre March 2001			Less than 1549			Greater than 1549	
First permit annual cost.	£66	£88	£99	£110	£121	£132	£154

**Tower Hamlets**

Band	A	B	C	D	E	F	G	H
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 100	101-120	121-150	151-165	166-185	186-225	225-325	325+
Vehicle engine size (cc) – for vehicles registered pre March 2001		Less than 1100	1101-1300	1300-1600	1601-1800	1801-2000	2001-3000	3000+
First permit annual cost.	£0	£40	£50	£70	£90	£110	£125	£150

**Richmond upon Thames**

Complex regime where costs vary according to zone, 13 emission bands and 6 engine size bands – Price for first permit varies between £0 and £300 pa.

**Waltham Forest**

Band	1	2	3
Vehicle Emissions (gCO <sub>2</sub> /km) Range – for vehicles registered post March 2001.	Less than 120	121-225	225+
Vehicle engine size (cc) – for vehicles registered pre March 2001	Less than 900cc	900-3000	3000+
First permit annual cost.	£22.50	£30	£100

## Appendix B

### Details of annual resident parking permit charges in all London boroughs\*

Borough	Annual charge (£)
Camden	84.00
City of London	No regime
Hackney	115.00
Hammersmith & Fulham	99.00
Greenwich	15.00-50.00
Islington	55.00
Kensington & Chelsea	99.00
Lambeth	115.00
Lewisham	60.00
Newham	0
Southwark	75.00
Tower Hamlets	50.00
Wandsworth	95.00
Westminster	85.00-120.00
Barnet	40.00
Barking & Dagenham	22.50
Bexley	35.00-70.00
Brent	50.00
Bromley	35.00-75.00
Croydon	48.00
Ealing	25.00 or 45.00
Enfield	30.00 or 70.00
Harrow	46.00
Haringey	No regime
Hounslow	40.00-60.00
Havering	13.20
Kingston	60.00
Merton	65.00
Richmond	22.50-300.00
Redbridge	55.75
Sutton	35.00 or 40.00

#### \*Notes

For those boroughs with a vehicle emission based residents permit regime the cost shown is for an "average" vehicle (130gCO<sub>2</sub>/km).

Where a range or values are shown this is where the cost varies according to the CPZ.

Charges relate to first permits.

## Appendix C

### Details of annual resident parking permit charges in neighbouring boroughs to Brent\*

<b>Borough</b>	<b>Annual charge (£)</b>
Barnet	40.00
Camden	Emission based regime – range 84.00 to 162.00
Ealing	25.00 or 45.00 (depending on zone)
Harrow	46.00
Hammersmith & Fulham	99.00
Kensington & Chelsea	Emission based regime – range 66.00 to 154.00
Westminster	“Loose” emission based regime – 85.00 or 120.00

Note : Charges relate to first permits.

Appendix D.

**Proposed charges – annual residents parking permit in Brent.**

**For vehicles registered on or after 1<sup>st</sup> March 2001:**

"Brent band"	1	2	3	4	5	6	7
Vehicle Emissions (gCO <sub>2</sub> /km)	Less than 110	110-130	131-150	151-175	176-200	201-255	255+
First permit annual cost (£)	0	50	75	100	125	150	200
Second permit annual cost (£)	75	75	113	150	188	225	300
Third permit annual cost (£)	100	100	150	200	250	300	300

**For vehicles registered before 1<sup>st</sup> March 2001:**

"Brent band"	1	2	3	4	5	6	7
Vehicle engine size (cc)	Less than 1100	1001-1200	1201-1550	1551-1800	1801-2400	2401-3000	Over 3000
First permit annual cost (£)	0	50	75	100	125	150	200
Second permit annual cost (£)	75	75	113	150	188	225	300
Third permit annual cost (£)	100	100	150	200	250	300	300

**Visitor permits (annual)**

To be charged at a cost equivalent to the maximum permit being charged at that household plus £10 – subject to a minimum charge of £110 and a maximum charge of £300.

## Appendix E

### Estimate of vehicles (owned by Brent resident permit holders) within proposed charging bands.

"Brent band"	1	2	3	4	5	6	7
Emission value or engine size	Less than 110 gCO <sub>2</sub> /km or 1000cc	110-130 gCO <sub>2</sub> /km or 1001-1200cc	131-150 gCO <sub>2</sub> /km or 1201-1550cc	151-175 gCO <sub>2</sub> /km or 1551-1800cc	176-200 gCO <sub>2</sub> /km or 1801-2400cc	201-255 gCO <sub>2</sub> /km or 2401-3000cc	Over 255 gCO <sub>2</sub> /km or 3001cc
Estimated % of permits within band	6	6	21	31	22	11	3

Note: Estimate based on a sample analysis of permit applications received (new and renewals in July 2010).

Appendix F

**Current DVLA annual vehicle licence banding structure and charges  
(cars registered after March 2001.)**

DVLA Band	Emissions rating (gCO <sub>2</sub> /km)	Annual charge (petrol or diesel vehicles) £
A	Up to 100	Nil
B	101-110	20
C	111-120	30
D	121-130	90
E	131-140	110
F	141-150	125
G	151-165	155
H	166-175	180
I	176-185	200
J	186-200	235
K	201-225	245
L	226-255	425
M	Over 225	435

**Current DVLA annual vehicle licence banding structure and charges  
(cars registered before March 2001.)**

Engine size (cc)	Annual charge £
Not over 1549cc	125
Over 1549	205

	<p><b>Executive</b> 11 August 2010</p> <p><b>Report from the Director of Housing and Community Care</b></p>
<p>Wards affected: ALL</p>	
<p><b>Authority to renew advice service grants to Brent Citizens Advice Bureau and Brent Community Law Centre Limited</b></p>	

## 1.0 Summary

1.1 This report seeks authority to renew grant funding for a period of one year for Brent Citizens Advice Bureau (BCAB) and the Brent Community Law Centre Limited (BCLC). There is no provision in the Council's Constitution to extend existing grant funding, so the renewals would amount to fresh grants.

## 2.0 Recommendations

2.1 That the Executive agree:-

2.1.1 To renew the grant for the BCAB for a further 1 year from 1<sup>st</sup> October 2010, to conclude 30<sup>th</sup> September 2011 pending the outcome of a strategic review.

2.1.2 To renew the grant for the BCLC for a further 1 year from 1<sup>st</sup> October 2010, to conclude 30<sup>th</sup> September 2011 pending the outcome of a strategic review.

2.1.3 To note the savings as set out in option 1 or agree the savings as set out in option 2.

### Option 1

2.1.4 To note Officers have negotiated a reduction of 15% on the BCLC's existing budget to be delivered during the 1 year renewal period. This equates to a 7.5% saving during this financial year (2010/11) and 7.5% saving during 2011/12.

2.1.5 To note that Officers have negotiated a reduction of 4.5% on the BCAB's existing budget to be delivered during the 1 year renewal period. This equates to a 2.25% saving during this financial year (2010/11) and a 2.25%

saving during 2011/12. Please refer to paragraph 4.4, for details of other Council services that have been terminated during this financial year as a result of a cut in the Area Based Grant.

- 2.1.6 To note the total value of savings to be delivered during the renewal period is £54k; £17k for the BCAB and £37k for BCLC.

## Option 2

- 2.1.7 As above in paragraphs 2.1.4 and 2.1.5.
- 2.1.8 For Members to agree to the additional 10.5% to be deducted from the BCAB's existing budget. This equates to a total overall reduction of 7.5% this financial year (2010/11) and 7.5% saving during 2011/12.
- 2.1.9 To note the total value of savings to be delivered during the renewal period is £93k, £56k for the BCAB and £37k for BCLC.

## **3.0 Detail**

- 3.1 In February 2005, the Executive Committee approved grant funding of the BCAB and the BCLC for the provision of advice services. In August 2009, the Executive agreed a one year renewal for the continuation of these services.
- 3.2 The process of renegotiating the grants in 2005 provided an opportunity to introduce clear specifications and robust performance monitoring arrangements outlining the Council's key objectives and targets.
- 3.3 The current grant agreement with the BCAB is for 1 year from 1 October 2009 and expires on 30<sup>th</sup> September 2010. The grant agreement with the BCLC is for 6 months from 31<sup>st</sup> March 2010 and expires on 30 September 2010.

## **4.0 Brent funded advice providers**

### **Brent Citizen's Advice Bureau**

- 4.1 The BCAB is funded by the H&CC Service to provide a generalist legal advice service across all categories of law with a total value of £376k per annum; the existing grant arrangement is due to expire 30<sup>th</sup> September 2010.
- 4.2 The range of services provided by the BCAB are detailed in Appendix A, section 1.0.
- 4.3 The grant agreement specifies that the Council's funding may be used to fund full or part-time employment posts within the BCAB, in particular the posts of Director, Service Manager, Volunteer Development Officer (who is also the Company secretary), Advisers (5.6 FTE) and a part-time Administrative Officer.

- 4.4 In addition to the Council's H&CC funding, the BCAB also receives approximately £351k annual funding from the Council's Children and Families (C&F) Department, delivering an outreach advice service across 20 Children's Centres which is due to expire 31<sup>st</sup> March 2011. The Children and Families department also funded BCAB to deliver debt management support for families at a cost of £53k pa. However, this contract was terminated with effect from 31st July 2010 as part of the reductions in the Area Based Grant (ABG)<sup>1</sup>. As a result, Brent CAB will have received £17,600 for this service during 2010-11 and no further services will be commissioned for 2010/11 with the exception of work commissioned as part of the Children's Centres core offer. BHP fund the BCAB to provide debt advice to tenants who are in arrears, the service is delivered over two half day sessions per week. The contract is due to expire in June 2011.
- 4.5 Other funders include the Legal Services Commission (LSC) in the form of civil legal aid payments for eligible services users and HM Revenue & Customs (where funding is earmarked for a specific campaign). Fortune gate Housing provide funding for services relating to rent arrears and debt. Central and North West London NHS Foundation NHS Trust fund a welfare benefits and money advice service at the Park Royal Centre for Mental Health and a number of other small funding arrangements brokered by the Citizens Advice.
- 4.6 The total Council funding amounts to £727k<sup>1</sup>, the BCAB has also secured a total of £211k of the non-Council funding during 2010/11 plus £244k of LSC funding. Although the BCAB were allocated additional work from the LSC and their income increased from £209k in 2007/8 to £234k in 2008/9, this did not cover the full cost of providing the legal aid service. (See Appendix A, section 3.0)
- 4.7 Performance for 2009/10 was very positive despite the BCAB not meeting all their targets, the BCAB has continued to engage well with the Council's internal Housing Advice Service to jointly tackle the increased number of mortgage repossession cases on the Mortgage Rescue Scheme (MRS) and other debt related cases, 2009/10 provided many challenges for all advice providers. The BCAB experienced a 69% increase on the number of cases handled since the previous year. Further performance information is included in Appendix A, section 1.0.
- 4.8 A recent policy change has resulted in a new duty<sup>2</sup> on all mortgagees seeking possession proceedings, mortgagees are now required to notify the respective local authority of their intentions. Local Authorities have a duty to contact the mortgagor to provide advice and assistance, this duty is being discharged through a partnership approach with the BCAB. These cases are ineligible for legal aid as a result of their asset wealth and therefore the BCAB are utilising the Council's funding to provide the necessary assistance.

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<sup>1</sup> Children & Families and Housing & Community Care Funding

<sup>2</sup> Part 55 Civil Procedure Rules 1997, Housing Act 1996 as amended by Housing Act 2002

4.9 The BCAB continues to work well with the internal Housing Solutions team, in order to respond to the current economic downturn. The MRS commenced in December 2008, and the number of customers accessing this scheme is steadily increasing week to week.

### **Brent Community Law Centre (BCLC)**

4.10 The BCLC is funded to provide a specialist legal advice service across all categories of law with a total value of £245k. The existing grant arrangement is due to expire 30<sup>th</sup> September 2010.

4.11 The range of services provided by the BCLC are detailed in Appendix A, section 2.0.

4.12 The BCLC also receives funding from the Legal Services Commission. The unified contract for civil legal aid (see Appendix A) is in respect of those more complex cases where the service user is eligible for legal aid. The amount has decreased since the commencement of the grant agreement in 2007. The figure fluctuates from year to year for various reasons including:

- Increased staff turnover has resulted in less earning in some years than others;
- An income reduction caused by the introduction of the new unified contract at about £27k per year out of previous earnings between £200k to £250k;
- The closing of (and payment for) larger cases distort the averages.
- The income from the LSC is estimated at £150k for 2009/10.

4.13 Performance against target for 2009/10 is 85%, the performance this year has been impacted by many factors including staff shortages and the failure of the electronic recording equipment resulting in data loss. The IT and telephone electronic recording systems are now fully operational and there has been a marginal increase in the number of advice calls recorded during quarter 4 compared to previous quarters and as such the performance recorded is not fully reflective of actual service delivery. Further performance information is included in Appendix A, section 2.0.

4.14 In addition to the factors described above, there has been an increase in the average length of call time taken to respond effectively to presenting issues. The types of calls presented are multi-faceted cutting across a range of areas from housing to employment and community care issues. There has been a marginal increase in the number of customers requiring advice and assistance on employment issues. Many of these customers are ineligible for legal assistance under legal aid due to their incomes or asset wealth. For ineligible clients the BCLC seek to guide the customer through the most appropriate legal action to help resolve their issue without the need to pay for legal advice privately. Consequently, the average length of call has increased substantially in line with the increased levels of advice for employment, and other correlated advice with a particular emphasis on debt advice resulting from the economic downturn.

- 4.15 The BCLC is also an agency to which the Council refers more difficult mortgage repossession cases that cannot be dealt by the Council's limited advice Service. The BCLC has recently joined the scheme to address specific issues on debt cases. This duty is part of the recent policy change mentioned above in paragraph 4.8. These cases are ineligible for legal aid as a result of their asset wealth and therefore the BCLC are utilising the Council's funding to provide the necessary assistance. The arrangement has been very positive with the work receiving much credit both from the users and the Council's internal Housing Advice Service. However, the experienced debt adviser is now leaving the BCLC and this has forced the BCLC to start a further recruitment process. Staff retention has become a real issue for the organisation; this is further detailed in Appendix B, produced by the BCLC.

### Partnership Referrals

- 4.16 The grant agreements in place with both agencies stipulate the delivery of a collective total of 10 hours of referrals per week to the agencies through an agreed referrals protocol with the Council's Housing Advice Service (HAS). The HAS will refer customers facing debt and/or welfare benefits advice to the BCAB<sup>3</sup> and complex advice cases to the BCLC<sup>4</sup> for specialist advice.

### Community Strategy

- 4.17 Funding for these two services is consistent with the Council's Community Strategy, officers consider that the accessible advisory services provided by both the CAB and the BCLC provide valuable support to residents in particular within the areas of income and employment enhancement and housing support. The Executive is also directed to Appendix A of this report,, section 1.6 and 2.7 respectively regarding the overall well-being of the area.
- 4.18 Moreover, officers consider that the services provided by the BCAB and the BCLC are entirely consistent with two of the three key values underpinning the Strategy – namely the delivery of efficient, accessible and sustainable services to excellent standards and the development of tailored solutions to meet the needs of individuals, families and communities (as per the "Our vision and values" section of the Strategy).

## 5.0 Future of Advice Services in Brent

- 5.1 The August 2009 report submitted to the Executive provided for a fresh grant allocation for a period of 12 months and 6 months for the BCAB and BCLC respectively, up to September 2010 in both cases. This allocation was made in order to permit the Council to conduct a strategic review of advice services in Brent.
- 5.2 The review has commenced and it will identify **service gaps, key priorities and determine the shape of future services**. In particular it would consider a collaborative approach in joint commissioning with **Children & Families**

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<sup>3</sup> Six hours per weeks equates to 18 appointments

<sup>4</sup> Four hours per week equates to 2 appointments

**Services, Brent Housing Partnership** and the potential benefits of jointly commissioning services with the **Legal Service Commission**.

- 5.3 However, having drafted the initial scoping document for the proposed review it became apparent that the timing of the review needed further consideration. There are a number of internal and external drivers that are proving to be challenging to both the Council and the existing providers. These are further detailed below.
- 5.4 The **current economic downturn** has lasted much longer than initially anticipated and this is evidenced by the increase in demand for advice services in the Borough, particularly for those households who do not meet the legal aid threshold. As mentioned above the complexity of the cases representing are multi-faceted and require extended periods of time to diagnose, negotiate and resolve, in many instances these are resulting in lengthy legal battles.
- 5.5 Another impact from the economic downturn is that the Councils need to make substantial financial savings, the current target being £60m. This has resulted in a number of staffing changes across the Council. Whilst the Council had in principle agreed to jointly commission advice services in the future (Housing & Community Care and **Children & Families**), changing staff resources within the department and the lack of a dedicated Officer within Children & Families has meant that this intention has not been taken forward on this occasion. The Children & Families department has decided to extend their current arrangement with the BCAB for a further year. This one year arrangement is based on the uncertainty of future funding streams from central government.
- 5.6 The **Legal Services Commission** is responsible for legal aid funding across the country. As a result of a substantial increase in the costs for legal aid, the Legal Services Commission reviewed its contractual arrangements with all providers; the review was lead by Lord Carter in 2004 and published in 2006. The outcome of the review suggested radical changes in policy and direction in order to control the spiralling costs of legal aid.
- 5.7 Since the 2006 Lord Carter publication and the LSC's initial publication of its revised strategy which included a number of radical changes to the legal aid system's contractual arrangements, the LSC has made many changes to the direction and timescales; these are further outlined in Appendix A, section 3.0 and 4.0.
- 5.8 The move from an hourly rate to a nationally established fixed fee for each category of law irrespective of complexity has resulted in a range of difficulties for providers as it fails to take account of the complexities that are specific to major cities like London, where interpretation and the overall cost of living is much higher.
- 5.9 The Legal Service Commission strategy includes a redistribution of financial resources. The result of the redistribution will be to shift financial resources out of London, the London wide impact indicates a loss of £7.5m and for Brent

an estimated loss of £300k, these figures were published spring 2009, no further revisions to these figures have been published since, therefore Officers assume that these figures are still current.

- 5.10 The new strategic direction received a vast amount of negative publicity nationally from the private sector, the not for profit sectors and resulted in a Judicial Review lodged by the Law Society. In response to this the LSC were placed under considerable pressure to take stock and consider the feedback and adjust their position accordingly. This led to a series of changes, the most recent being the recommendations from the Magee Review.
- 5.11 The Magee Report published in April 2010 concluded that there was a need to change the governance arrangements for the LSC, through the creation of an Executive Agency, thus providing a sharper focus and a reduction on new initiatives. It acknowledges the cost drivers associated with new legislation, for example, the Mental Health Act 2007 and the introduction of working families' tax credits increased the demand for social welfare law advice. It also raised serious concerns about LSC financial management and forecasting.
- 5.12 The Council was approached by the Legal Services Commission with a view to jointly commissioning advice services in the future. This will be considered further as part of the wider strategic review for advice services. However, a recent joint publication by IDeA and Tribal suggests that Local Authorities must consider a range of factors before deciding to develop services jointly with the LSC within their areas, particularly as the key objectives from a local authority perspective differs from the LSC's.
- 5.13 The LSC's current round of tendering for civil legal aid was due to be announced in February 2010, then June 2010 and has now been delayed until July 2010 with implementation in October 2010. The outcome of this may have a huge impact on the providers in the Borough, loss of a provider locally will result in increased demand for all other providers and the Council's own housing advice service.
- 5.14 The impact of the **economic downturn** has dramatically changed the types of services needed in the Borough, for example, there has been a considerable increase in the number of people seeking advice and assistance who do not meet the legal aid thresholds and a general increase the demand for services across all categories of law, particularly, money advice, welfare benefits, housing and employment.
- 5.15 The **LSC's** direction is unclear and the outcome of the most recent tendering process will not be known until Oct 2010 and further changes are proposed as a result of the Magee review.
- 5.16 The impact of proposals outlined in the Government's Emergency Budget will result in a substantial increase in demand for advice and legal services. The precise impact is unpredictable, but it is certain that reductions in welfare benefits, housing benefit changes and cuts in national and local government services will all cause Brent residents to seek advice.

- 5.17 On 23<sup>rd</sup> June 2010 the government also announced a “fundamental look at the legal aid system” further consultation is proposed in the autumn of 2010.
- 5.18 As a local authority we are still responding to changes in financial settlements from central government, the change in local and national government. As such Officers need time to re-evaluate their departmental priorities and dedicate appropriate resources to the review for a meaningful dialogue between departments to consider to potential benefits of joint commissioning.
- 5.19 Therefore, Officers have concluded that it would be ill advised to have conducted a review during all this uncertainty, placing added strain on the existing providers and the sector as a whole. Section 6 below sets out when it is proposed to re-commence work on the review.
- 5.20 The advice market requires a period to develop locally and recover from the large changes resulting from the LSC and therefore are unlikely to respond positively to a tendering process.
- 5.21 As a result of all above mentioned factors, the Executive are asked to renew the grants for a one year period to allow recovery and review. There are some caveats that have been introduced so that these services are consistent with other similar grant and contractual arrangements with providers; these are detailed in paragraphs 6 and 7 of this report.

## **6.0 Strategic Review Timetable**

- 6.1 Officers will undertake a strategic review of advice services during 2010/11. The review will identify service gaps and key priorities and determine the shape of future services. The review will take account of the potential increase in demand for advice services resulting from the changes announced by the Government during the emergency budget and the outcome of the LSC’s tendering process to be announced later this month. The review will consult with a range of stakeholders and customers to obtain their views and determine whether the services are strategically relevant to the revised Homeless Strategy and other Council and National strategies and drivers.
- 6.2 Officers will work closely with colleagues in the Council’s Children & Families Service and Brent Housing Partnership in order to maximise the potential of procuring efficiencies in the future provision of advice services. The existing arrangements with the Children & Families Service are due to expire on 31<sup>st</sup> March 2011 and June 2011 with Brent Housing Partnership.
- 6.3 Officers will consider whether the service gaps and key priorities identified by the review should be re-specified and re-negotiated with existing providers or whether a tendering process would be most suitable for the future provision of the revised services. The review will also consider the option of Housing and Community Care collaborating with the Council’s Children and Families Service and Brent Housing Partnership in joint procurement and/or the option of joint procurement with the Legal Service Commission.

6.4 The grant will include a provision to terminate the current grant arrangement with a 3 month notice period in order to introduce new/revised services following the completion of the strategic review if appropriate.

## **7.0 Financial Implications**

7.1 Members are asked to note that this report does not deal with the specific funding issue for the next financial year. This issue will be addressed as part of the Council's requirement to set a balanced budget.

7.2 The current H&CC budget for advice services is circa £686k. The proposed renewal of the existing arrangement will be contained within this budget. The budget contains the cost of the advice service grants, and the management and monitoring costs associated with these arrangements.

7.3 The cost of the BCAB generalist advice service funded by the H&CC is circa £376k for 2010/11.

7.4 The Council has negotiated a saving of 4.5% on the BCAB budget under option 1, a total saving of approximately £17k or under option 2 a saving of approximately £57k, 50% of this saving will be delivered in year (2010/11) and the other 50% saving will be delivered in the financial year 2011/12.

7.5 The cost of the BCLC specialist advice service by the H&CC is circa £245k for 2010/11.

7.6 The Council has negotiated a saving of 15% on the BCLC budget, a total saving of £36k, 50% of this saving will be delivered in year (2010/11) and the other 50% saving will be delivered in the financial year 2011/12.

7.7 The existing grant arrangements include a provision for an annual inflationary increase in line with the retail price indices and a deduction in line with the Council wide efficiency savings agenda. This provision will be amended with the renewal and will exclude a provision for inflation in the new financial year.

7.8 The savings will be used to offset known pressures on the temporary accommodation budget arising from Housing Benefit Subsidy changes implemented in April 2010.

## **8.0 Legal Implications**

8.1 Under section 2 of the Local Government Act 2000 ("LGA") whereby the Council is authorised to do anything that is likely to promote or improve the economic, social or environmental well being of its area, the Council has the power to provide financial assistance for the provision of advice services to the public of the sort provided by the BCAB and the BCLC.

8.2 Importantly, section 2(3) of the LGA provides that in exercising the power described in paragraph 8.1 above, the Council must have regard to its sustainable community strategy ("the Strategy"). Brent's Strategy sets out how the Council will meet the needs and aspirations of Brent's residents and

expressly points to partnerships with voluntary organisations. The Strategy addresses issues pertaining to the overall wellbeing of Brent's residents and in particular the Strategy focuses upon enhancing income and employment levels within the Borough and supporting vulnerable tenants within the Borough regardless of the nature of their tenure. It should be noted that Paragraphs 4.17 and 4.18 of this report confirm that officers consider that the services provided by the CAB and BCLC are consistent with the requirements of the Strategy

8.3 As noted in this Report, part of the work of the BCAB and the BCLC relates to housing advice and information. Section 180 of the Housing Act 1996 provides that the Council (being the local housing authority) may give assistance by way of grant or loan to voluntary organisations concerned with homelessness or matters relating to homelessness. The BCLC in particular is tasked with giving advice which is considered beneficial to the prevention of homelessness.

8.4 The renewal of the grants for the period contemplated amounts to the award of new grants. The Executive should be aware that the decision to award a grant is discretionary, and the Council's discretion must not be fettered by previous commitments such that the Council should make its decision in the light of the present circumstances as described in this Report. The Council is bound to act reasonably and must take into account only relevant considerations and its fiduciary duty towards taxpayers in the Borough.

## **9.0 Diversity Implications**

9.1 An equalities impact needs risk assessment (INRA) will be conducted as part of the strategic review.

## **10.0 Background Papers**

Housing Advice Review Report 2009  
Housing Advice Review Report 2008  
Housing Advice Review Report 2005

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## **Appendix A**

### **1.0 Services provided by the Brent CAB**

- 1.1 The Brent CAB is required to provide a high quality generalist legal advice service to residents living and working within the borough. The grant from the H&CC enables the BCAB to provide the following services:
- a telephone advice line to be available within specified operating hours
  - an 'advice surgery' for drop-in sessions without an appointment, to operate at certain times during the week
  - a drop-in general help service (such as for assistance with completing forms and the provision of relevant information leaflets) to operate at certain times during the week; and
  - an appointment service for more complex or detailed cases to operate at certain times during the week.
- 1.2 The CAB is expected to deliver its advice and legal information within the following areas of law:
- Consumer
  - Money Advice
  - Welfare Benefits
  - Employment
  - Housing
  - Family and Personal Matters
  - Taxes
  - Immigration and nationality
  - Health
  - Education
- 1.3 The total demand for the CAB service for 2009/10 was 25,592 slightly down from the previous year ( 27,135). This is mainly due to the increased number of outreach projects the CAB deliver across the borough, which now includes 21 Children's Centres. However, the figures also highlight the increase in the complexity of cases, this is reflected in the higher number of booked appointments requiring increased casework, and this figure has increased from 9,348 in 2008/9 to 11,347 in 2009/10 an increase of 21%.
- 1.4 The CAB successfully prevented homelessness in 44 cases during 2009/10 compared with 20 the previous year and has responded to 127 cases under the Mortgage Rescue Scheme during 2009/10 compared with 75 the previous year, an increase of 69%.
- 1.5 From the H&CC funded part of the service, the CAB has generated a total recovery for service users of £1.3m from 398 cases of income maximisation (such as enhanced entitlement to benefits and re-negotiation of debts). This represents an income of approximately £3,200 per case and an overall return of approximately £3.50 per £1.00 spent. In addition the bureau generated compensation of £162k from 1365 employment cases. Not all cases require a settlement and many of the borough's residents seek advice on employment matters.

1.6 In the context of the overall 'community well-being' aims the CAB is working in partnership with the Council in delivering a number of objectives in the Sustainable Community Strategy 2006-2010 as follows:-

- The CAB assists in reducing inequalities and low levels of deprivation through the work on income maximisation in all their outreach projects and other initiatives. By maximising people's incomes and ensuring that they get their full entitlement to benefits, pay, and advice on their legal rights, Brent CAB is working improve the quality of life of residents of the borough. Their Money Advice Programme used throughout their services in the borough, aims to enable users to sustain this income once advice has been sought and outcomes gained. An estimated total of £4.8 million was gained for residents overall, a return of 4:1 of the income invested in the bureau.
- The tax credits campaign funded by the HM Revenue & Customs generated a total of £454k for local residents, a 35:1 return on investment and over £1.3m since the campaign started in November 2008.
- The CAB provides training for employment through our volunteer programme ensuring access to our diverse communities. In 2009/10 88% of the participants were from BME communities. A total of 76 volunteers started at the bureau in a variety of roles during 2009/10, including 25 law students, 15 of whom have moved on to paid employment and 11 of the volunteers in other roles have similarly been successful in gaining paid work in the voluntary, public and private sectors.
- The BCAB also works in partnership with Children's Centres, providing advice and much-needed support to parents with children under 5 primarily in the categories of debt and welfare benefits. In 2009/10 an additional £2m was gained for these parents, representing a return of £6 for every £1 invested in the service. A close working partnership has also been developed with Salusbury World, St Mark's Church in Kensal Green, and Brent Age UK.
- The Winter Warmth Fund, set up in partnership with the Tricycle Theatre, has enabled BCAB to make awards to clients with problems affected by fuel poverty with long-term limiting illnesses, elderly people and families with young people. Now in its second year, 18 such awards have been made to date.
- BCAB runs Energy Best Deal sessions for users of community organisations to help people understand how to maximise their income by reducing their fuel bills through switching.
- The CAB redresses the inequalities facing Brent's children and young people through their work in Children's Centres and with the Children's Fund. In partnership with the Tricycle Theatre, they produced a financial capability play for young people, which is performed in local schools, with the aim of preventing young people getting into debt. 1550 young people have seen the play since its launch in February 2008. This year, Brent CAB is participating in the Future Jobs Fund initiative working with Jobcentre plus to train young people in administrative roles.
- To ensure that young people get support at an early stage, the CAB provide work experience placements for Brent pupils to help them to understand the world of work and to achieve better outcomes for themselves.
- The CAB further prevents exclusion by working in partnership with the Council to prevent homelessness through such programmes as the Mortgage Rescue Scheme and the Homeowners Support Scheme.

- The CAB also works to support vulnerable tenants by providing money advice to Brent Housing Partnership and Fortune Gate Community Housing tenants to reduce rent arrears, maximise income and improve money management.
- They also work in partnership with the local mental hospital trust and provide welfare benefits and debt advice sessions at the Park Royal Centre for Mental Health.
- A fundamental part of Brent CAB's role in the community is to improve the policies and practices that affect people's lives. Locally, one of the initiatives on which they are working is the implementation of a pre-action protocol for council tax collection and the use of bailiffs. They are working with Brent Council's Revenue and Benefits Service on this. At a national level, they recently had a ground-breaking benefits case which will impact on the entitlement to income support for EEA nationals caring for children in education. This case will have national implications.

## **2.0 Services provided by the Brent Community Law Centre**

2.1 The BCLC is required to provide high quality specialist legal advice to people working and living within the borough and in so doing to provide related services including the following:

- a legal advice telephone line together with a further ("second tier") legal advice line which are to remain open during specified hours;
- a pre-planned appointment service which must be operation at certain hours each week;
- working with the Council on policy issues, in particular using client experiences to inform and influence the policy and delivery of local services;
- participation in local advice networks, such as providing legal information at classes or community meetings; and
- the preparation of information pamphlets or other media on topical legal issues;
- Legal advice and assistance to local voluntary organisations.

2.2 The Council's funding may be used towards funding employment posts wholly or partly related to the provision of the legal services. The BCLC is expected to deliver its advice and legal information within the following areas of law:

- Consumer Debt
- Welfare Benefits
- Housing
- Immigration
- Education
- Mental Health
- Community Care
- Public Law
- Education

2.3 Performance for 2009/10 was below target at 85% (5201) for the number of advice calls delivered although this is an improvement on the previous year at 5059. This is in contrast to previous years where the BCLC consistently exceeded their targets year on year. The telephone advice line is used by local residents, the voluntary

and community sector for second tier advice, MP's, Councillors, statutory sector, including many Council Officers.

- 2.4 The BCLC has generated £484k of compensation from 112 income maximisation cases together with £213K from 106 employment cases during 2009/10 and a total of 63 cases where homelessness was prevented.
- 2.5 BCLC's case work service is better suited to problems that have proved intractable for others, including other advice agencies, and to cases where evidence needs to be obtained or where difficult or novel points of law or practice are raised. Inevitably cases take more time and resources to resolve. Issues that it has raised through its cases have been instrumental in improving local policies thus impacting in a wider cohort. The telephone service filters out the routine cases that can be solved easily.
- 2.6 The BCLC also delivers a range of additional services referred to as SLA hours, from general capacity building work with smaller voluntary sector agencies, delivering workshops and training on new legislation and specific issues resulting from changes in policy, for example, disability and housing workshops, specifically exploring the Disability Discrimination Act in relation to housing etc. BCLC are active members of a number of Council led panels including the Advice Agency Liaison meeting for housing benefit issues, Voluntary Sector Liaison and Admission and Exclusion Education Appeals Panel.
- 2.7 The BCLC works in partnership with the Council in delivering a number of key objectives in the Sustainable Community Strategy 2006-10 as follows:
- Providing capacity building support to the voluntary and community sector within the borough through training workshops and legal advice, for example, how to set up a constitution, memorandum of articles etc,
  - Ensuring that the education system is inclusive through the representation on the Admission and Exclusion Appeals Panel.
  - Reducing the levels of poverty through the income maximisation work by ensuring that residents get their full entitlement to benefits.
  - Assist in reducing inequalities by influencing changes in policy at a local and national level across the public and private sectors through casework and legal remedy.

### **3.0 Legal Services Commission**

- 3.1 As mentioned in section 5.0 of the main report, the Legal Services Commission is responsible for legal aid funding across the country. As a result of substantial increases in the costs of legal aid, the Legal Services Commission reviewed its contractual arrangements with all providers; the review was lead by Lord Carter in 2004 and was published in 2006 the outcome of the review suggested radical changes in policy and direction in order to control the spiralling costs of legal aid.
- 3.2 The review concluded the need to reduce the number of contracted providers and introduced the concept of Community Legal Advice Centres or Networks (CLAC/N). In London this would result in approximately 30 CLAC/N's, thus reducing a large number of providers to less than 1 per borough. This would provide costs saving on the basis of economies of scale and would also allow the LSC to reduce the staff

resources allocated to monitoring and managing a large pool of contracts providing for further savings.

- 3.3 The concept of CLAC/N's was changed and superseded by the inception of the Integrated Social Welfare Law contracts. As an interim arrangement the LSC proceeded to introduce unified contracts across the sector in an attempt to provide some consistency between the private and not for profit sector. The unified contract introduced in October 2007 after a number of delays included the concept of fixed fees per case, further detailed below.
- 3.4 The LSC were forced to change to their position following the Judicial Review by the Law Society and the negative publicity from all sectors, including Local Authorities on the issue of consultation prior to implementation of the new direction. The outcome was delay in all tendering pending a review of the pilot CLAC/N's.
- 3.5 Sir Ian Magee was asked by the Ministry of Justice to assess the delivery and governance of the legal aid system and make recommendations for change. His review was published in April 2010. The review concluded with a wide range of short and long terms recommendations to respond effectively to the findings of the review. The recommendations included the need to change the governance arrangements and respond effectively to the findings of the national audit commission which highlighted serious concerns about the lack of financial management, control and forecasting. The findings concluded that the LSC had incorrectly paid £25m to providers during 2009/10. Other recommendations included the creation of an Executive Agency with a reporting line to the Ministry of Justice, this is expected to reduce the number of new initiatives and provide a sharper focus on Access of Justice.

#### **4.0 Unified Contracts, fixed fee and the Law Society Court Case**

- 4.1 The LSC implemented fixed fees as part of the Unified Contracts in October 2007. Prior to October 2007, the not for profit sector contract was based on delivering a set number of hours per annum. Under the new arrangements the sector must deliver a number of cases per annum. Payment is on the basis of performance, i.e. the number of closed cases as compared with a monthly allocation in previous years which is reconciliated periodically.
- 4.2 The fixed fee is base on the average number of hours spent by suppliers across the country at the time it was introduced. The amount of the fee is the product of this average and a fixed hourly rate for the work. Unlike the previous arrangement under which the supplier received a fee based on the hours spent on the case, the supplier receives the fixed fee regardless of the time spent on it. Exceptionally, when the case takes more than three times the notional hours that make up the fixed fee, the supplier is paid on an hourly basis.
- 4.3 At present it is too early to evaluate the full impact of the fixed fee changes. However, a number of voluntary sector providers have highlighted their continued concerns and frustrations with the new arrangements and clarification through discussions with the LSC have not resolved the specific concerns highlighted. The most significant concern centres on the issue of the nationally fixed fee. A number of specific considerations for London have been overlooked when setting the fixed fee. For example:-

- London weighting has not been applied to the salary and other costs to reflect the cost of providing a service in London. The cost of providing the service through qualified lawyers is more than the notional hourly rate assumed by the LSC
- Brent has a growing population with increased levels of deprivation. The diversity of a city such as London impacts the average length of time taken to conclude a case due to language and cultural barriers of residents from abroad, mental health and other problems. The result is that a large proportion of cases fall between the fixed fee and three times threshold creating a financial deficit for the providers.

4.4 Whilst the outcome of the Judicial Review proceedings in 2007 led by the Law Society against the Ministry of Justice and the Legal Services Commission resulted in a number of changes including a small increase of approximately 2% on the existing fixed fees and delayed the best value tendering process until 2013 for civil legal work and the publication of a revised route plan by the Legal Services Commission, providers continue to struggle financially.

4.5 In essence, the changes have resulted in the sector not being able to break even financially, increased work loads and reduced incomes have led to staff retention issues coupled with constant changes in LSC contracting arrangements and the uncertainty in funding has essentially meant that legal aid has become a loss making business when you take account of the complexities of individual cases, particularly in cities like London. Some providers have elected to cease their LSC contracts in favour of private work. Anecdotal evidence suggests a loss of providers in many categories of law. The impact of the loss of providers' inevitably means increased demand on the remaining providers including the services offered by local authorities.

4.6 The Magee report mentioned above seeks to draw together a range of initiatives to provide a sharper focus and reduce the number of initiatives from the Legal Services Commission, the delay in the timing of the review will allow for implementation of the Magee recommendations and thus local authorities will be in a better position to determine local needs and identify gaps.

	<p style="text-align: center;"><b>Executive</b> <b>11 August 2010</b></p> <p style="text-align: center;"><b>Report from the Director of</b> <b>Housing and Community Care</b></p>
<p style="text-align: right;">Wards affected: ALL</p>	
<p><b>Authority to call off from a West London collaborative procurement framework agreement for the provision of home care for adults</b></p>	

## **Not for publication**

Appendix 1 to this report is not for publication

### **1.0 Summary**

- 1.1 This report requests the award of call off contracts from a series of Framework Agreements, following a successful collaborative procurement exercise with other London Boroughs for the provision of home care for adults. Approval for participation in this procurement exercise was given by the Executive Meeting of 19<sup>th</sup> October 2009.
- 1.2 The collaborative procurement exercise was run through the West London Alliance Joint Procurement Unit, leading to the establishment of a series of framework agreements awarded by the London Borough of Hammersmith and Fulham acting as lead borough for the supply of home support (“home care”) including personal care, reablement services, housing related support and an “integrated” service that incorporates both types of support provided by the same provider. This provision is across the older people, mental health, learning disabilities and physical disabilities sectors.
- 1.3 In addition to approving the award of contracts, this report also requests that the Executive gives delegated authority to the Director of Housing and Community Care to award further call-off contracts as required throughout the life of the Framework Agreement for the provision of home care, including reablement services and housing related support without the need to get these approved by the Executive (such approval would otherwise be required where a call-off contract exceeds £500,000 in value).

## **2.0 Recommendations**

- 2.1 The Executive notes the result of the tender run by the West London Alliance Joint Procurement Unit, leading to the establishment of series of framework agreements by the London Borough of Hammersmith and Fulham for the supply of home care across older people, mental health, learning disabilities and physical disabilities sectors.
- 2.2 The Executive approves awards of call-off contracts using the WLA framework for Personal Home Care to London Care plc, Enara Community Care, Supporta Care Ltd, Jays Homecare and Taylor Gordon & Co Ltd trading as Plan Personnel from 1<sup>st</sup> October 2010 for 4 years.
- 2.3 The Executive delegates to the Director of Housing and Community Care authority to award further contracts in excess of £500,000 from the WLA frameworks as required throughout the life of the framework agreements, in consultation with the Director of Finance and Corporate Resources and the Borough Solicitor.

## **3.0 Background**

- 3.1 The West London Alliance (WLA) is a collaborative body made up of the six boroughs in north-west London. The participating Boroughs are Hammersmith and Fulham, Hillingdon, Harrow, Hounslow, Ealing and Brent. On the 23<sup>rd</sup> July 2008, the West London Alliance (WLA) Leaders and Chief Executives meeting agreed to set up a West London Joint Procurement Unit (JPU) as part of the Shared Solutions Project, (SSP) following a report from Deloitte. The aim was to realise the efficiencies that could be released by exerting the aggregate buying power of the boroughs and by more expert procurement approaches.
- 3.2 On the 7<sup>th</sup> July 2009 the JPU Programme meeting heard a report on setting up the unit and identified three main programme strands, (1) procurement, (2) policy and intelligence and (3) market engagement. The strands were broadly agreed but more information was required and the overall approval from the WLA Leaders and Chief Executive's meeting withheld until the next meeting on the 15<sup>th</sup> September 2009.
- 3.3 Under the Procurement main programme strand, the WLA Directors meeting of the 31<sup>st</sup> July 2009 approved the final pattern of 8 workstreams. One of these workstreams was the collaborative procurement of adult home care, and pending the approval of 15<sup>th</sup> September, work was started to prepare the tender.
- 3.4 Approval to participate in the collaborative procurement was given at the Executive meeting of 19<sup>th</sup> October 2009.
- 3.5 Adult social care is one of the areas of interest for the WLA. They are interested in collaborating in order to achieve greater efficiencies from the care market. The two main efficiencies are cost savings and improving the quality of care for residents.

3.6 The London Borough of Hammersmith and Fulham was asked to lead the procurement project for a new series of Framework<sup>1</sup> agreements which would supply three types of care services to residents over the next four years. There were two reasons for this. The first was that LBH&F had created a new model of service (based upon 18 months of consultation and design work) and therefore had a model ready for use by all Boroughs. The other reason was both LBH&F and LB Hillingdon' existing contracts were due to expire and new services needed.

3.7 Governance structures were created (an executive board and a project manager). The work of the Board was accountable to the Directors of Adult Social Care. The project was sponsored by James Reilly as Chair of the west London Social Care Directors.

3.8 The services that have been specified under these frameworks are:

- **Personal Home Care**

Personal services to the individual such as, help to rise and go to bed, washing and bathing, dressing and hygiene care, help with food preparation etc..

- **Housing Related Support**

Assistance for residents to stay in their own homes. Such help could include, dealing with landlords, paying utility bills, arranging for repairs and ensuring the home is safe and secure.

- **Short term intensive reablement service**

A six week service designed to reable residents who have been in hospital or the community and need help to rebuild their physical ability and their confidence to lead as independence life from social care as possible.

- **An Integrated service.** This is a combination of personal care with housing support. This allows a more flexible and responsive service where people have complex and changing needs, and reduces the numbers of paid workers involved in the provision of care and support.

## 4.0 Procurement

4.1 The work carried out previously by Deloitte in 2008 indicated the scale of the expenditure on adult social care services in West London. In aggregate the West London boroughs' spend is larger than that of any other single authority in the country. This strongly suggested that there is a significant opportunity to develop a new, more proactive and productive relationship with the provider market than would be possible for individual boroughs and this has been confirmed by the result of the tender. The analysis carried out by Deloitte has been reinforced by the outputs from project 1 of the WLA efficiencies programme as set out in the table below.

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<sup>1</sup> Framework definition – a number of providers who have been approved to provide services and who have agreed the terms of trade (including the price) before an actual contract has been formed. The contract is formed once services are called-off from the Framework

£000

<b>2008-09 (£k)</b>	<b>Brent</b>	<b>Harrow</b>	<b>H&amp;F</b>	<b>Ealing</b>	<b>Hounslow</b>	<b>Hillingdon</b>	<b>TOTAL</b>
Homecare In-House	0	0	2,481	2,651	3,216	3,619	11,967
Homecare P&V	11,886	7,180	9,843	11,256	6,695	6,549	53,409
Direct Payments	3,566	3,028	2,955	5,818	2,425	3,130	20,922
<b>Total Homecare &amp; DP spend</b>	<b>15,452</b>	<b>10,208</b>	<b>15,279</b>	<b>19,725</b>	<b>12,336</b>	<b>13,298</b>	<b>86,298</b>

Source: PSSEX1 (2008/09 draft returns) *Note: This excludes expenditure on LD transfers from NHS*

- 4.2 The new frameworks were let as a collaborative procurement led by Hammersmith and Fulham. They were therefore tendered according to Hammersmith and Fulham's standing orders. Brent was fully represented on the tender groups. Within the Housing and Community Care Directorate, the Assistant Director of Transformation and the Head of Service Development and Commissioning has been part of the workshops and the Head of Service Development and Commissioning is a member of the Project Group. A procurement officer and a finance officer were both engaged in the development of the specifications and terms and conditions.
- 4.3 The tender was started in the late summer of 2009 and concluded in February 2010. The initial process, led by Hammersmith and Fulham, was:
- Residents and Council leadership were consulted over the new service model
  - Permission was secured from the different boroughs according to their own internal procedures to participate in the procurement project
  - An advertising campaign was carried out to raise interest from the market

## **5. THE PROCUREMENT PROCESS:**

### **5.1 Creating Interest:**

Adverts were published in The Community Care magazine and the Evening Standard newspaper and on Borough Websites. Two open days were held during November 2009 to generate interest from the market.

### **5.2 Project documentation:**

A suite of standard procurement documentation was created and signed off by the Board.

### **5.3 Governance**

Adult Social Care Directors instructed a Project Board which in turn instructed a Tender Appraisal Panel (TAP) - led by the project manager. Every borough

was represented and support given by corporate procurement, legal and finance services.

#### 5.4 **The Pricing Model**

Bidders were asked for one hourly price for each service they were bidding for. They were also asked to give discounted prices based upon the volume of business they might receive from this Framework. This simple approach enabled bidders to be ranked according to their price and any savings against current costs to be made. It was also simple for residents who were choosing to take a Direct Payment to understand the cost of the service.

#### 5.5 **Evaluation model**

Bidders submitted a pre-qualification questionnaire to ensure they were fit to trade and had the requisite capacity to provide the service. Bidders needed to meet a minimum quality threshold, which was a 2 star (or above) rating from CQC<sup>2</sup> (and / or minimum level 'C' SP Quality Assessment Framework. Those invited to tender submitted statements on how they would deliver a quality service to residents Bidders needed to reach a minimum score of above 50% of the available marks for quality. To arrive at a final ranking, Providers were judged according to their price and the quality of their submission. The ratio chosen was 60/40% (price/quality). The Tender Appraisal Panel which evaluated the tenders was made up of representatives from the different boroughs. The TAP evaluated the written bids and then a moderation of their work was carried out to ensure fairness and accuracy.

5.6 Following the work of the TAP, there was a report to the Executive for Hammersmith & Fulham on 17<sup>th</sup> June 2010 which made appointments to the three frameworks on the basis of the evaluation results.

#### 5.7 **Results of the Process:**

- 70 providers expressed an initial interest.
- 90 providers came to each open day.
- 91 formal expressions of interest (completed Pre-Qualification Questionnaires)
- 50 providers met the requirements and were invited to tender.
- tender returns were opened by the Mayor of LBH&F using eTendering software.
- 32 organisations tendered for personal care and 20 for Housing Related Support.
- 25 met the minimum quality threshold and were ranked according to their combined price and quality score for Personal care; and 12 did so for Housing Related Support.

5.8 The new frameworks are for a period of four years. Brent has been advised by LBH&F that they will be in place from 1<sup>st</sup> October 2010 so that Brent can do call-offs from that date.

5.9 Providers have also elected which localities they are interested in providing services. The tables below show the successful Providers and the areas they are willing to operate in.

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<sup>2</sup> CQC – The Care Quality Commission is the adult social care regulatory inspectorate. They rank providers according to a star rating. 2 – good, 3 –excellent. We do not want 0 or 1 star providers in the WLA.

Personal Care (including the reablement service)

Provider	Personal Care																		
	Brent			Ealing				H&F			Harrow			Hillingdon			Hounslow		
	Central	North	South	Chiswick & Acton	Northolt & Southall	Uxbridge & West Drayton	Central	Central	North	South	Central	North	South	Central	North	South	Central	East	West
Allied Healthcare Group Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Aquaflor Nursing and Care Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Breslin Health and Social Care Limited	1		1	1	1	1	1	1	1				1	1		1		1	1
Brook Street (UK) Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Care Outlook LTD	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Care UK Homecare Limited	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Enara Community Care	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Enterprise Care Support Ltd	1	1	1	1	1	1	1	1	1	1			1	1		1	1	1	1
Family Mosaic Housing	1	1	1	1	1	1	1	1	1	1	1	1	1						
Gentlecare HCS Limited	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Health Vision UK Ltd	1	1	1	1	1	1	1	1	1	1									
Hillcrest Care Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Home From Hospital Ltd				1				1	1	1								1	
Housing 21	1	1	1					1	1	1	1	1	1					1	
Jays	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Homecare																				
London Care Plc	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Nestor Primecare Services	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Prospect Housing and Support Services				1	1	1	1	1	1	1				1	1	1	1	1	1	
Sagecare Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
SJS HOME CARE SERVICES						1												1	1	1
Support for Living	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Supporta Care Limited	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Taylor Gordon & Co Ltd t/a Plan Personnel	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
United Response	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Westminster Homecare Limited	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	

Provider	Housing Related Support for Older People																		
	Brent			Ealing				H&F			Harrow		Hillingdon		Hounslow				
	Central	North	South	Chiwick & Acton	G'ford, Northolt & Perivale	Shouthall & Hanwell	West & Central	Central	North	South	Central	North	South	Central	North	South	Central	East	West
Allied Healthcare Group Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Breslin Health and Social Care Limited	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Elders Voice	1	1	1																
Enara Community Care	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Family Mosaic Housing	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Hounslow Homes																	1	1	1
Metropolitan Support Trust	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Notting Hill Housing	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Sagecare Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
SJS HOMECARE SERVICES						1												1	1
Taylor Gordon & Co Ltd t/a Plan Personnel	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Willow Housing and Care	1	1	1	1	1	1	1	1	1	1	1	1	1						
<b>Grand Total</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>9</b>	<b>9</b>

5.10 The following pages have the final list of Providers proposed for the Framework.

Final table of providers for personal homecare (including the reablement service):

Item no	Quality Total	Quality Rank	Grand Total	Overall Rank
Health Vision UK Ltd	27.3	6	87.3	1
Sagecare Ltd	27.2	7	87.2	2
Care UK Homecare Limited	26.5	10	86.5	3
Breslin Health and Social Care Limited	23.7	18	83.7	4
Care Outlook LTD	23.3	19	83.3	5
Aquaflo Nursing and Care Ltd	22.5	21	82.5	6
Brook Street	20.35	25	80.35	7
Nestor Primecare Services	28.1	2	78.1	8
Allied Healthcare Group Ltd	27.2	7	77.2	9
Taylor Gordon & Co Ltd t/a Plan Personnel	25.6	13	75.6	10
Enterprise Care Support ltd	24	17	74	11
SJS HOMECARE SERVICES	22.95	20	72.95	12
Home From Hospital Ltd	21.25	22	71.25	13
Gentlecare HCS Limited	20.55	24	70.55	14
Housing 21	27.9	3	67.9	15
London Care Plc	25.85	12	65.85	16
Westminster Homecare Limited	24.9	14	64.9	17
Enara Community Care	24.45	16	64.45	18
Jays Homecare	21.1	23	61.1	19
Supporta Care Limited	27.35	5	57.35	20
Hillcrest Care Ltd	24.7	15	44.7	21
United Response	29.15	1	39.15	22
Family Mosaic Housing	27.8	4	37.8	23
Prospect Housing&Support S'vs	26.6	9	36.6	24
Support for Living	26.18	11	36.18	25

Final table of providers for Housing Related Support:

item no	Quality Total	Quality Rank	Price Score	Price Band	Grand Total	Overall Rank
Provider	Final Quality score (out of 40%)	Quality Rank	Price Score Based on banding	Price Band	overall score (%)	overall Rank
Sagecare Ltd HRS4OP	22.90	6	60	Band 1	82.90	1
Breslin Health and Social Care Limited HRS4OP	20.50	12	60	Band 1	80.50	2
SJS HOMECARE SERVICES HRS4OP	21.20	7	50	Band 2	71.20	3
Enara Community Care HRS4OP	21.10	8	50	Band 2	71.10	4
Allied Healthcare Group Ltd HRS4OP	20.85	10	50	Band 2	70.85	5
Metropolitan Support Trust HRS4OP	31.65	1	30	Band 4	61.65	6
Taylor Gordon & Co Ltd t/a Plan Personnel HRS4OP	20.65	11	40	Band 3	60.65	7
Family Mosaic Housing HRS4OP	28.30	2	20	Band 5	48.30	8
Notting Hill Housing HRS4OP	24.95	4	20	Band 5	44.95	9
Hounslow Homes HRS4OP	23.75	5	20	Band 5	43.75	10
Willow Housing and Care HRS4OP	26.10	3	10	Band 6	36.10	11
Elders Voice HRS4OP	20.95	9	10	Band 6	30.95	12

#### Final List for Integrated Support

Provider	Final Quality Score(40%)	Final Quality RANK	Price Score	Price Band	Overall Score	Overall Rank
Metropolitan Support Trust	27.29	2	60	Band 1	87.29	1
Enara Community Care	22.71	4	60	Band 1	82.71	2
Supporta Care Limited	20.93	5	50	Band 2	70.93	3

## **6.0 THE FINANCIAL IMPACT OF THE FRAMEWORK ON THE CURRENT USE OF RESOURCES**

6.1 Work has been completed to detail the current average weighted hourly rates across West London for comparison and financial impact purposes.

6.2 A financial analysis of the impact of the framework has been carried out.

### **6.3 Discounts for volumes**

Providers were asked to offer lower hourly prices should they receive large volumes of hours from the Framework. The table in Appendix 8 (exempt) shows the range of prices that could be available for personal homecare and then Housing Related Support.

#### **6.3.1 The financial model:**

Each borough supplied current prices, hours of use and Providers which were put into an excel model created by the WLA analyst team. This created a current price based upon creating a compound average hourly price per borough and then comparing it to the hourly rates submitted on the Framework. We then applied the model to three scenarios which went from the academic to the more achievable in order to determine what potential savings there were by applying the constraints of a real world situation to this hypothetical model.

## **7.0 Use of the Frameworks in Brent**

7.1 At present Brent will only make use of the personal homecare framework but will consider whether the housing-related support services and the Integrated service frameworks will be appropriate for use in the future.

7.2 The savings have been more substantial than anticipated. Calculating a future saving on a high volume high value contract such as home care requires a set of variables to be taken into account, particularly future purchasing patterns. We estimate a minimum saving of £700,000 fye from the use of the framework and believe that £900,000 fye may be achievable from the use of the Hammersmith and Fulham frameworks for the provision of homecare. This figure has been calculated following the financial modelling completed by the West London Alliance Joint Efficiencies Unit set out in the previous section. The reason for the substantial savings is not reduced hourly rate, but the change to paying for part hours on a pro rata basis only.

7.3 Brent's current pattern of provision for personal homecare consists of 7 major providers and 16 minor providers. Of the seven major providers, their contracts were due to end in either 2012 or 2013. Six of the seven have qualified for inclusion on this framework. The one that did not apply is the only 3-star major provider currently contracted to the borough, and it is intended that their current contract will run up to its expiry in March 2012; this means that the service users currently receiving services from this provider will remain with them, however no new service users will be assigned to this contract.

- 7.4 Of the six current major providers who have also been appointed to the framework, the situation of one is complicated by historic TUPE and pension issues. However for the other five, their current contracts allow termination on 3 months' notice. Accordingly notice has been given on these five contracts and approval is being sought in this report to re-appoint these five providers as contractors from the WLA framework, which means that the framework rates will apply as opposed to the current rates. We intend to transfer the business with these providers from our own contracts to the framework contracts as from the 1<sup>st</sup> October 2010, which is the first day of the implementation of the Framework Agreement. This will result in a saving to the Council of between £350,000 and £450,000 for this financial year, provided that the Council's purchasing patterns of home care remains the same.
- 7.5 Effectively this means that for these providers the current business will remain with them at the point of contract transfer, thus providing service users with much valued continuity of care. It also means that there will be no TUPE issues because the same provider will continue with the same service users, albeit under new contract terms from the Council.
- 7.6 The annual value of the business for these five providers is £6,715,000 in total. Provided purchasing patterns remain the same over the life of the contract the total value of the contract for these five providers will be £26,860,000.
- 7.7 For the providers where it was not financially or operationally advisable to give notice on our current contracts and transfer to the framework, negotiations are ongoing to reduce the contract costs. Subject to the successful conclusion of the negotiations we anticipate a further saving of £52,000 this financial year and the equivalent or higher savings of £104,000 fye from 1<sup>st</sup> April 2011. This is in addition to the £700,000 to £900,000 anticipated from the transfer to the Framework agreements. Any additional savings on top of this total depend on the resolution of complex series of TUPE issues and cannot be confidently quantified at this time.
- 7.8 New business, on an individual client basis, will be placed with providers on the Framework contract based on price and the provider's ability to meet need. Such contracts that relate to an individual's personal needs are exempt from the usual tendering requirements of Contract Standing Orders and do not require award approval from the Executive even where the proposed contract will exceed £500,000 in value. However it is likely that there will be future call-offs from the series of WLA frameworks that relate to more than one service user – although such call-offs from the framework do not require tendering, any that exceed £500,000 are High Value contracts and require Executive approval for award. These contracts could be as a result of:
- starting to utilise the other two frameworks as referred to in paragraph 7.1 above, or
  - a business failure from one of the providers recommended for appointment in this report, or
  - a provider (whether one recommended for appointment today or a current provider whose contract will continue) wants to cease providing the service or wants to reduce its contract hours.

It may be necessary to get a new provider in place from the framework quickly in these and other circumstances, and accordingly approval is requested for the Director of Housing and Community Care to be able to award contracts by calling off one of the WLA frameworks irrespective of contract value (his normal authority is to be able to award for up to £500,000 in total value). Normally a mini-competition between the different providers on the framework will be run in these circumstances, which does allow providers to adjust their framework rates to take account of any TUPE implications; however in urgent cases this will not always be possible.

## 7.9 Service Improvement

The service specifications ensures that only home care providers that meet minimum standards in terms of the quality of their service can be included in the framework agreement. Brent's current policy on this is that we only place new business with those home care providers who have a two or three star rating awarded by the Care Quality Commission. The service specification is outcome based which we believe will represent an improvement.

## 8.0 Key Risks

- 8.1 There is no risk to current service users in this exercise at this stage, as their current care arrangements can continue.
- 8.2 Potentially there is a risk that the providers will not be able to meet increased demand through changing purchasing patterns. This risk has been mitigated by the Joint Efficiencies Unit monitoring purchasing across the boroughs and advising them of any issues about provider capacity and provider prices.
- 8.3 There is also the risk that a tenderer who wanted to be appointed to one of these frameworks but was unsuccessful will bring a challenge. Further consideration of this is set out in the Legal Implications.

## 9.0 Financial Implications

- 9.1 The current annual budget for Home Care in Brent is £12.5 million. Transfer of current spend onto the framework for the five providers who tendered for the framework and where there are no complex TUPE issues will produce an estimated saving of £700,00 - £900,000 per annum based on anticipated levels of home care provision.
- 9.2 It should be noted that Brent's existing home care contracts do not expire until March 2012, with the exception of one provider's contract, that expires in March 2011. In order to realise the maximum savings, we have given providers three months no fault notice as permitted in the contracts where it has been financially advantageous and where there are no TUPE implications in doing so. This means that we will be able to access the WLA Framework from the 1<sup>st</sup> October 2010, which is the planned start day for the framework, providing an anticipated in year saving of £450,000.

- 9.3 We anticipate further savings of £102,000 fye, based on anticipated levels of homecare provided, following the conclusion of negotiations with providers where we are not giving notice on the contracts.

## **10.0 Legal Implications**

- 10.1 Local authorities have powers, and in some cases duties, to promote the welfare of or provide welfare services to different client groups (eg older people, disabled people) under legislation such as the Health Services and Public Health Act 1968 and the Chronically Sick and Disabled Persons Act 1970.
- 10.2 This procurement by the London Borough of Hammersmith and Fulham (LBHF) was for services that are part B services under the European public procurement regime. As such the frameworks did not need to be tendered in accordance with the European public procurement regime but the general duties of fairness and transparency still apply. Under this collaborative procurement, Hammersmith and Fulham have now awarded a series of framework agreements which other boroughs will be able to call off. However, it is possible that an unsuccessful tenderer could challenge LBHF about how procurement exercise was conducted. If such a challenge were successful, then there is the potential for the frameworks to be set aside and it is not clear what impact this would have on the contracts already called-off from the frameworks. Having said that, the risk of the challenge is low in view of the fact that these are part B services and the only challenge under the European public procurement regime would be that the procurement was not in accordance with the duties to ensure fairness and transparency. However a challenge could also be brought on the basis that LBHF had not followed their own internal procedures for award of this type of contract, and Brent has had no control over how LBHF have run this exercise.
- 10.3 In accordance with Contract Standing Orders 86(d), use of a framework set up by a public body other than Brent needs to be recommended by the relevant Chief Officer, approved by the Director of Finance and Corporate Resources and declared as legally permissible by the Borough Solicitor. As at the date of the Executive meeting, such approvals have been obtained.
- 10.4 Compliance with the procedure set out in CSO 86(d) does not avoid the normal Contract Standing Order requirement that all contracts in excess of £500,000 in value require Executive approval for award, hence this report. However in future, the great majority of call-offs from the personal homecare framework will relate only to one service user and will not require further Executive approval, because there is a specific exemption under SO 86(e)(iii) in relation to contracts for individual personal services. However any call-off that does not relate to a single service user (eg the purchase of a block of personal homecare or housing support services specified as so many hours per week) requires Executive approval wherever that call-off exceeds £500,000 in value. As explained in paragraph 7.7 above, this report is requesting that delegated authority be given to the Director of Housing and Community Care to award any such future block contracts without returning to the Executive, including call-offs from the housing support and Integrated frameworks which as yet this Council has not decided to use.

10.5 Awarding new call-off contracts from this framework has also led to complex TUPE implications for the staff of current Brent contractors. Where Brent makes a call-off from the framework to replace one of the existing contracts, then TUPE will apply to transfer the current contractor's staff. However at the time of tendering for the framework, tenderers could not know of all the potential TUPE implications that could arise during the course of the framework as individual call-offs occur. The tendered prices do therefore not reflect the terms and conditions of employees affected by any particular TUPE transfer. As a number of providers have been appointed to every framework, it is be easier for Brent to manage TUPE by means of a requirement for every call-off with the potential for a TUPE transfer to be preceded by a mini-competition among the providers using appropriate TUPE information that is accurate at that point in time.

## **11.0 Diversity Implications**

11.1 Proposals in this report have been subject to screening and officers believe there are no diversity implications. Home care services will be available to meet all cultural requirements. If appropriate provision for a particular service user is not available from the frameworks it will be purchased elsewhere.

## **Background Papers**

West London Alliance Invitation to Tender

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MARTIN CHEESEMAN  
Director of Housing and Community Care

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	<p><b>Executive</b> 11 August 2010</p> <p><b>Report from the Director of Housing and Community Care</b></p>
<p>Wards affected: ALL</p>	
<p><b>The transfer of resources from NHS Brent to Brent Council for people with learning disabilities</b></p>	

## 1.0 Summary

- 1.1 Following the regulatory reports on Cornwall, Sutton and Merton NHS services to people with learning disabilities, and the MENCAP report on acute healthcare for the same user group, in August 2008, the government issued guidance and support to effect the transfer of responsibilities for the commissioning of health and social services for people with learning disabilities from the NHS to local authorities.
- 1.2 The negotiations with NHS Brent have been concluded regarding the resources and commissioning responsibilities for those under the relevant criteria from 2007, with effect for 2009/10 and going forward from April 2010, as outlined in this report. The separation of lead commissioning for learning disabilities from other joint arrangements, will assist the governance and oversight of services for people with learning disabilities and their carers in line with the government guidance in Valuing People Now 2009. The Department of Health has been notified of the details of the agreed transfer of funds.
- 1.3 There are several different elements included in the transfer of funding from NHS Brent to London Borough of Brent. They include the following
- Costs of care services
  - The Community Activities and Support Service (CASS)
  - Overheads and commissioning costs
  - Capital assets
- 1.4 There remain a range of integrated and direct service provision for people with learning disabilities in the Brent Community Services ( the provider arm of NHS Brent), for which transfer arrangements need to be concluded in 2010/11. They are not within the scope of this paper. The Peel Road “campus” re-provision is subject to separate project management arrangements and timescale for making the necessary changes to transfer responsibility and funding from NHS Brent to the London Borough of Brent. Also, the Community Team for People with Learning Disabilities (CTPLD) is

an integrated team, funded by the NHS and the local authority. This team addresses the health and social care needs of people with a learning disability, and has recently been subject to a review of functions, accountability and management arrangements to ensure that it meets the needs of people who require a service. Work is underway with NHS Brent to address the findings from the review and construct an effective operation model for the team.

## **2.0 Recommendations**

That the Executive

- 2.1 Approve the financial agreement for the commissioning of services for individuals with learning disabilities between the Council and NHS Brent and approve the PCT transferring the following funds to the Council
  - £7.511m for 2009-10 (£7.261million plus inflation of £250,000)
  - £7.611m for 2010-11, (£7.261million plus inflation of £350,000)
- 2.2. Approve the revision of the joint commissioning of services by staff responsible for the learning disabilities function, such that the Council becomes the lead commissioner, with accountability for the function being held by the Joint Executive Team, between NHS Brent and the Council.
- 2.3 Instruct the Director for Housing and Community Care to report to the Executive seeking approval on the remaining transfers of responsibilities and resources for individuals with learning disabilities from NHS Brent to the Council by 31<sup>st</sup> March 2011. This is to include the NHS Campus closure programme and the future arrangements for the Community Team for People with a Learning Disability.

## **3.0 Detail**

- 3.1 The government responded to two critical regulatory reports into learning disability services run and commissioned by the NHS in Cornwall, and Sutton and Merton, by issuing guidance in August 2008 requiring the transfer of NHS responsibility and resources, benchmarked at 2007/8 values, to local authorities by April 2010.
- 3.2 Subsequently, MENCAP published a critical report on the acute healthcare in hospitals for people with learning disabilities, which led to further strengthening of the Department of Health guidance "Valuing People Now" in July 2009. This report sets out the local response to this guidance, and the specific financial implications, which are substantial.

## **Individual cases and the transfer of NHS Funds**

- 3.3 The transfer of NHS funds to the local authority affects the care and treatment of individuals with complex needs. There were 88 individual cases included in the terms of the transfer of funding. In 2008/09 an independent consultant undertook a review of the needs and funding arrangements of all those individuals for whom NHS Brent funded long term care from 2007 onwards.
- 3.4 The outcomes of this review were as follows:

- NHS Brent retained funding for 22 individual cases with Continuing Health Care needs
- 78 cases were assessed as needing 100% social care funding
- The funding for 1 case transferred to Brent Mental Health services
- The funding for 10 people placed in out of borough placements was transferred to Brent Council
- There were 5 people who were assessed as needing both health and social care services, and therefore, both NHS and social care funding was secured to provide services to meet their needs
- Regrettably, during the negotiation period on the transfer of funds, 10 people died.

The long term care management of those individuals transferred to the Council will be carried out by the integrated Community Team for People with Learning Disabilities (CTPLD), which is managed within the Council's Adult Social Care Division.

- 3.5 It is anticipated that the application of the Council's contractual and fee negotiations for the NHS placements in residential and similar services for these individuals will both improve their access to services, and reduce costs in line with similar arrangements the Council operates. Wherever possible, personal budgets and community based care options will be explored with the service users and their carers and/or advocates to promote choice, independence, and better outcomes.
- 3.6 The majority of the people involved in the transfer arrangements are those with complex and high dependency levels of needs that require long term care, often in residential or similar intensive care. Their previous long term care provision will continue, albeit under Council contracts (where this enables their needs to be met) and reviewed by Council officers through CTPLD. Any changes can only be made after re-assessments of need, consultation with individuals and their carer/advocate on options to meet the needs, and with beneficial outcomes from different personalised care that promotes choice and independence.
- 3.7 Future arrangements for those coming through from children's services at the age of 18 years have already been put in place whereby the application of Continuing Health Care criteria will determine the NHS funding for their care costs, and the CTPLD carry out the long term care management. Further improvements to the long term care planning by the Council and its partners with service users and carers from an earlier age than 17 years, is being explored in a review by both the Adult Social Care and Children's Service Transformation Programmes.

### **The Community Activities Support Service (CASS)**

- 3.8 The CASS day service is operated through the Brent Community Services (BCS) in partnership with the Brent Learning Disability Partnership. The staff in CASS are employed by the NHS in BCS. The funding transfer in this report is a commissioning one that transfers that responsibility to the Council. If BCS cease to provide the CASS service then it is possible that the responsibility for

the staff may be found to transfer to the Council either at that time or retrospectively at the time of the funding transfer.

- 3.9 There are 16 users with complex and high dependency needs in this day service who live either with their families or in residential care homes in Brent, and are supported from a small base at Willesden Community Hospital, with outreach support and respite services. There are discussions underway on how to learn lessons from this service across other Council run day services, arising from the independent Learning Disability Foundation review of the CASS service in 2009, which found it a model of excellent practice.

### **Overhead Costs included in the transfer**

- 3.10 The overhead costs for care management, commissioning, and related support to the transfer of responsibilities to the Council are in the funding agreed. The care management will be carried by the CTPLD in Adult Social Care with an additional post.
- 3.11 The commissioning costs includes 50% NHS Brent contribution to the lead commissioner post (in the previous S31 (pooled funding) agreement on Learning Disabilities between Brent Council and NHS Brent), and the contractual support to placements. At the time of writing, this support is to be continued. The previous joint commissioning post has been successful in supporting the review of the Learning Disability Partnership Board and other service developments in recent years. It is a vital post in securing the health outcomes required under the Valuing People Now guidance for NHS Brent, as well as those relating to personalised care for the Council. The transfer and recommendation is that this post will be hosted and managed with Adult Social Care as a "lead commissioner" with accountability to the Joint Executive Team for health and social care within a joint commissioning strategy for people with learning disabilities.

### **Capital Transfer**

- 3.12 Guidance was produced in June 2009 by the Department of Health relating to the transfer of capital assets and associated revenue costs relating to the *Valuing People Now* transfer of funds from the NHS to local authorities. This guidance had been delayed, and so a decision on the buildings and the capital costs to transfer has not yet been reached.
- 3.13 Discussions are currently underway between officers from NHS Brent and the London Borough of Brent regarding this aspect of the transfer of funding for learning disability services from the NHS to the London Borough of Brent.
- 3.14 Whilst these discussions are at a preliminary stage, initial indications are that there are 4 properties that need to be transferred over to London Borough of Brent from NHS Brent. These are:
- Beechcroft Gardens
  - Kinch Grove
  - Manor Drive
  - CASS – based at Willesden Centre for Health and Care

- 3.15 The process to transfer the properties has already begun. Peel Road (the NHS Campus provision) is subject to separate project management arrangements, and it is proposed that this is included with the properties (listed at paragraph 3.14 above) to form one capital transfer process, with one set of paperwork, thereby simplifying the capital transfer process. The financial implications of this transfer are unclear as yet, due to the discussions being at a preliminary stage.

### **Services not included in the transfer agreement**

- 3.16 There are two services not included in the transfer agreement outlined in this report, that require further work and a report later this year. These are: the Peel Road “campus”, which has a project management structure to effect the reprovision by October 2010; and the NHS staff which has been independently reviewed, and the work is being taken forward in collaboration with NHS Brent.
- 3.17 Peel Road is residential care provision for 6 people from a former long stay hospital, now classified as a “campus” under DH guidance following the Cornwall/Sutton and Merton reports. The DH has provided capital to PCTs and revenue to councils to facilitate reprovision in line with guidance. This project has been delayed but the target date for completion is October 2010 for new provision and a transfer of responsibility to the Council. The Peel Road service is currently operated by NHS staff employed by Brent Community Services.
- 3.18 NHS staff are seconded to the CTPLD to form an integrated team offering diagnosis, treatment an integrated support with social care management. The NHS staff are employed by Brent Community Services, and a joint review of all the arrangements in CTPLD to produce options on future team configuration, management arrangements and a new service specification has been completed, and discussions are currently taking place with NHS Brent to implement the required changes within the team to ensure that CTPLD can deliver effective health and care management functions to people with a learning disability in Brent. The negotiations are also being undertaken on the assumption that if there are any existing costs arising directly from these discussions which are not covered by the sums already agreed as detailed in this report that additional transfer will need to be made.

### **4.0 Financial Implications**

- 4.1 The DH guidance and the overall purpose of this transfer agreement is for the Council to receive responsibility with full cost funding from the 1<sup>st</sup> April 2009 start point. The figures confirmed for transfer would be based on the 2007-08 figures as a baseline. The review of individuals’ circumstances formed the basis of the joint agreement for the transfer of resources in this report.

Individuals with learning disabilities and the costs associated include:

- Those living or with a known link to an address in Brent - £4,925,544;
- Those for whom the domicile in Brent could not be confirmed, but have been the long term responsibility of Brent PCT. All these cases will be reviewed by the council to see whether they still warrant the same level of service , future funding would not be effected by savings generated .

- - £1,003,598;
- Those who had died since 2007 with resources covered by the guidance, and therefore subject to transfer to the local authority - £382,421
- Those with joint funding and previously disputed - £311,754; and
- Those receiving a day support service from CASS- £433,040.

4.2. In addition the agreement covers overheads:

- A management fee to cover the care management costs of reviewing and supporting these people - £47,861;
- A sinking fund for property - £4,193; and
- Commissioning overheads to cover contract and other oversight work - £53,000.

4.3. There is a range of inflation considerations incorporated in the proposal:

- A sum of £100,000 for inflation prior to March 2009
- A sum of £250,000 for inflation 2009/10 non recurrent;
- A sum of £350,000 for inflation 2010/11 non recurrent.

Additional inflation after 2011 will be dependent upon NHS uplifts and subject to further agreement.

4.4 The totals for each year for the period 2009/10 to 2011/12 are:-

2009/10 £7.511m

2010/11 £7.611m

2011/12 £7.261m + any inflation allocated by the Department of Health.

It is anticipated that applying fairer pricing to the transferred cases will reduce costs.

The overall impact of this transfer is forecast to be neutral on the Council's Adult Social Care budget, with the additional funding transferred in the early years being used to fund the implementation costs of the transfer and the higher initial placement costs. There will be a need to review the existing placements and service configuration with the aim both to ensure that users are being given the most up to date service and to deliver more efficient services in line with the councils overall programme. If the needs of those individuals with learning disabilities for whom the Council is responsible change or deteriorate significantly then the Council may find that it has a future shortfall in funding for these service users' further needs.

4.5 Confirmation of the transfer of learning disability social care funding and commissioning from NHS Brent to the London Borough of Brent (excluding capital transfers) has been agreed by both NHS Brent and the London Borough of Brent and communicated to the Department of Health in April 2010.

4.6 The payments made by NHS Brent to the London Borough of Brent under the transfer are to be made on a quarterly basis beginning in May 2010 and then subsequently in August 2010, November 2010 and February 2011 for the sum of £1,902,750 per quarter.

## **5.0 Legal Implications**

- 5.1 A new S256 agreement between the Council and NHS Brent will incorporate the financial transfer arrangements in this report. A new S75 agreement will confirm the future joint commissioning arrangements. NHS Brent has made budget assumptions based upon the negotiated outcome of discussions, and this report will form the basis of a new agreement in the long term. This revised agreement has been drafted and is currently being discussed by partners.
- 5.2 Discussions have also begun to address the operational provider functions to establish clear management and governance responsibility for the Brent Learning Disability Partnership. This will be included in the S75 agreement referred to above at paragraph 5.1.
- 5.3 There have previously been issues between NHS Brent and the Council regarding responsibility for care of clients with learning disabilities. A settlement agreement was reached last year in respect of the disputes arising under the previous arrangements for such clients. The arrangements outlined in this report now settle future funding.

## **6.0 Diversity Implications**

- 6.1 The transfer of responsibility for people with learning disabilities to the Council will help in the long term development of personalised delivery of care with improved outcomes that maximise their independence and reduce the social exclusion experienced by people with a learning disability, particularly those who have resided in long term institutional care institutions for a number of years.

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

- 7.1 The additional care management function required to support the individuals whose care is transferring to the CTPLD will be covered by the funding for an additional post in the transfer arrangements. The staff in CASS will continue to operate from NHS premises and are employed by the NHS. Any change to this at a later date will require discussion with NHS Brent and Brent Community Services. The future employment of the NHS staff currently delivering a service at Peel Road is being addressed through the project management arrangements highlighted above, and will be finalised in the very near future.

### **Background Papers**

Valuing People Now: DH July 2009

Contact Officers:

Eamonn McCarroll, Assistant Director, Finance

Alison Elliott, Assistant Director Community Care ext 4230

Martin Cheeseman

Director of Housing and Community Care

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	<p style="text-align: center;"><b>Executive</b> 11 August 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 style="text-align: center;"><b>Award of Contract for Procurement and Management of Temporary Accommodation</b></p>	

*Appendix 4 is not for publication.*

1.1 This report details the process of the competitive tendering of two contracts for the Procurement and Management of Temporary Accommodation (Brent Direct Leasing Scheme), and makes a recommendation as to award. The Executive gave authority to tender for the contracts at the meeting of 19<sup>th</sup> October 2009.

## **2.0 Recommendations**

2.1 That the Executive award both the Procurement and Management of Temporary Accommodation contracts to Brent Housing Partnership Ltd from 1<sup>st</sup> September 2010 for 2 years with provision to extend for a further 12 months.

2.2 That the Executive approve an extension to the current contract for Procurement and Management of Temporary Accommodation to cover the period from 16<sup>th</sup> August 2010 to 31<sup>st</sup> August 2010 until the projected start date of the new contracts.

2.3 That the Executive delegate authority to the Director of Housing and Community Care to further extend the current contract for Procurement and Management of Temporary Accommodation beyond 31<sup>st</sup> August 2010 if required, to allow for a later start date than 1<sup>st</sup> September 2010 for the new contracts, whether due to delay in obtaining the required Secretary of State consent to the outsourced service or otherwise.

## **3.0 Detail**

### **3.1 Background to the contract**

3.1.1 The Brent Direct Leasing Scheme (BDL) is used to provide temporary accommodation for homeless families. At the end of June 2010 there were 367 BDL units in use. As the Council has a target to reduce the use of temporary

accommodation by 2010, it is envisaged that the demand for this service will be a total of 280-400 units in management over the next three years.

- 3.1.2 The current contract for the procurement and management of temporary accommodation has been in operation since August 2004. The Council leases suitable private sector properties and enters into head leases with the property owners, generally for a 3 year term. The tenants enter into a non secure tenancy with Brent Council and pay rent to the Council (generally via the Housing Benefit paid to homeless families). The Housing contractor provides management and maintenance services, such as a viewings and lettings service, rent accounting, rent arrears collection, regular property inspections and administering decants. The Council pays a weekly management fee to the contractor for each property. There are minimum property standards and furniture standards specified by the Council, and the contractor is required to provide a high quality housing management service. Performance is monitored through performance indicators and regular monitoring meetings.
- 3.1.3 The existing contract was awarded to Brent Housing Partnership on the 1<sup>st</sup> August 2004 and commenced on 16<sup>th</sup> August 2004 and was for 3 years with provision to extend for a further 2 years. The contract was duly extended until 15<sup>th</sup> August 2009. (further detail is given below in the legal comments about the contract extension until 31<sup>st</sup> August 2010).
- 3.1.4 Authority was sought from the Executive on 19<sup>th</sup> October 2009 to tender for a new Procurement and Management of Temporary Accommodation contract.
- 3.1.5 As set out in that report, authority was sought to tender one contract for the Brent Direct Leasing scheme, together with the South Kilburn Temporary Accommodation scheme. However subsequently officers took the decision to take the South Kilburn element out of the contract. This was because the South Kilburn project did not proceed as it became economically unviable with increases in refurbishment costs with the introduction of the new electrical regulations. In addition it was decided that in order to stimulate the market, the contract be split into two smaller contracts, with the expectation that smaller providers would tender for only one of the contracts, though larger providers would bid for both. In addition, the contract specification was revised to improve the efficiency of the service and value for money for the Council. The new contract has transferred the costs of repairs and maintenance to the contractor and also the cost of procuring new properties. The targets on voids turn around time have been improved, so contractors will incur a financial penalty if a void property is not brought back to management with 10 working days
- 3.1.6 Accordingly when the contracts were advertised, it was for two equal contracts, each to source properties and manage up to 225 properties The advertisement for the tender and the Pre Qualification Questionnaire (PQQ) was placed on the Council's website and the Official Journal of the European Union on the 24<sup>th</sup> November 2009, with a closing date of 14<sup>th</sup> December 2009. 15 companies expressed an interest in the tender and 9 companies returned PQQs. 8 PQQs were evaluated and 1 PQQ was rejected as it was received after the deadline.
- 3.1.7 Shortlisting was undertaken on the basis of the contractors' financial and economic standing, business probity, professional and technical capability. This evaluation included consideration of health and safety, quality assurance, equal opportunities and disabilities awareness.

3.1.8 Six of the companies failed the Health and Safety assessment, so could not be considered further. Another two companies did not meet the financial standards required.

3.1.9 An Invitation to Tender was sent to the four remaining companies on 20<sup>th</sup> April 2010, with a return date of 12 noon of 2<sup>nd</sup> June 2010.

3.1.10 The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following criteria together with appropriate weightings:

<b>CRITERIA</b>	<b>Sub-criteria with weightings (if applicable)</b>	<b>Weightings</b>
1. <b>Price</b> (50%)		50%
2. <b>Quality</b> (50%) <i>consisting of the following:</i>		
<b>2.1</b> Proposed staffing levels to deliver the service		3%
<b>2.2</b> Proposed method for delivering the specified arrears management service (including rent collection)		10%
<b>2.3</b> Proposed method for and delivering the specified voids management service		10%
<b>2.4</b> Procuring, repairing and maintaining properties and managing tenants in properties	a. Procuring – 4% b. Repairs / maintenance – 10% c. Complaints handling – 3% d. Equal Opportunities – 3% e. Anti-social – 2%	22%
<b>2.5</b> Implementation	a. Timetable to implement service – 3% b. Electronic invoicing – 2%	5%
<b>TOTAL</b>		100%

The quality criteria in the first column are not as approved by the Executive in October 2009; the first three criteria are the same but the other two were added by officers in order to ensure that all aspects of the service were evaluated.

3.1.11 The tender submission was in the form of method statements, giving full details of how they would perform the requirements of the specification and of their approach to working in partnership with the Council and other organisations, together with a pricing document giving the unit cost on a weekly basis that could be used to identify a total contract value on the basis of an assumed management of 200 properties at any one time.

## 3.2 The Tender Evaluation Process

3.2.1 Three tenders were received on the due date. The fourth short listed organisation did not submit a bid and decided to withdraw from the process as they felt they could submit a bid which was going to be financially competitive. All three tenderers bid for both contracts and it was noted that as the two contracts were the same, an assessment that a tender for one contract was the most economically advantageous would automatically mean that the same would apply for the other contract.

3.2.2 The bids were evaluated by a panel of an officer from the Affordable Housing Development Unit and two officers from the Housing Resource Centre. The tender documents were evaluated by the officers individually, and the panel then met on the 10th June 2010 to agree the evaluations and complete a scoring grid (Appendices 1 - 3). The marking regime for the quality criteria was as follows:

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

The weightings were then applied to reach a total score.

3.2.4 The financial evaluation methodology is shown in Appendix 2.

3.2.5 Tenderer 1 scored second in terms of overall quality and second in terms of price. Tenderer 2 scored highest in terms of price due to the lowest price provided, however also scored lowest in terms of quality. Tenderer 3 scored highest in terms of quality however also submitted the highest price therefore scored the lowest for this aspect. Therefore Tenderer 1 scored the highest overall score price and quality. It should be noted that although Tenderer 1 did not come first on the quality assessment it was still very satisfactory.

3.2.6 Accordingly it is recommended that both contracts for the Procurement and Management of Temporary Accommodation under the Brent Direct Leasing Scheme will be awarded to Tenderer 1, which is Brent Housing Partnership Ltd.

## 4.0 Financial Implications

4.1 The tender prices quoted by the recommended tenderer is below the budget projection for the next financial year. The tender prices submitted represent a saving on the costs for the current contract. Based on a supply of 350 units, there will be cost saving of £1.64 per unit per week or a year saving of £29,848.

4.2 A breakdown of the tender prices is shown at Appendix 2.

- 4.3 The cost of these contracts will be funded entirely through the temporary accommodation management fee received of £40 per week for each property from the Department and Work and Pensions

## **5. Legal Implications**

### Housing homeless households

- 5.1 The requirement to provide temporary accommodation to persons in housing need arises under Part VII of the Housing Act 1996 (“the 1996 Act”). The Council is bound by statute under 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 and they have are not intentionally homeless. The circumstances in which the Council will cease to be subject to any such duty are set out in section 196(6)-(7B) of the 1996 Act, which include the applicant accepting an offer of accommodation under Part VI of the 1996 under the Council’s allocation scheme and accepting an offer of an assured tenancy from a private landlord.
- 5.2 The Council also has an interim duty to accommodate homeless applicants in temporary accommodation under section 188(1) of the 1996 Act pending a decision regarding their homelessness applications if the Council has reason to believe that such applicants may be homeless, eligible for assistance and have a priority need of 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 a discretion (as opposed to a duty) under section 188(3) of the 1996 Act to house the homeless applicant in temporary accommodation pending a 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 under section 193 of the 1996 Act as set out in the previous paragraph.

### Secretary of State’s consent

- 5.3 It is necessary to apply to the Secretary of State to seek his consent for BHP to manage the properties that are subject to the new BDL contracts pursuant to section 27 of the Housing Act 1985. The housing management of temporary accommodation properties do not come within the remit of the housing management functions that were delegated to BHP in the BHP Management Agreement. Furthermore, this matter does not come within the circumstances set out in the General Consent provided by the Secretary of State in February 2009 pursuant to section 27 of the Housing Act 1985, which is known as The General Approval for Housing Management Agreements 2009.

### Procurement Requirements

- 5.4 The contracts for the procurement and management of temporary accommodation are, once aggregated, High Value Contracts under Contract Standing Orders and accordingly, a competitive tendering process must be followed. In addition, this service has been assessed as a part A service under the European public procurement regulations, and so is subject to the full application of the European Public Procurement regulations (“the EU Regulations”).

- 5.5 The Council must observe the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period **before** the contract can be awarded. 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. 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 – and additional debrief information will be provided to unsuccessful tenderers in accordance with the regulations.

#### Contract Start Date and Contract Extensions

- 5.6 This service was last tendered and awarded in 2004. That was a 3-year contract with provision for extension or extensions of up to 2 years, and when these rights of extension were exercised the contract was due to expire on 15<sup>th</sup> August 2009. A further extension of 10.5 months was authorised by the Director of Housing and Community Care to take the contract through to the end of June 2010. Under EU law a contract extension is treated as a new contract award, so such a contract extension to a Part A service should have been tendered in accordance with the EU Regulations; however at that time it was assumed that the contract was for a Part B service, on the basis that it had been tendered as a Part B service in 2004. The Director then authorised a further contract extension of 1.5 months up to 15<sup>th</sup> August 2010, in accordance with his delegated authority to extend any contract for up to 12 months. At that point it was appreciated that this service was a Part A service, however this further contract extension was below the EU threshold on the basis of a current monthly value of £26,127.
- 5.7 It is hoped to that the new contract can start on 1<sup>st</sup> September 2010. As the Director of Housing and Community Care has no further authority to extend the contract under his delegated powers, the Executive is being requested to approve a further contract extension up to 31<sup>st</sup> August. Then, in case there is delay in obtaining Secretary of State's consent for the delegation of housing management functions as set out above, or for any other reason, the Executive is also being requested to delegate powers back to the Director to grant a further extension should that prove necessary. Again such extensions are below the EU threshold, even when aggregated with all the extensions since June 2010.
- 5.8 As soon as possible after the standstill period ends, and provided that the Secretary of State consent has been obtained, the successful tenderer will be issued with a letter of acceptance and the contract can commence.

#### **6. Diversity Implications**

- 6.1 There are variations between the population of Brent and those applying for assistance as homeless. For example, those in the Black category made up just under 20% of Brent's population in 2001, however they accounted for nearly half of all applications as homeless in 2002/03. Furthermore, those in the White category made up just over a fifth of all homeless applications, but were 45% of the resident population 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.
- 6.2 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.

## **7.0 Staffing Implications**

7.1 The service is currently provided by Brent Housing Partnership and there are no implications for Council staff arising out of the tendering of the new contract.

## **8.0 Background Information**

8.1 Any person wishing to inspect the above papers should contact:

Zaheer Iqbal  
Temporary Accommodation Manger  
1st Floor  
Mahatma Gandhi House  
34 Wembley Hill Road  
Wembley, Middx  
HA9 8AD

Martin Cheeseman  
Director of Housing and Community Care

## Appendix 1 Quality Scores

<b>Evaluation criteria</b>	Weighting	Max Score	Tenderer 1		Tenderer 2		Tenderer 3	
			Average Panel Score	Weighted Score	Average Panel Score	Weighted Score	Average Panel Score	Weighted Score
<b>Quality</b>	50%							
<b>2.1</b> Proposed staffing levels to deliver the service	<b>3%</b>	<b>4</b>	3.67	2.75%	2.00	1.50%	3.33	2.50%
<b>2.2</b> Proposed method for delivering the specified arrears management service (including rent collection)	<b>10%</b>	<b>4</b>	3.33	8.33%	3.00	7.50%	3.33	8.33%
<b>2.3</b> Proposed method for and delivering the specified voids management service	<b>10%</b>	<b>4</b>	3.33	8.33%	3.00	7.50%	3.67	9.17%
<b>2.4</b> Procuring, repairing and maintaining properties and managing tenants in properties	<b>22%</b>							
a. Procuring	4%	4	3.00	3.00%	3.00	3.00%	4.00	4.00%
b. Repairs / maintenance	10%	4	3.33	8.33%	3.00	7.50%	3.33	8.33%
c. Complaints handling	3%	4	4.00	3.00%	2.67	2.00%	3.33	2.50%
d. Equal Opportunities	3%	4	3.67	2.75%	3.00	2.25%	3.33	2.50%
e. Anti-social	2%	4	3.33	1.67%	3.00	.50%	3.67	1.83%
<b>2.5 Implementation</b>	<b>5%</b>							
a. Timetable to implement service	3%	4	3.33	2.50%	2.67	2.00%	3.67	2.75%
b. Electronic invoicing	2%	4	3.67	1.83%	3.00	1.50%	3.67	1.83%
<b>Total</b>	50%	44	34.67	42.5%	28.33	36.25%	35.33	43.75%

Each evaluation criteria could attract up to a maximum of 4 marks, the mark awarded was multiplied by the weighting for each of the ten Qualitative criteria detailed in appendix 1 to provide a total score out of the maximum score possible of 40.

For each tenderer, the achieved Qualitative score out of a maximum of 40 from each member of the evaluation panel will be averaged to identify an overall qualitative score for that tenderer.

To identify the final weighted score the following calculation will be applied:

$$\text{Final weighted percentage score} = \text{Weighting} \times \frac{\text{Score}}{\text{Max Score}}$$

## Appendix 2

Procurement and Management of Temporary Accommodation Contract – Tender Prices

The tenderers were asked to give a weekly management fee for each unit. A base level of 200 units were used to calculate an annual and total contract value for comparison purposes.

Total Contract Cost

Supplier	Price	% score (lowest scores 100%)	Scaled to fit weighting	Weighting
Tenderer 1	£ 1,734,720.00	96.12%	48.06%	<b>50.00%</b>
Tenderer 2	£ 1,667,328.00	100.00%	50.00%	
Tenderer 3	£ 2,347,800.00	71.02%	35.51%	

This Price evaluation will be conducted for both the TUPE Price and the non TUPE Price (assuming both prices are invited in the tender process, in the Invitation to Tender).

- The 'Price' uses a proportional scoring system to award the maximum score of 50% (corresponding to the weighting for 'Price' criterion) to the lowest price tender. The remaining tenders will be awarded scores to reflect their individual value in relation to that of the lowest price tender.
- For example, where the total contract price for Tender X is £1,000 and for Tender Y £500, Tender Y receives the maximum score of 50% (i.e. 50 points) and Tender X a score of 25% calculated as follows:

$$\frac{\text{Lowest price tender (Tender Y)}}{\text{Tender X price}} \times \text{Weighting} = \frac{£500}{£1,000} \times 50\% = 25\% \text{ (Tender X)}$$

$$\frac{\text{Lowest price tender (Tender Y)}}{\text{Tender Y price}} \times \text{Weighting} = \frac{£500}{£500} \times 50\% = 50\% \text{ (Tender Y)}$$

### **Appendix 3 Final Tender Scores**

The final overall score was reached by adding the qualitative score to the tender price score.

#### ***Scoring for Qualitative Criteria and Price***

The score for Price was added to the total score for the Qualitative aspects to provide a percentage-based score for each tenderer, and the percentage scores were then ranked and the highest scoring tenderer(s) recommended for appointment.

#### **Breakdown**

Bidder	Price	Quality	Total	Position
Tenderer 1	48.06	42.50	90.56	1
Tenderer 2	50.00	36.25	86.25	2
Tenderer 3	35.51	43.75	79.26	3

	<p><b>Executive</b> 11 August 2010</p> <p><b>General Purposes Committee</b> 11 August 2010</p> <p><b>Report from the Chief Executive</b></p>
Wards affected: ALL	
<p><b>Rising to the challenges: re-shaping Brent Council to deliver the new Administration's priorities</b></p>	

## Appendix 7 to this report is not for publication

Appendix 7 to this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: " Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office-holder, former office-holder or applicant to become an office-holder under, the authority)."

### 1. SUMMARY

1.1 Brent Council faces many challenges over the next four years but its current structure is ill-equipped to meet them. In important respects, we remain a very fragmented organisation with a traditional departmental structure which, with a few exceptions, has remained largely unchanged for nearly two decades. The arrival of a new Administration and the adoption of a new Corporate Strategy inevitably prompts us to examine our internal arrangements to ensure they are still fit for purpose. This need is reinforced by the acute financial crisis facing local government which means that we need to review critically everything that we do to ensure that frontline services are protected and resources are not wasted on inappropriate structures, out of date ways of working and inefficient business processes. The proposals in this report set out how we can meet the very real financial challenges facing local government while enhancing our ability to deliver the ambitions set out in the new Administration's policy programme.

### 2. THE NEED FOR STRUCTURAL CHANGE

2.1 The Council is facing a number of unique challenges and opportunities over the next four years:

- the extremely demanding financial conditions facing the public sector - the recent Government announcement of £1.2 billion savings from local government funding in the current financial year is a precursor to further substantial reductions in the Comprehensive Spending Review expected in October this year. The Chancellor's

emergency budget on 22<sup>nd</sup> June indicated potential reductions of 'up to 25%' in non-protected spending areas which includes much of local government. This is now forcing every local authority to review fundamentally its structures and operating practices and to challenge traditional assumptions about how councils are organised. It is highly improbable that spending reductions on this scale can be absorbed without a fundamental review of council structures, business processes and service delivery models and this is exactly what we are now doing through the One Council Programme.

- the unique opportunity presented by our new Civic Centre due to open in 2013 - a key element in the modernisation, cost reduction and service improvement agenda for the council, the new centre will provide a state-of-the-art public building with greatly improved facilities for customers, members and staff and will increase the opportunity for innovative and integrated working across a broad range of Council and partner activities. We will undoubtedly need to adopt new and more flexible ways of working to make best use of the new centre, especially since for the first time in Brent's history all our major departments will be co-located on a single site. This is a once-in-a-lifetime opportunity to overhaul our structures and to weed out inefficiencies and cost.
- there is a recognition that, despite many real improvements over the past decade, the Council is currently underperforming in some key areas when considered against comparable local authorities and also has surprisingly high unit costs in some areas. We are committed to improving services and securing greater value-for-money and have started a number of major service reviews and improvement projects to deliver better services at lower cost. Recent change programmes in areas such as finance, revenues and benefits and transport fleet operations demonstrate that it is possible to provide better services at lower overall cost. If services are to improve in future, front line departments and their staff need to focus unequivocally on front line delivery – the proposals in this report enable service professionals to do precisely that.
- last year's independent external review of our structure and staffing arrangements demonstrated that Brent devotes a surprisingly small proportion of its staffing resources to direct front line service delivery (29%) compared to back office and enabling services and corporate functions (71%). Brent was seen as an 'outlier' in this respect and this reminds us that there is considerable scope to become a much leaner and more integrated organisation than is currently the case. We can no longer afford a structural model whereby each department acts as a 'mini council' with duplicate functions in both the service department and the corporate centre. We have already started the process of downsizing our non-frontline workforce and our experience to date suggests that this can be done with modest adverse effects on front line services and with relatively few compulsory redundancies.
- there is a growing recognition that 'departmentalism', silo-based behaviours and the legacy of 1990s style devolution in Brent has diluted the effectiveness of the organisation and undermined its ability to maximise value-for-money and pursue cross-departmental agendas. Too many managers in Brent think they can 'do their own thing' and this has now become a barrier to creating a modern, flexible and business-like authority that looks, feels and acts as a single entity. By contrast, many staff positively welcome the opportunity to work across professional and departmental boundaries but feel our current structures inhibit this way of working. The imminent move to a new Civic Centre will massively encourage this kind of multi-disciplinary working and will render old-fashioned parochialism entirely obsolete.

- successive governments have talked a lot about localism and community empowerment but the rhetoric has not always been matched by action on the ground. The previous Brent Labour Administration initiated our current approach to neighbourhood/ward working and this provides a foundation on which we can build in the future. The role of backbench councillors is critical to the Council's relationship with the wider community and is an area with significant scope for development – our council structures need to support and facilitate this.

2.2 At the heart of the Council's response to these challenges is an absolute commitment to ensuring the Council can meet the changing needs and aspirations of its residents and businesses by providing a wide range of excellent services to Brent's highly diverse local communities. Our Improvement and Efficiency Strategy 2008 - 2012 recognised the scale of the task facing the organisation and set out an ambitious change programme – the One Council Programme - aimed at delivering:

*'...a more effective, dynamic and community focused organisation which has made significant and measurable improvements across all areas of service delivery.'*

The extent and magnitude of the necessary changes require a substantially different approach that goes beyond the incremental, evolutionary approaches adopted in recent years. The One Council Programme turns the Improvement and Efficiency Strategy into a set of more than 20 detailed projects designed to achieve a transformed organisation that can respond effectively to the twin challenges of delivering continuous improvement for Brent residents whilst coping with significantly reduced resources. The proposals in this report reflect the serious thinking that has taken place over the last two years about how we can best meet these challenges in Brent.

2.3 At the same time, the new Administration has a clear set of policy priorities for the next four years. The Executive has already signalled a robust requirement that these corporate priorities must drive the One Council Programme, shape the way the Council is configured and determine how it responds during this period of significant change. The proposals in this report are designed to advance the new Administration's agenda by placing greater focus on the environment and sustainability issues; moving forward the locality and neighbourhood agenda; bringing together for the first time all our regeneration and major projects activity in a single department; promoting a more unified and dynamic approach to citizen empowerment, community cohesion and community engagement; and creating a strong and unified policy, planning and performance function at lower cost than is possible under current devolved arrangements. While we clearly need to recognise the harsh financial realities facing local government, we do not accept that they are an excuse for mediocrity or lack of ambition. I firmly believe that the structures proposed in this report will enable us to pursue a positive and developmental agenda despite the inescapable financial challenges facing the council.

2.4 These factors all point to the need to review the Council's structures to ensure they are leaner and more streamlined, while maintaining the strategic capacity to deliver the substantial changes required. With a number of board-level Directors retiring or leaving the organisation over the next few months, the new Administration now has a unique opportunity to agree a significant Council restructuring driven by three critical imperatives:

- the requirement to align the organisation with the corporate priorities of the new Administration

- the changes flowing from the One Council structural model and the wider One Council Programme of service improvement and cost reduction
- the imperative to streamline the organisation and deliver substantial financial savings while protecting frontline services as far as possible

This report responds directly to these three drivers and helps advance the vision for the organisation and management of the Council that I have set over the last two years.

2.5 I have presented to the organisation a vision for the shape of Brent Council in 2014 which is illustrated diagrammatically in Appendices 1 and 2 attached to this report. Appendix 1 describes a functional model of the organisation which has the following key elements – a unified, consistent and council-wide approach to customer contact based on standardised procedures, maximum use of self-service and a comprehensive client data base; a series of operational ‘layers’ describing service delivery activities and client groups which are mainly but not exclusively ‘departmental’ in character; and an underpinning layer of specialist but cross-council business support services which will in future be undertaken by central functions working in close day-to-day partnership with frontline services. This model recognises the need for customers and service users to be the starting point for everything that we do. It also allows service departments to concentrate on those activities for which they are professionally best qualified and it recognises that silo-based approaches and ‘mini councils’ in each service area are no longer appropriate or affordable. While some may see this as a significant departure for Brent Council, the model is not at all uncommon elsewhere in the public and private sectors and it is a model that I now strongly commend to members.

2.6 To complement the internal focus of Appendix 1, I set out in Appendix 2 how Brent Council might look to residents, service users and councillors in 2014. This is based on four tiers of activity which broadly correlate to the Council’s physical and/or customer presence across the borough. This thinking has been informed by our debates around the operation of a new Civic Centre housing some 2000 staff and the need to be clear about the consequential arrangements we need to make for our wider office accommodation strategy, different types of customer contact, ICT support and locality and ward/neighbourhood working for example. The model assumes that as part of our Improvement and Efficiency Strategy we will seek to consolidate on to a substantially smaller number of sites and buildings in order to streamline our operations, promote co-location across departments and agencies, reduce our carbon footprint and of course to generate substantial annual savings on our capital and revenue expenditure. The four tiers are therefore as follows:

Brent Civic Centre – the Council’s principal administrative headquarters and the democratic and community focal point for the borough

Customer contact centres – our plans assume that we retain two major centres for face-to-face customer contact at the Civic Centre (to serve the north of the borough) and at a re-developed and expanded Willesden Green Library Centre (to serve the south of the borough)

Five locality hubs or centres – there would be five hubs altogether with one serving each of our five Area Consultative Forum localities. It is assumed that the Civic Centre and Willesden Green Library Centre would provide two of the five hubs while further discussions will need to take place with members to confirm the precise location of the other three hubs. It is envisaged that these hubs would contain a mix of services and partner agency inputs and that they could provide a highly accessible base for local community events, meetings and other gatherings.

Wards/neighbourhoods – we envisage a strengthened role for local ward members building on the success of our existing ward working arrangements. These have become more established over the last four years and now appear to command a high degree of cross-party support. We would like to explore with members how we can enhance these arrangements further in the time ahead.

- 2.7 Given the current financial uncertainty and the still-evolving legislative programme of the new coalition Government, it is difficult to predict with complete confidence the future landscape within which local government will be expected to operate. For this reason, we need to keep open the possibility that some further structural changes may be required at a later date to accommodate new financial pressures, new legislative requirements and/or new policy directives from central government. Local government is currently facing a period of unprecedented change and challenge and it would not therefore be prudent to rule out other structural changes further down the line. There remains a question in my mind about the validity of the current split between services to children and services to adults which may need to be revisited. The role of the local education authority is becoming increasingly proscribed as a result of recent Government announcements on academies and ‘free schools’ and there is an obvious question mark about our future role in the management of Council-owned housing stock now that Brent Housing Partnership has delivered our Decent Homes programme. Our relationship with the National Health Service is still very fluid with the effective abolition of Primary Care Trusts and the re-introduction of some form of GP led commissioning of health services. And the pressure to out-source some council services to the private sector may also grow over time while we will also need for sound efficiency reasons to move towards more sub-regional and multi-authority commissioning and procurement.

### **3. RECOMMENDATIONS**

The Executive is recommended to:

- 3.1 note the major changes and challenges currently facing local government
- 3.2 agree the broad vision for the future shape and structure of the Council set out in the body of the report and in Appendices 1 and 2
- 3.3 note the measures already taken to modernise the Council’s structure, staffing and spans of management control as set out in section 4
- 3.4 agree subject to the outcome of consultation with staff, the deletion of the Business Transformation department and the reconfiguration of its functions as set out in section 5 of the report
- 3.5 endorse the other proposed departmental structures as set out in section 5 of the report
- 3.6 authorise the Chief Executive, in consultation with the Leader of the Council, to make such other consequential changes as may be needed to give effect to the proposals in this report

The General Purposes Committee is recommended to:

- 3.7 agree the implementation and timetable issues as set out in section 6 and Appendix 3 of the report

- 3.8 note the assimilation and ring-fencing arrangements proposed in section 6 of the report
- 3.9 agree the generic job descriptions for Director and Assistant Director job descriptions as set out in Appendices 4 and 5

#### **4. DETAILED CONSIDERATIONS**

##### **Aligning the organisation with the policy priorities of the new Administration**

- 4.1 The new Administration has a clear set of policy priorities set out in its election manifesto that will form the basis for the Council's four year Corporate Strategy to be launched at our Senior Management Conference in September 2010. In broad terms, these priorities include:

- a strong emphasis on regenerating key areas within the borough, through sustainable and comprehensive improvements in infrastructure, support for training and employment, development of retail and cultural initiatives, and harnessing the unique opportunities presented by the London 2012 Games.
- a serious policy commitment to environmental and sustainability issues, with specific requirements around waste and recycling, street scene and improved public transport and highway maintenance.
- a commitment to more active community and citizen engagement as an essential feature of local governance in the borough with an enhanced role for local ward councilors as the critical link between residents and their local authority
- ensuring continuous year on year improvement in front line services and protecting those services in the context of the significant pressures on public sector finances. There are concerns about performance in some service areas at present and we need a more rigorous and challenging corporate approach to ensure progress is both fostered and maintained.

- 4.2 The proposed re-organisation of council departments will strengthen the alignment of service functions with the Administration's policy priorities in order to ensure more focused and effective delivery of those priorities. My main structural proposals include:

- a new Regeneration and Major Projects Department that brings together for the first time all of our strategic regeneration related functions which are currently dispersed across the Council, creating a fully coherent and integrated approach to regeneration in the borough
- a re-positioned Environment and Neighbourhood Services Department with a strengthened focus on the full range of local service delivery, sustainability and the environment with a leadership role in taking forward the locality and neighbourhood agenda
- the deletion of the Business Transformation Department, subject to further consultation, with the reallocation of its HR and IT functions to the Finance and Corporate Resources Department, the Civic Centre programme to the Regeneration and Major Projects Department and the One Stop Service to the Customer and Community Engagement function
- a new Customer and Community Engagement function, building on the existing Communications and Diversity function, with added responsibility for the management

of the One Stop service, ward/neighbourhood working and democratic/citizen facing services

- a single high-powered Council-wide policy, planning and performance function which brings together currently devolved staff and teams to give a much stronger focus to One Council service planning and a much-needed boost to our performance management arrangements
- a new and broader-based Legal and Procurement Unit to strengthen our overall approach to the purchasing and procurement of goods and services and to ensure that we generate significant financial savings over the next four years. The current Borough Solicitor would manage this unit and would become a full member of the Corporate Management Team

All of the above would be introduced within the context of real terms reductions in the Council's payroll budget, overall workforce numbers and a substantially-reduced management cadre. Indeed, where functions and teams are being brought together centrally (such as business support and policy, planning and performance), I intend to attach some very stretching cost-reduction targets to the process of centralisation.

#### **The One Council structural model and the One Council Programme**

4.3 The Council's current structures have in essence been in place for many years with the more significant changes being driven by external rather than internal considerations. In broad terms, they reflect a traditional alignment of functions adopted by a large number of local authorities. However, a detailed analysis of the Council's staffing and structures undertaken by PriceWaterhouseCoopers (PWC) in summer 2009 highlighted some substantial differences between Brent's position and that of comparable authorities. The key messages from their review were:

- we have too few staff (29 %) engaged in front-line service delivery and too many (71 %) engaged in 'enabling delivery' and back-office support services. Brent was seriously out of line with the ratios in other comparable authorities.
- we have excessively narrow management to staff ratios, typically one manager to just over 2.5 staff where industry best practice averages one manager to six staff. Nearly one third of our non-schools workforce were on management grades but many had very limited actual management responsibilities.
- we had more staff engaged in 'enabling service delivery' than actually 'doing service delivery' and we were seen by PWC as being a statistical outlier in this respect. A more equal split between frontline service enabling/support services and service delivery was seen as both desirable and achievable.
- PWC reported frankly that 'silo mentalities' are alive and well in many teams in Brent with a widespread assumption in departments that local managers and teams are allowed to define their own priorities and work programmes largely independent of the needs and aspirations of the corporate whole.
- there is widespread variation, duplication and waste in areas of Brent Council arising from a culture of devolved decision-making, local managers setting inconsistent local rules and a failure to exploit economies and efficiencies of scale because our internal processes were simply too fragmented, disjointed and/or inconsistent.

4.4 There are a number of reasons for these 'distortions'. The local government wide issue of having a job evaluation system which disproportionately rewards 'management' rather than skills and experience is one but perhaps the most profound Brent specific issue is the still-influential residue of 1990s style devolution. This manifests itself in two ways: widespread and unnecessary variation and duplication and a continuing and long-standing difficulty in ensuring managers and staff operate in a more integrated, coherent and consistent way and within corporate frameworks. In PWC's view, the Council needed to 'standardise, simplify and share' to a much greater degree than is currently the case and this is a view that I strongly endorse.

4.5 This unnecessary internal variation has a significant impact on the organisation's unit costs and overall effectiveness. It undermines our ability to respond to the needs of residents and service users, it results in inconsistent delivery and performance and it creates entirely avoidable inefficiency, duplication and waste. Tackling and eradicating this legacy is central to the One Council Programme. As part of addressing this systemic issue, the Corporate Management Team has agreed a broad model for the re-shaped Council, underpinned by an organisational vision, values and design principles. The One Council structural model (set out in Appendices 1 and 2) has five key elements:

- a clearly differentiated set of functions and activities related to customer contact and assessment, which will provide **an integrated and more effective approach to the ways in which Brent residents access council provision** as well as a range of other public sector services – this will provide a common 'front door' to council services and a more consistent and efficient approach to customer contact. The model assumes much greater use of web-based technology and 24/7 self-service but provides two principal customer services centres (one in the north of the borough at the Civic Centre and one in the south at a re-vamped Willesden Green Library Centre facility) for face-to-face contact.
- a group of **frontline service delivery departments each with a high quality professional leadership and workforce and which will ensure the commissioning and/or delivery of local services to the public with an absolute focus on customers**, meeting the needs of our highly diverse customer base and ensuring a relentless focus on service improvement. The model assumes that frontline departments concentrate on what they do best ie delivering professionally appropriate services to meet the needs of different client groups without the distraction of running their own free-standing support services
- a set of **standardised council-wide business support activities that provide high quality day-to-day support to frontline service departments**; which support the overall corporate management of the Council; and which provide low cost and more efficient transactional services to the organisation and potentially to a range of external partners as well. This cross-council function will reflect an underlying ethos of standardising, simplifying and sharing as advocated in the PWC review. This function will be critical to ensuring the successful occupation of our new Civic Centre and offers real scope over time for generating significant budget and staffing reductions.
- a **strengthened corporate core responsible for council-wide strategic planning, the management of corporate initiatives and programmes and in-depth performance review** including the mission critical One Council Programme and support to the overall strategic direction of the Council. We can no longer

afford the luxury of departments operating as independent fiefdoms or 'mini councils' with their own free-standing support services, infrastructures, cultures and *modus operandi*.

- the development of **a much-enhanced role for our 5 Area Consultative Forum localities and our 21 electoral wards/neighbourhoods building on our existing neighbourhood working model** but extending it to create five physical 'locality hubs' and a strengthened role for local members and residents in the scrutiny, oversight and potentially even the management of local service delivery. This new and still evolving approach to neighbourhood service delivery will be overseen by the new Environment and Neighbourhood Services Department actively supported by colleagues in a range of corporate units.

4.6 The model is designed to ensure each part of the organisation is focused on its primary purpose and that collectively we operate as a more coherent and integrated whole. This means that frontline departments can concentrate on meeting the needs of their customers and clients, without the distraction of running administrative and business support functions, while those support functions themselves can run more efficiently and cost-effectively when aggregated together and, as a result, better meet the requirements of frontline departments. These proposals will reduce the widespread waste, variation and duplication that currently exists and allow each part of the organisation to play to its professional strengths and expertise. This will ensure the whole organisation operates with greater efficiency and effectiveness, which is a central theme underpinning the One Council ethos.

4.7 It should be noted that a number of projects within the One Council Programme are already working on the development and implementation of these structural elements, particularly the customer access, business support and structure and staffing projects. It is important to recognise that over the coming months there will be a series of more limited structural changes flowing from these projects that will impact both on each other and wider council structures but, at this stage, I am confining myself to describing the broad outlines of the One Council structural model and the consequential proposals for reconfiguring departments. I will be tasking all my CMT colleagues to take forward any further local restructuring in consultation with relevant Lead Members and departmental managers and staff. It should also be noted that nothing in these proposals impacts on the existing portfolios of Executive members which will of course remain a matter for political decision.

#### **The foundations for re-configuration - the Council's organisational vision and values**

4.8 A successful organisation requires a clear view about its guiding purpose, aims and values, which provide the basis both for reshaping the organisation and determining how it will function. It sets out what sort of organisation the Council wants to be, how it will operate and how it will deliver its strategic priorities. The Corporate Management Team has recently defined a new organisational vision and associated values and design principles which outline the future shape of the Council by the year 2014. In summary, the vision and values include the following ambitions:

- **a strong and confident leader for the borough's diverse community, with a passion for improving the lives and life chances of all Brent's residents, particularly those who experience social, economic or other forms of disadvantage**

- **citizens who feel informed, engaged and empowered and play an active role in shaping the future development of their neighborhoods and residents who are proud of their borough and the role the council plays within community life**
- **a successful multi-cultural community that provides a beacon of diversity best practice and actively develops strong and mutually beneficial links with all of our local communities**
- **an active player in local, sub-regional and London-wide partnerships, working with other partners to overcome institutional or operational barriers to promote more efficient and effective joint working by public bodies working in Brent**

4.9 Linked to the vision and values is a set of 'organisational building blocks' with related design principles that describe in a measurable way what the Council will look like in 2014. Specific structure and staffing design principles and measures include reducing the number of management tiers and the number of staff designated as 'managers'; establishing much wider spans of management control closer to the average 1:6 best practice model; and effecting a conscious shift in staffing resources from back office and enabling functions to frontline activity with the explicit aim of securing a 50:50 ratio by 2014. Once implemented, this model would produce a very different organization to the historically relatively high unit cost, variable geometry organization that Brent Council has arguably become after more than a decade of real terms growth in public spending.

#### **Streamlining the organisation and reducing costs – Phases 1 and 2**

4.10 The 2009 PriceWaterhouseCoopers (PWC) analysis identified significant opportunities for reducing both non-staffing and staffing costs, including streamlining management structures and shifting staff resources from enabling and back office functions to frontline service delivery. Based on this analysis, the Council implemented an immediate reduction of 50 management posts in 2009/10, with an annual projected saving in the 2010/11 financial year of £2.321 million. In February 2010, the Corporate Management Team reviewed the One Council Programme and agreed that the pace of downsizing needed to be increased significantly. As a result, a two year timescale (instead of the original four years) was agreed for achieving further substantial savings, with a minimum reduction by the end of September 2010 of an additional 250 fte posts making a cumulative target of 300 posts which is equivalent to around 9.3% of our non-schools workforce. Two hundred of these posts were to be delivered through a fifty post reduction exercise within each of the four main service blocks, with a further fifty posts being released through the work of the Finance Modernisation project and the Revenues and Benefits/One Stop Service transformation project.

4.11 The overall reductions which have now been identified over the last twelve months and which will be delivered by the end of September 2010 are 299 posts, against the original 2010/11 financial year target of 150 posts and a revised CMT target for this financial year of 250 posts. This includes the proposed reductions in Revenues and Benefits/One Stop Service (23 posts), the planned reductions from the Finance Modernisation project currently being implemented (30 posts) and the 176 post reductions from the structure and staffing project together with a further 20 posts currently being identified by the Children and Families Department. As well as achieving savings, our aim has always been to minimise compulsory redundancies by targeting post reductions on vacancies, agency covered posts and posts from which staff can be released through voluntary redundancy and/or retirement (where we recently had substantially more applications from

staff for VR/ER than we had posts needing to be deleted). Decisions on individual proposals have been informed by reference to those areas and activities identified in the PWC analysis as offering significant opportunities for efficiencies, including management, business support and customer contact. Table 1 below shows the total number of posts identified for deletion over the last twelve months and identifies the categories of posts from which these reductions have been or are being made.

**Table 1: Post reductions through the Structure and Staffing project**

<b>SUMMARY OF FTE POST REDUCTIONS BY TYPE *</b>	<b>Total</b>	<b>%</b>
Management	81	27
Business Support	108	36
Customer Contact	59	20
Other	51	17
<b>Total</b>	<b>299</b>	<b>100</b>

\* Numbers rounded

- 4.12 In conjunction with the fifty management posts deleted in 2009/10, the aggregate reduction over this period will be 299 posts. The savings from these reductions are shown in Table 2 below.

**Table 2: Savings from post reduction initiatives**

<b>Project</b>	<b>2010/11</b>	<b>2011/12</b>
	£k	£k
Finance Modernisation	408	1,505
Revenues and Benefits	560	700
50 manager posts	2,321	2,379
Structure and Staffing	3,187 250*	7,092 700*
<b>TOTAL SAVINGS</b>	<b>6,726</b>	<b>11,792</b>

\*subject to further detailed calculation of net savings

- 4.13 The total reduction achieved so far in the number of management posts in Brent Council is 81, delivering a substantial saving in management costs of £3.3 million. This equates to a nine per cent reduction in overall management posts. The proposals for departmental reconfiguration set out in this report continue the drive towards much more streamlined management structures and in particular focuses on wider and more consistent spans of management control. The ongoing customer contact and business support projects within the One Council Programme are currently developing delivery models that will include proposals for new structures. It is very likely that these will impact on both frontline and enabling/support services and could involve further changes for those services with staff and functions related to either customer contact or business support. While any downsizing process is bound to cause some anxiety, we have so far been successful in avoiding any significant industrial relations problems, keeping the number of compulsory redundancies to an absolute minimum (at most around 20% of actual posts deleted on

current projections) and re-shaping the organisation in ways that are wholly consistent with our future vision for the organisation.

## **5. RE-CONFIGURING FRONTLINE AND CORPORATE SUPPORT SERVICES**

### **General Approach**

5.1 Overall, these proposals are intended to remove unnecessary variation and provide a more consistent approach to structures and roles. This will strengthen respective corporate and departmental functions and ensure their collective efforts are more effectively integrated. The proposals include the aggregation of resources in IT support and policy, planning and performance. This will be done on the basis of delivering a specified minimum level of savings as well as providing greater coherence, integration and service efficiencies. The model for these will follow that used in Human Resources, Finance and Legal Services.

5.2 The structural proposals set out in this report are designed to:

- align resources, including senior management capacity, with the Council's long term strategic ambitions and priorities
- aggregate resources within corporate and business support functions to achieve more effective delivery as well as savings
- create opportunities for improved integration between activities and functions
- reflect our organisational vision and design principles, including broader spans of control, fewer management layers and a shift of resources from the back office to frontline service delivery functions
- provide a consistent approach to structures and functions across all council departments in support of the One Council approach
- support implementation of other parts of the One Council model as it is developed and implemented

These proposals aim to realign functions where this provides a better strategic fit than currently exists, as well as creating greater structural consistency across departments. At the same time, they reflect a recognition that the timing of some changes will depend on other developments in the One Council Programme or on externally driven changes, e.g. the future of Arms Length Management Organisations (ALMOs) and the changing role of the local education authority. As indicated in paragraph 2.7 above, this suggests that further structural change is likely in the medium term.

5.3 The proposed frontline departmental functions are organised in three main blocks: frontline service management and delivery; strategy, commissioning and performance functions but with a new reporting line to the corporate centre; and administrative and business support. Separating these distinct functions out more clearly allows for a sharper management focus on each block, supports the move towards generic role definitions for each management layer and, in clarifying the role of policy/planning/performance and business support functions within departments allows for an easier transition to the final Brent Business Support model and the move to co-located services in a our new Civic Centre. It is proposed that each of the main frontline service departments will have two Assistant Directors responsible for service delivery. In the main, each Director will have a management span of six including the 'dotted line' reporting by their Strategic HR Manager and Assistant Director- Strategic Finance.

- 5.4 The overall number of departments will remain the same, but configured to include the new Regeneration and Major Projects department, headed up by a new board level Director and the deletion of the Business Transformation Department, subject to further consultation with staff. The Regeneration and Major Projects Department will contain some important frontline functions such as Planning and Building Control but it will also have a corporate leadership role in the planning and delivery of regeneration schemes and major capital projects. This clearly reflects the strategic importance of this area for the new Administration, the scale of the programmes currently underway or proposed and the pressing need to strengthen capacity and critical mass in this vital and high profile area of endeavour.
- 5.5 In conjunction with these changes, new Director and Assistant Director job descriptions have been created or revised and these are attached for approval in Appendices 4 and 5. They reflect new and changed responsibilities and include more generic roles and responsibilities for both tiers, in line with the One Council approach. My aim is to revise all management job descriptions across the Council over time to create a consistent set of corporate roles, responsibilities, requirements and expectations for each management tier, in addition to those related to their management of particular service functions. This is an important change of emphasis and will establish a new and more equal balance in future between day-to-day operational responsibilities and longer term cross-council roles for all of our senior managers.

#### **Re-configuring departmental structures – detailed proposals**

- 5.6 The detailed changes are summarised below and provide an overview for each department. The report sets out the main changes and provides related structure charts for the top two tiers. These provide reasonable clarity at this stage but there is a considerable amount of detail that will need to be considered, particularly in relation to definitions of the specific activities within any broad function that are retained within that function or transferred. It should also be noted that while changes to the Children and Families and Housing and Community Care departments are relatively limited at this stage, there is likely to be a potential further phase of structural changes consequent on local opportunities and national developments arising from future political or legislative change.

#### **Regeneration and Major Projects Department**

- 5.7 The creation of a new and fully integrated Regeneration and Major Projects Department is recognition of the importance of this area of activity for the borough. It is also a reflection of the importance of regeneration and urban renewal for the Council's newly-elected Administration. Regeneration is an area that has long been central to the Council's community and corporate strategies and it is arguably even more critical when the economic climate is tough and the living standards of local people are under pressure. It has consistently been one of the Council's top priorities and Brent has a successful track record in bringing funding into the borough. We are seen as a successful and go-ahead borough but the truth is that most of our successes have been secured despite rather than because of our internal structures.
- 5.8 However, the context for regeneration has changed considerably. Public sector regeneration resources are dwindling rapidly and private sector resources are also severely constrained as a result of the recession. The Council needs to respond to these pressures in a way that requires far more coherence and focus than at present. The future model for successful regeneration will depend upon the local authority being absolutely clear about its priorities, being imaginative and pro-active in coming up with

new and increasingly formal partnership models to deliver regeneration and, most importantly, on it making maximum use of its own assets (land, staff, intellectual) to stimulate regeneration. The current disjointed arrangements for delivering regeneration schemes and major capital projects has outlived its usefulness and is now a barrier to the dynamic and energetic role that the Administration and its officers aspire to play in the local economy.

5.9 For these reasons it is proposed to create a new department that brings together the key functions and activities needed to develop a coherent, integrated approach to regeneration in the borough. The focus and priorities for this new department will include:

- developing and delivering a clear set of priorities for regeneration and place shaping in accordance with the political aspirations of the new Administration
- taking a robust leadership role in conjunction with sustaining and building effective partnerships
- initiating, driving and overseeing a step change in the transformation of the borough's infrastructure and economic prospects
- raising ambition for all groups across the borough, especially those most marginalised in the local and regional labour markets
- bringing together the full range of professional disciplines in the council to sharpen our focus on regeneration delivery and to forge new partnerships with other public and private sector stakeholders

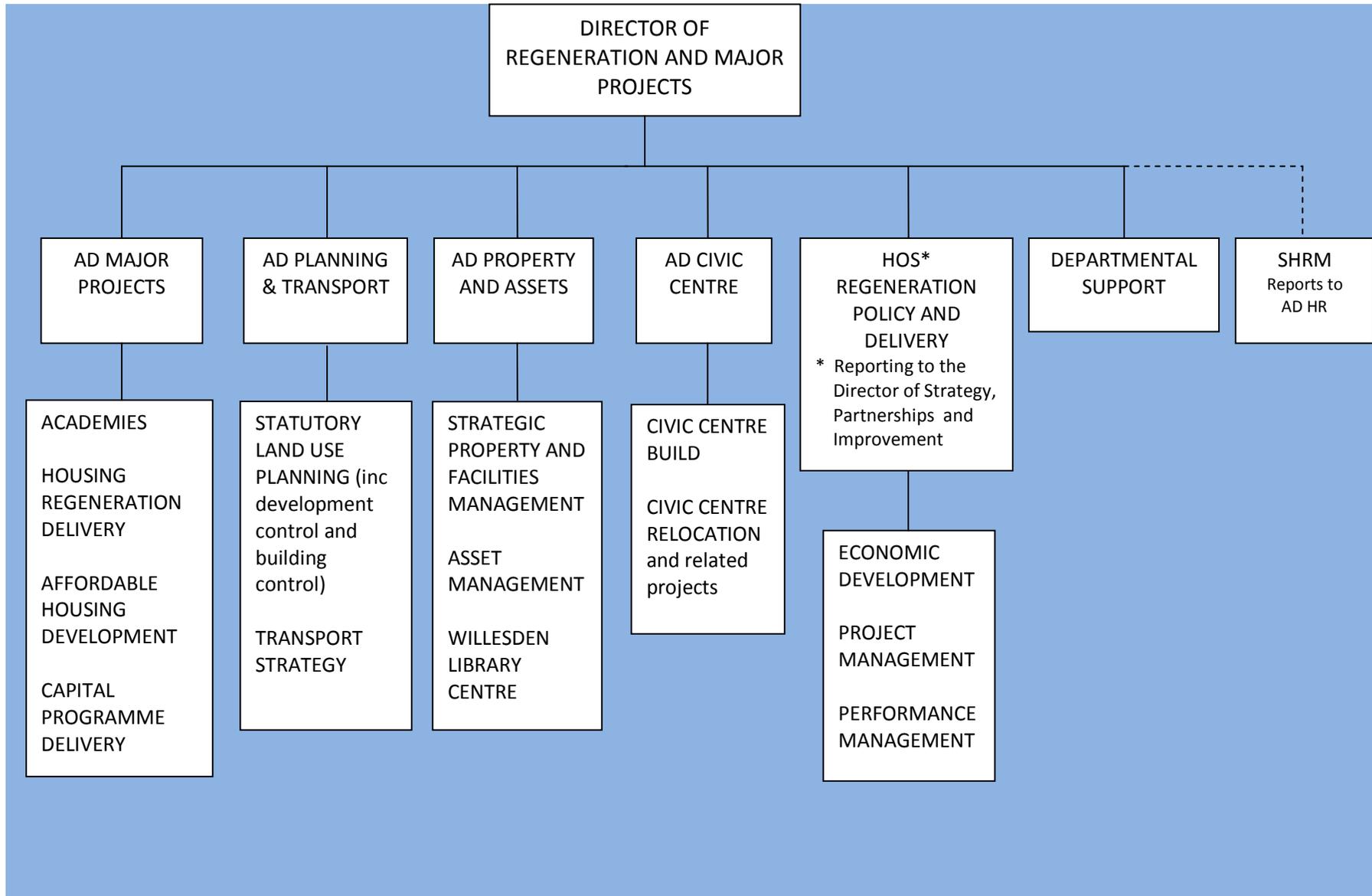
***Regeneration and Major Projects - proposed changes***

5.10 The new department would include:

- all current functions and teams within the regeneration division of the Policy and Regeneration Unit
- all programmes associated with the building of new educational facilities, including any replacement for Building Schools for the Future, Academies, Primary Capital Programme and related teams within Children and Families
- statutory land use planning including development control and building control from Environment and Culture
- strategic transport planning from Environment and Culture
- housing regeneration and the affordable housing development team from Housing and Community Care
- corporate property and facilities management from Finance and Corporate Resources
- the Civic Centre programme, which will include planning and implementation of the move, as well as continuing responsibility for construction of the building. The Civic Centre programme is of course time limited and responsibility for management of the Civic Centre facilities will eventually transfer to the property and facilities management function.

By bringing these previously separate functions together, we will be able to develop a much more coherent and dynamic approach with a single unified 'offer' to private sector investors and developers. We will also avoid much of the mis-directed effort and mis-application of time, effort and resources which is associated with our current approach. This issue has been the subject of considerable discussion at officer level and it is now time to translate words into action - which is why I strongly commend this proposal to members.

**REGENERATION AND MAJOR PROJECTS DEPARTMENT: PROPOSED STRUCTURE**



### **Environment and Neighbourhood Services Department**

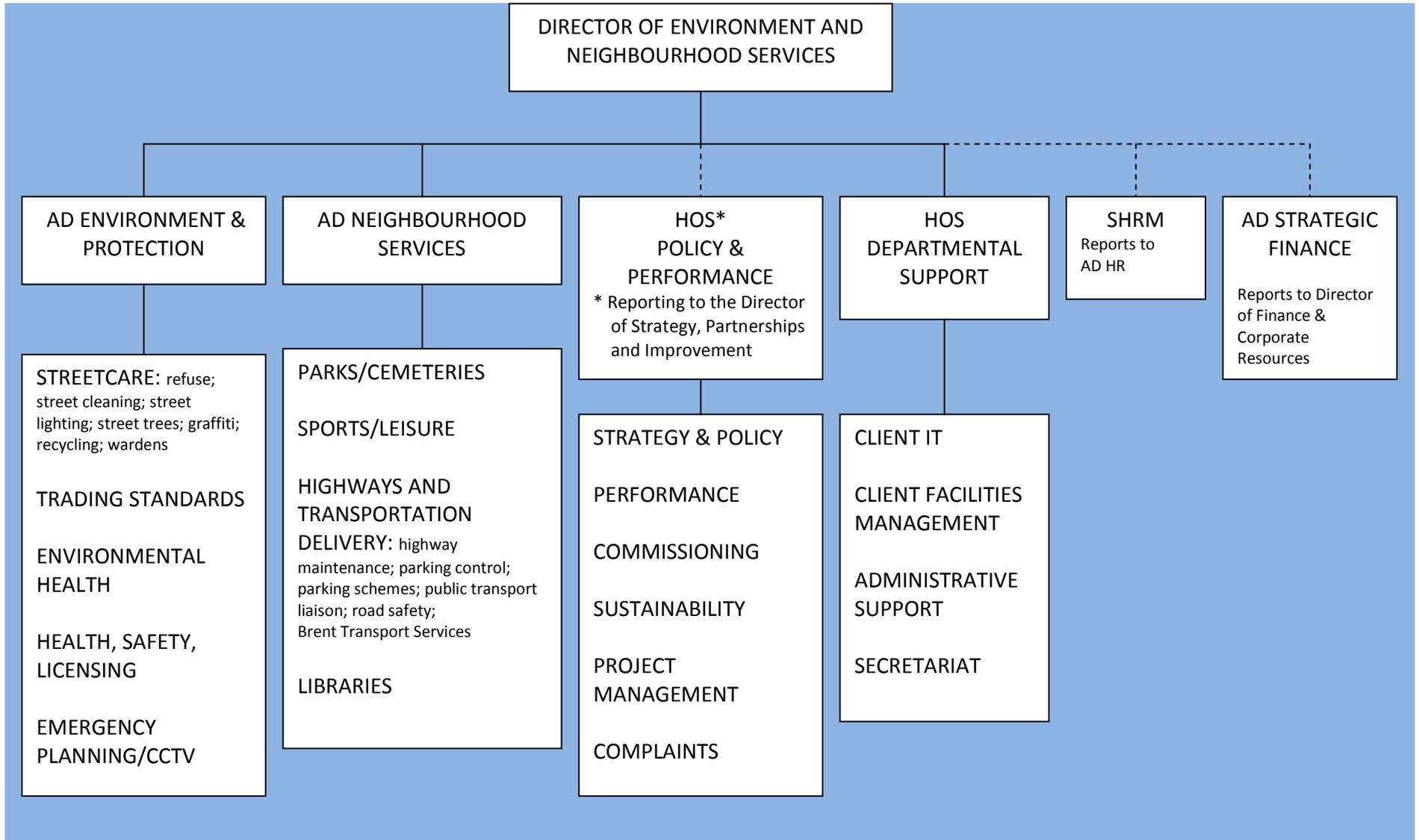
- 5.11 The current Environment and Culture Department is a large department with a very broad set of functions and activities ranging from strategic land use planning and major transport investment to the licensing of entertainment venues and the collection of domestic and trade waste. With the growing significance of the green agenda and the neighbourhood/locality agenda, both of which are priorities for the new Administration, there is now a case for restructuring the department so that it concentrates more fully and wholeheartedly on sustainability and green issues and the increasingly relevant locality and neighbourhood agenda which both feature prominently in the policy programme of the new Administration. The aim is to create a clear service focus on sustainable development and delivery of services and activities related to the natural and built environments in the borough. This includes protection of those environments and protection of those using them. It is also intended to provide a vehicle for the development of greater member and service user engagement in the delivery of those local councils services which have the most direct impact on the quality of urban life.
- 5.12 Our future vision for Brent Council involves a real commitment to the development of localism as a necessary and important part of community and democratic engagement. This is an issue which commands widespread political support and is reflected both in statements emerging from the coalition government as well as in the commitments contained in the new Administration's policy platform. While there may be some political debate about the extent to which local people want or need to be involved in the day-to-day management of public services, few people would question the value of an active engagement between local residents, elected councillors and service providers of all sorts including local councils and the contractors who work on their behalf. The proposals in this report seek to differentiate between two realms of activity. On the one hand, high level strategy and planning work is essentially about the regeneration of the borough and its built environment and is therefore more appropriately undertaken within the new Regeneration and Major Projects Department. On the other hand, we want to ensure that all important local services such as highways, street care, parks, sports provision, libraries, environmental protection, waste and recycling are subject to much greater scrutiny by local people and their elected representatives.
- 5.13 The new Environment and Neighbourhood Services Department will also drive forward our still evolving work around the development of five locality hubs or centres in each of our Area Consultative Forums together with the further roll-out and development of neighbourhood working. Both these initiatives provide opportunities to cement the role of local councillors as genuine community leaders and, in parallel, to increase the scope for local residents and councillors to work together to hold the Council and its contractors to account for the quality of local service delivery. There are many different options for taking this discussion forward including participatory budgeting, ward or locality committees with varying powers and resources and/or a greater degree of delegation of power and decision-making to local ward councillors. If members endorse this broad approach, I would task the new Director to come forward (after full consultation with elected members themselves) with some more detailed proposals to enhance the role of ward councillors in the oversight of service delivery in their local area. One exciting possibility is to expand this remit to include the scrutiny of the local delivery of services provided by other agencies such as the National Health Service, the Metropolitan Police and other national and regional agencies.

***Environment and Neighbourhood Services Department - proposed changes***

5.14 Merge the existing three divisions and create two divisions, one bringing together protection and regulatory functions, the other bringing together neighbourhood based services and activities. (Streetcare will be included with protection and regulation to ensure balance between the two divisions.) Specific proposals include:

- Environment and Neighbourhood Services retains responsibility for the full range of local environment and related services with a dual brief to promote the green agenda and encourage local community involvement in service delivery
- Planning, development control and building control transfer to the new Regeneration and Major Projects Department
- The small Festivals and Arts team and the BRAIN community database transfer to the new Customer and Community Engagement function
- Service policy, planning, performance and complaints resources including the GIS team (subject to further consultation with the postholder) to remain located within the department but with a direct reporting line to the Director of Strategy Partnerships and Improvement
- IT systems support transfers to corporate IT as part of the rationalisation of council-wide IT resources
- Brent Transport Services (BTS) transfers from the Children and Families Department to Environment and Neighbourhood Services to be managed within a new highways and transport services function
- Environment and Neighbourhood Services become the lead department for the development of our locality and ward/neighbourhood approach to local service delivery
- New structures are established, in consultation with elected members, to enhance the role of local ward members and local residents in the scrutiny of local service delivery by the Council and its partner agencies

**ENVIRONMENT AND NEIGHBOURHOOD SERVICES DEPARTMENT: PROPOSED STRUCTURE**



### **Children and Families Department**

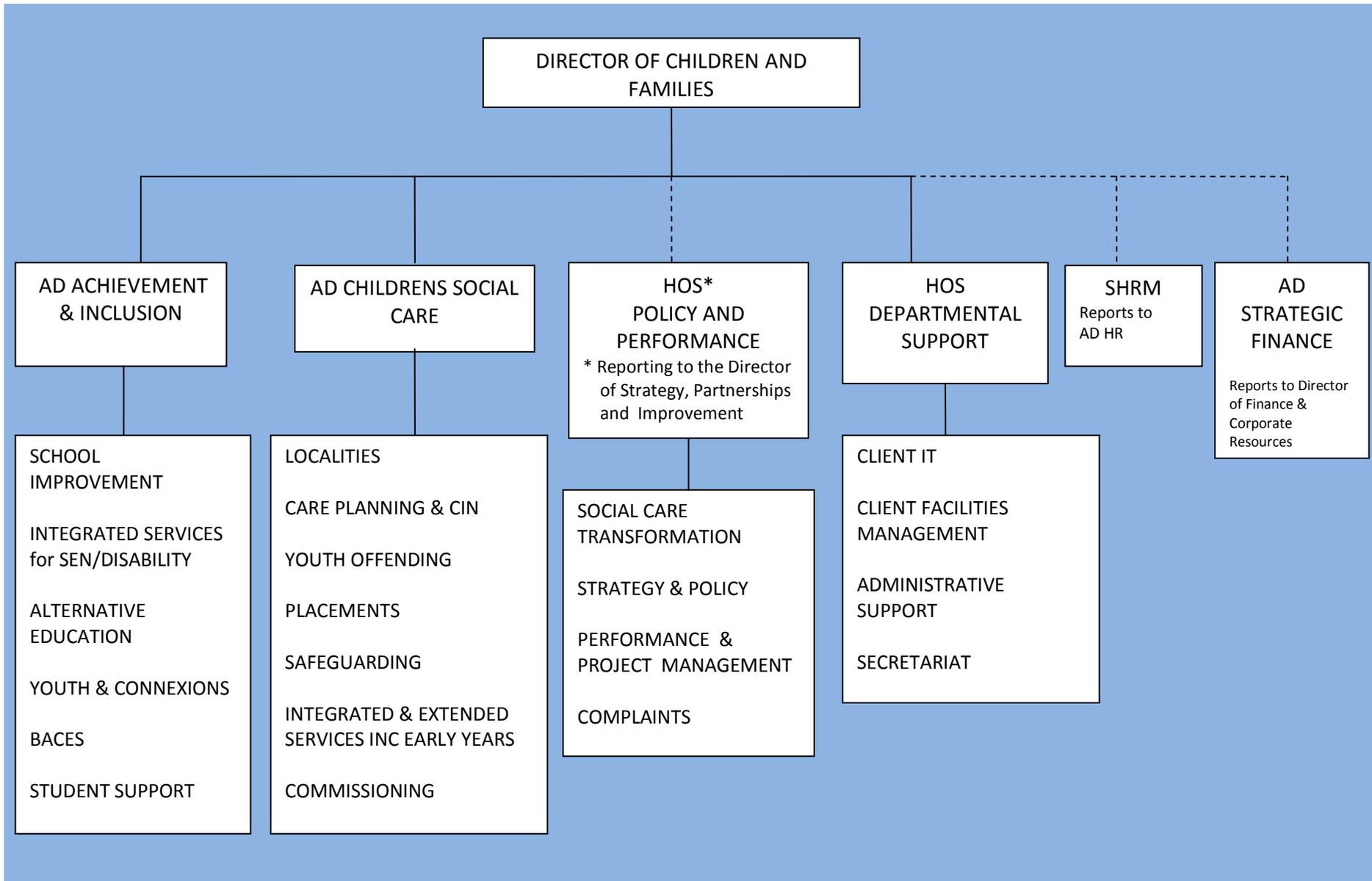
- 5.15 Given the range, complexity, profile and sensitivity of services provided by this department, no major re-design is proposed at this stage beyond a streamlining of the divisional arrangements in line with the overall approach to the configuration of departments. However, I do believe that there is an increasingly persuasive case for returning to a more integrated 'social care and health' focused department that combines both adult and children's social care roles together with an increased role for local government in the commissioning and scrutiny of health services and the provision of public health. The national policy context and the future role of the various inspectorates are both currently under post-election review so it would be premature to propose major changes until this landscape becomes clearer. However, this is an area that may well need further discussion in another year or two.
- 5.16 There are some indications that the Government may at least be considering its position on these issues – certainly, the process for commissioning and overseeing the delivery of health services at the local level in London is very much under review at this time. This could see a role for local authorities working with clusters of GP commissioners and a possible incentive for local authorities to re-integrate adult and children's social care functions in a new personal social services function. The coalition also appears to envisage an increased role for local government on local health boards and trusts but the detail is still too sketchy to be certain about the detail. With a pressing need to secure substantial cost reductions in future, there must be a compelling case for removing some of the institutional barriers which inhibit councils and health services from providing more seamless joined-up services to the many client groups that they share in common.
- 5.17 There is a much more immediate case for moving work related to the Primary Capital Programme, the recently expanded academies programme and any replacement for the Building Schools for the Future programme and I am therefore proposing that these functions transfer to the new Regeneration and Major Projects Department as soon as it is established. The technical and project management skills required to deliver a major capital project on time, on specification and on budget are very different to those needed to manage an existing facility or to deliver high quality education services within that facility so it makes sense to locate the delivery of capital projects in a department that has those specialist technical skills.

### ***Children and Families Department - proposed changes***

- 5.18 It is proposed to merge the three existing divisions – strategy and partnerships, achievement and inclusion and children's social care - into two divisions, one for children's social care and the other for achievement and inclusion. The current finance and performance division is being deleted as part of the implementation of the Finance Modernisation project. The emphasis will be on strategic finance support to the department with the non-finance functions currently in the postholder's portfolio transferred to other appropriate parts of the Children and Families Department.
- 5.19 Specific changes include:
- moving education capital projects to the new Regeneration and Major Projects Department
  - the transfer of strategy, planning, information work and complaints to a new 'business partner' policy and performance team in Children and Families

- this team to have a direct reporting line to the Director of Strategy, Partnerships and Improvement similar to that proposed in the other big frontline departments
- retain commissioning within children's social care
- transfer the professional learning and development team to the corporate learning and development function
- transfer Brent Transport Services to the Environment and Neighbourhood Services Department

**CHILDREN AND FAMILIES DEPARTMENT: PROPOSED STRUCTURE**



### **Housing and Community Care Department**

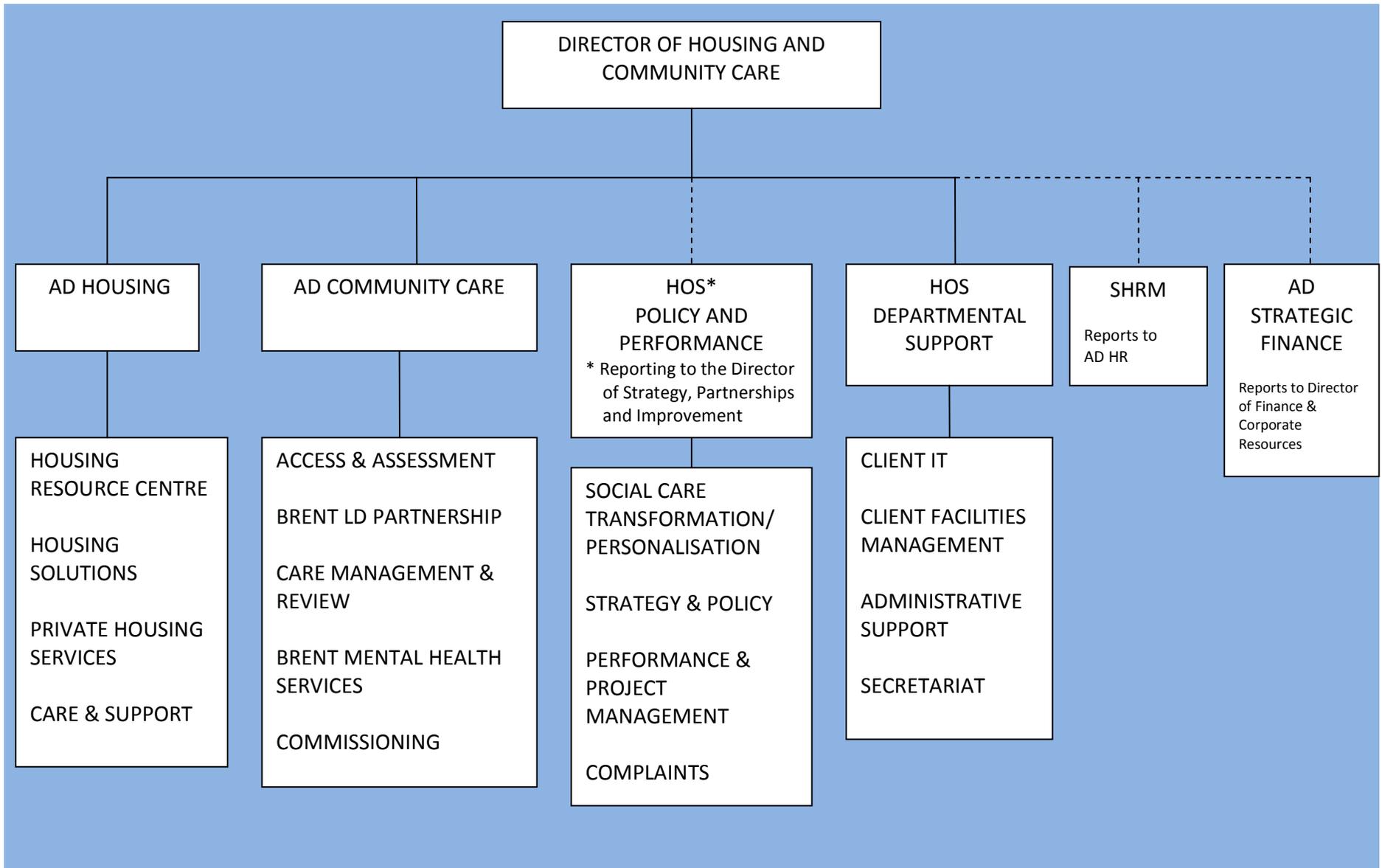
- 5.20 This is a broadly-based department with two distinct if sometimes unconnected areas of responsibility – the traditional ‘housing department’ function and the ‘adult social care’ function imported from the former Social Services Department following the Laming recommendations for structural changes in response to the Climbié Inquiry. There are arguably still two ‘spheres of professional influence’ within the department which suggests there may still be some scope for further integration and efficiencies with respect to common support services. There is also a live and current national debate about the future of Arms Length Management Organisations (ALMOs) and their relationship to their parent local authorities. There are a number of possibilities for the Council’s future relationship with Brent Housing Partnership (BHP), some of which could mean the resumption by the Council of a direct housing management role. I will shortly be commissioning an independent review of the future options for BHP so that we are in a position to make an informed decision prior to the expiry in August 2012 of our current contract with the organization. While the outcome of this review could require some further structural changes, these are unlikely to be too problematic and could in my view be integrated within existing structures without major difficulty.
- 5.21 The discussion above in relation to Children and Families has obvious relevance to Housing and Community Care since any return to an integrated social care function would be very likely to lead to the detachment of adult social care responsibilities from the existing Housing and Community Care Department. For the reasons set out above, the institutional and policy landscape is currently too uncertain to recommend any significant structural change at this time but this may well be an issue for further review in another year or so. By then, we should also be clearer about our future relationship with BHP and what if any structural implications this might have for Brent Council. We could then consider whether we wanted to re-establish a free-standing Housing Department, retain the current housing and community care alignment or merge housing management with other neighbourhood services in the Environment and Neighbourhood Services Department.

### ***Housing and Community Care Department - proposed changes***

- 5.22 It is proposed to merge the four existing divisions – housing needs and private sector, strategy and regeneration, community care and quality and support – to create two new divisions, - one for community care and the other for housing - with the transfer of other functions to either the new Regeneration and Major Projects Department or other existing units within Housing and Community Care. Specific changes would include:
- the transfer of the housing regeneration team and the affordable housing development team to the new Regeneration and Major Projects Department
  - planning, performance, policy, service development/transformation and information functions become part of a departmental policy and performance team but with a direct reporting line to the Director of Strategy, Partnerships and Improvement (as proposed for all three frontline departments)
  - retain commissioning within the community care division
  - complaints transfers to the policy & performance team

- IT systems support and development transfer to corporate IT, as part of the rationalisation of council-wide IT resources
- learning and development transfers to the corporate Learning and Development function
- an urgent independent review is commissioned to review the various options for the Council's future relationship with Brent Housing Partnership with a report to Executive members by March 2011 at the latest

**HOUSING AND COMMUNITY CARE DEPARTMENT: PROPOSED STRUCTURE**



### **Strategy, Partnerships and Improvement**

- 5.23 The existing role of the Policy and Regeneration Unit will be significantly altered with the proposal to create a new Regeneration and Major Projects Department. It is proposed that we create a new high-powered Strategy, Partnerships and Improvement function with overall responsibility for the strategic planning and policy direction of the Council, the development of and support for external partnership working and the leadership of our One Council improvement and efficiency programme. The remit of the new Strategy, Partnerships and Improvement service will continue to include key strategic and corporate areas of activity covered by the former Policy and Regeneration Unit such as the Corporate Strategy, external partnership development including our strategic relationship with the NHS, the work of our Local Strategic Partnership (LSP) and Total Place (or its successor) in relation to place or area-based budgets. However, given the importance of the One Council Programme to the Council's long term future and the substantial growth in the level of associated programme and project management activity, a primary focus for the new department will need to be on the successful delivery of the cost reduction programme whilst still addressing the policy priorities of the new Administration.
- 5.24 At a time when we are avowedly moving towards a stronger 'One Council' model for all corporate and support services, it is increasingly anomalous for each service area to retain its own silo-based policy, planning and performance functions which largely operate free from any meaningful corporate oversight. In my view, policy, planning and performance work should be seen as an intrinsically cross-council activity which can generate significant economies of scale, can promote stronger operational links between services and professions and should seek to develop the full potential of multi-agency working. Very few successful companies or agencies would devolve policy, planning and performance work to the degree that has been accepted as normal in Brent for many years and I think it is now time for this to change. While I recognise that some will see this as a radical move, it is entirely consistent with the One Council approach adopted in other corporate and support services and I see no good reason why policy, planning and performance should not be subject to the same disciplines.
- 5.25 My view is reinforced by the work undertaken last year by PWC which showed that in summer 2009 Brent Council had no fewer than 309 fte posts at a cost in excess of £12 million a year working on strategy, policy, research, consultation, performance management, business information and reporting ie nearly 10% of our non-schools workforce. Allowing for the fact that some of these posts may have been deleted during the recent downsizing exercise, this still suggests that there is scope for removing perhaps another 50 -75 posts council-wide if we streamlined our business processes, simplified our reporting requirements and reduced the inevitable overlap and duplication arising from operating in departmental silos. I therefore propose that we develop a 'business partner' model for this area of work similar to that already operating in areas such as Finance and HR with teams still based in their host departments (subject to review once the Civic Centre opens in 2013) but with a new direct reporting line from the relevant service head to the Director of Strategy, Partnerships and Improvement. I am also proposing that the Director is tasked to deliver an overall 25% budget reduction for the 2011/12 financial year by re-shaping our work in this area.
- 5.26 The service will continue to have board-level leadership through the Director of Strategy, Partnerships and Improvement who will continue to report to the Chief Executive. In relation to the One Council Programme, the Director will have overall day-to-day executive control of the programme, including the programme management and governance arrangements, and be responsible for ensuring its delivery within a framework of strategic oversight and approval by CMT for major policy decisions. The Director will work with project sponsors, the

Programme Board, the Chief Executive and the CMT to ensure the development and delivery of current projects, the resolution of any differences and the identification, development and delivery of any new projects.

5.27 It is proposed to create an additional Assistant Director post to head up the One Council Programme Management Office (PMO) - this will of course take place within the context of the continuing substantial reduction in our overall management costs and workforce. This proposal addresses a number of critical issues in ensuring the success of the programme:

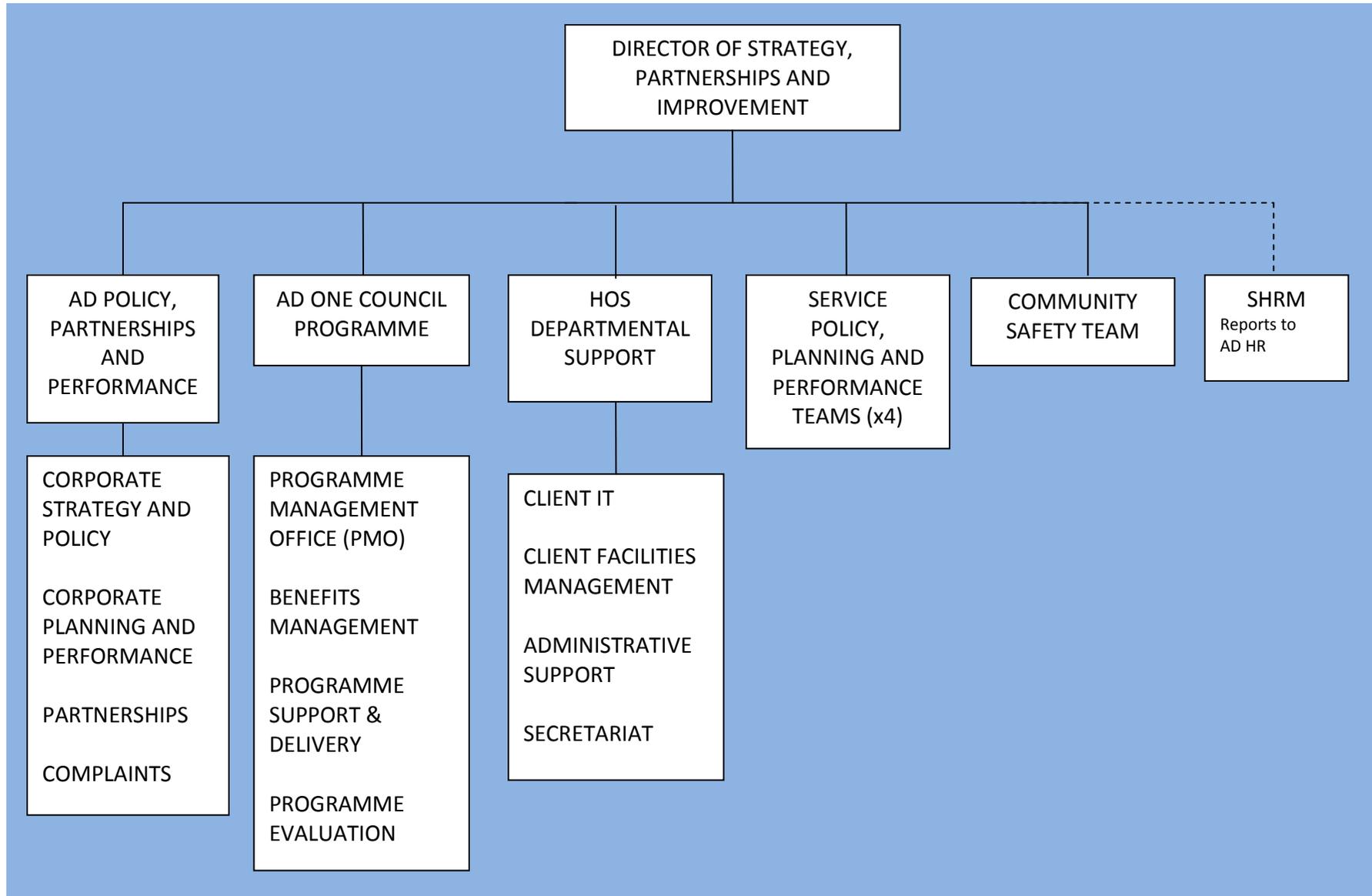
- the current Assistant Director for Policy, Partnerships and Performance has been spending a large part of her time supporting the Programme. This is not sustainable in the longer term, particularly with the additional responsibilities they will have in relation to the new 'business partner' model for policy and performance across the Council
- the scale, importance, complexity and pressing delivery timescales undoubtedly warrant the full time input of a senior manager with appropriate high level experience to support the Director and the Improvement and Efficiency Board in ensuring successful delivery of the programme
- we have discovered from recent experience that high grade programme and project management requires specialist skills and knowledge that are relatively scarce, particularly in conjunction with the right level of senior experience in the public sector arena
- the Council currently has a relatively low level of programme and project management expertise. One of the responsibilities of this new post holder will be to continue the development of a cadre of in-house project managers which will in due course reduce the requirement for external resources

***Strategy, Partnerships and Improvement Unit - proposed changes***

5.28 Specific changes would include:

- the Director of Policy and Regeneration post to be re-designated Director of Strategy, Partnerships and Improvement and to exercise day-to-day executive control and leadership of the One Council Programme
- a new Assistant Director post to support delivery of the One Council Programme will be created to head up the Programme Management Office (PMO) which is already in place in the service area
- the existing Regeneration division will move from the Policy and Regeneration Unit to the new Regeneration and Major Projects Department
- the Neighbourhood Working team will transfer to the new Customer and Community Engagement function
- the existing Assistant Director Policy and Performance will line manage departmental policy, planning and performance team heads in the four frontline service departments using the 'business partner' model already operating in Finance and HR
- the Director of Strategy, Partnerships and Improvement is tasked to deliver a 25% budget reduction in council-wide policy, planning and performance expenditure to deliver a substantial saving for the 2011/12 financial year
- the Community Safety team will remain within the service as a key council-wide and inter-agency function

**STRATEGY, PARTNERSHIPS AND IMPROVEMENT: PROPOSED STRUCTURE**



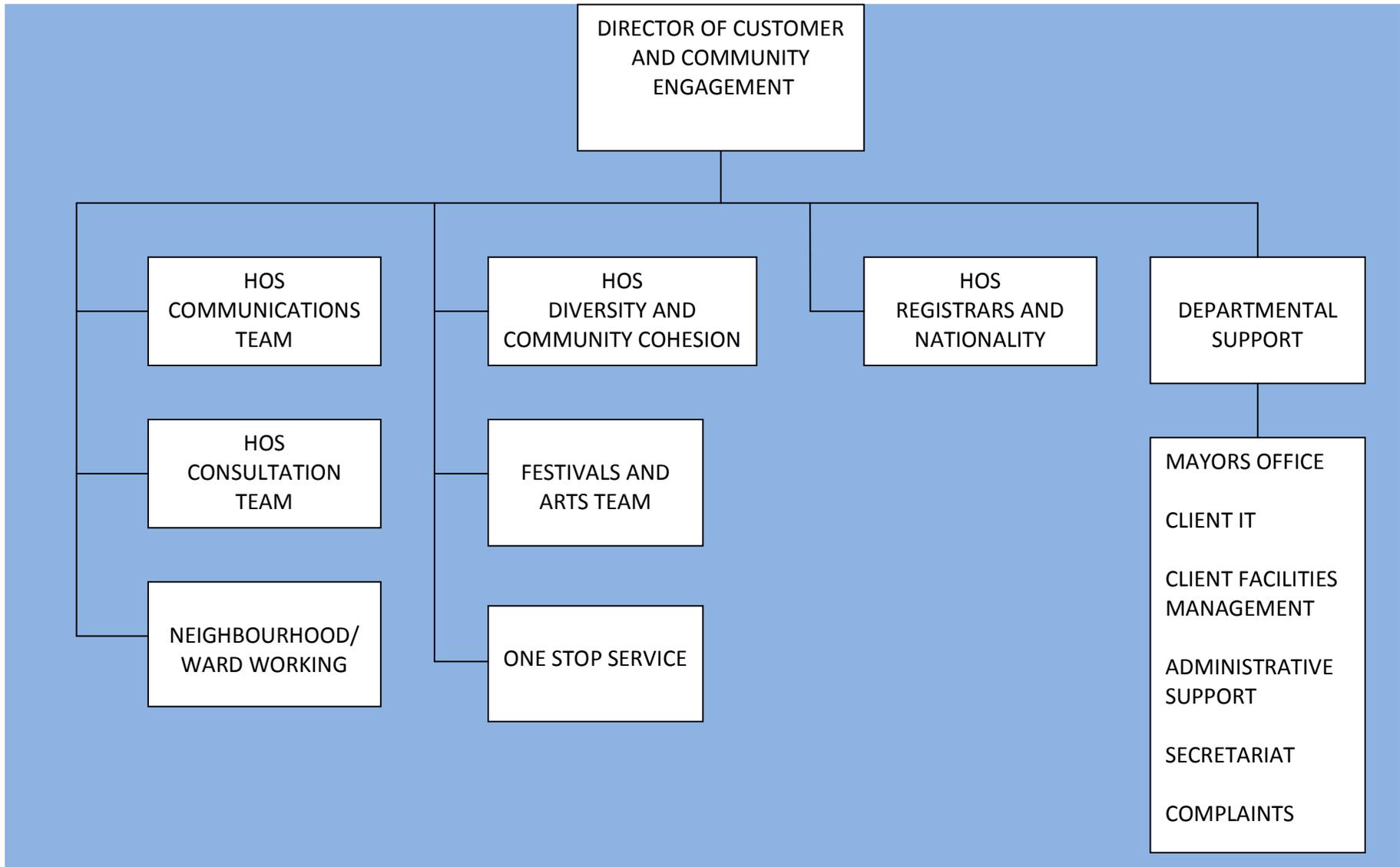
### **Customer and Community Engagement**

- 5.29 This expanded unit builds on the current Communications and Diversity function but gives it a strengthened focus on community and citizen engagement issues. The department will retain responsibility for communications, consultation and diversity and take new responsibilities for neighbourhood working, festivals and arts and the One Stop service. The integration of these citizen-facing services alongside the Communications Team, the Consultation Team and the Registration and Nationality Service provides a strong platform to drive forward the Administration's commitment to improved community and citizen engagement. For the first time, all of our important citizen-focused services will be under unified management and this will add coherence and impetus to our developing work in this area.
- 5.30 The unit will play a vital part in giving substance to the Council's community leadership role and will contribute to the development of our locality and ward/neighbourhood. These roles can only be meaningful if citizens and communities are actively engaged in the issues that affect the quality of their lives and also feel that they have a real stake in their neighbourhoods with an ability to influence decisions that impact on their lives. Effective communication, consultation and engagement, designed in ways that enable all communities to have their voice heard in the Council, is fundamental to promoting better community relations, supporting our equality objectives and enhancing sustainable community development. While 'localism' is espoused freely by national politicians, it is our responsibility to define its full meaning here in Brent and to create the climate, institutional arrangements and incentives to bring it to life in the daily lives of local people. This unit will help to consult on, articulate and make the case for neighbourhood empowerment while the new Environment and Neighbourhood Services function will take the lead in re-shaping actual services to reflect concerns raised during the consultation and engagement process.
- 5.31 The new Secretary of State for Communities and Local Government has already given a very clear indication that localism is the key priority for his department. While the detail of this policy commitment has yet to emerge, it is clear that central government is envisaging a substantial set of policies with a Localism Bill expected to be published later in the year. The Customer and Community Engagement Unit will play a key role in developing the Council's response to the Government's localism agenda and ensuring that local priorities continue to be fully reflected in the Council's strategies and service delivery.
- 5.32 Communications and Diversity already currently play a large role in organizing and managing festivals in the borough. As members will be aware, arts and festivals play a very significant part in supporting community development and cohesion in this most multi-cultural of London boroughs. Adding this to the new unit's portfolio of responsibilities will allow a closer integration of this work into the strategic development and delivery of the Council's community cohesion and engagement agenda.

### ***Customer and Community Engagement - proposed changes***

- 5.33 The proposed changes in this area are as follows:
- The One Stop service will transfer from the Business Transformation Department, subject to further consultation with staff
  - The Neighbourhood Working team will transfer to Customer and Community Engagement from the Policy and Regeneration Unit
  - The small festivals and arts team will transfer to Customer and Community Engagement from Environment and Culture
  - The Director of Communications and Diversity to be re-titled Director of Customer and Community Engagement

**CUSTOMER AND COMMUNITY ENGAGEMENT: PROPOSED STRUCTURE**



### **Finance and Corporate Resources Department**

5.34 The finance function within the existing Finance and Corporate Resources function is currently going through major change as part of the Finance Modernisation Project. This is designed to:

- implement one common approach to finance
- deliver improved, efficient and effective service to customers
- standardise financial policies, processes and systems
- create a Finance Service Centre (FSC) to deliver transactional services
- put in place a business partnering model for departmental financial support

The project when completed will deliver:

- annual savings of £1.5million
- improvement in the quality of financial support
- greater flexibility to respond to future changes
- improved customer service and greater job satisfaction for finance staff
- closer alignment with one council objectives

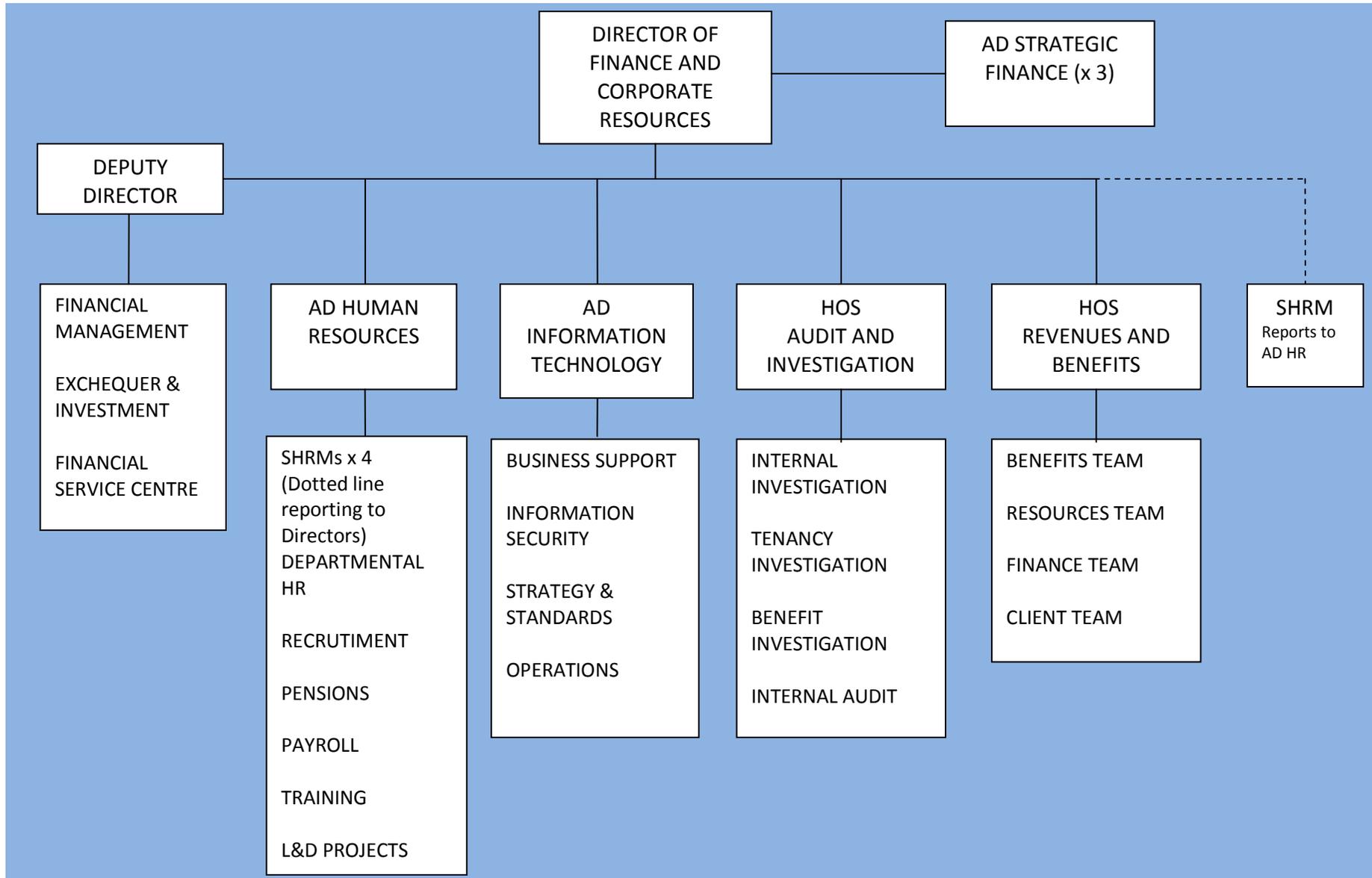
Implementation is under way with the new Oracle system in place and recruitment is taking place to the new structures, including the Finance Service Centre, which will be responsible for all finance transactional activity.

### ***Proposed changes***

5.35 Changes proposed to the Finance and Corporate Resources department include:

- Human Resources and Information Technology to transfer to the department from Business Transformation, subject to further consultation with staff
- the deletion of the management services function, as part of the staffing savings made through the first wave of post reductions
- the transfer of procurement to a new Legal and Procurement Unit as part of the procurement project within the One Council programme
- the transfer of our property and asset management function to the new Regeneration and Major Projects Department

**FINANCE AND CORPORATE RESOURCES DEPARTMENT: PROPOSED STRUCTURE (implementation underway through the Finance Modernisation project)**



## **Business Transformation Department**

- 5.36 A number of important themes have emerged from the consultation that have led me to reconsider the number of proposed departments compared to my original proposals. These themes include:
- a view that the centre is expanding at a time when the organisation generally is downsizing
  - a perceived imbalance between the number of frontline service departments and corporate functions
  - an ambiguity between the roles of the Business Transformation Department and the Strategy, Partnerships and Improvement Unit
  - questions as to why the Civic Centre programme was not located within the proposed Regeneration and Major Projects Department

Taking into account the totality of the concerns expressed in the consultation and in conjunction with the even greater level of reductions in public sector spending that the coalition Government is clearly now committed to, I am persuaded that consideration of the number of departments does now need to be seen as part of this restructuring. All departments and senior roles within them must be seen to be adding value and to justify their existence as a free-standing part of our corporate structures and, for this reason, I have thought long and hard in recent weeks about the need for each of our current service areas. I have recognised in particular that there is a logic in including our largest current capital project – the construction of a new Civic Centre – within the Regeneration and Major Projects Department.

- 5.37 Over the past eighteen months, we have successfully developed a much more coherent, comprehensive and sustainable programme of action to tackle the Council's funding position while seeking to deliver improved services. We have made very substantial progress on the One Council Improvement and Efficiency Programme, both in putting in place the required programme management infrastructure including a new Programme Management Office as well as developing more than a dozen of the key projects within the Programme. It is now the primary vehicle for promoting and overseeing transformational activity across the Council, including key projects related to business support and back office functions, new ways of working and the construction of and move to the new Civic Centre. The importance of the Programme is reflected in the proposed change of focus for the current Policy and Regeneration Unit, the additional senior management capacity created in that Unit to help ensure its successful delivery and the clear remit given to its Director for day-to-day management of the Programme on behalf of the Corporate Management Team.
- 5.38 In addition, the scale, complexity, importance and impact of the Programme mean it is neither sensible nor realistic to rely on any one department to deliver the bulk of the Programme – in practice, this was never intended to be the case even when the Business Transformation Department was first proposed. The Corporate Management Team's leadership of and collective support to the Programme is vital to its success. With a more elaborate programme management infrastructure now in place and underpinned with clear responsibility for management of the Programme, the Corporate Management Team has the necessary support to exercise its strategic leadership responsibilities both for the overall programme and as individual sponsors of projects. The changes to the composition of CMT will offer a further opportunity to review the allocation of project sponsorship responsibilities to ensure the 'strategic load' is sensibly allocated across Directors. Indeed, I would like to see more Assistant Directors and other senior staff assuming leadership roles for our most critical change projects under the One Council Programme umbrella.

5.39 The Business Transformation Department was conceived as the department that will drive the process of change that culminates in the Council's move into a new Civic Centre in June 2013. It has made some good progress in this respect and its Director, managers and staff are to be congratulated on their commitment and drive. We have seen our HR service become a more active and influential player in our wider change processes, notably around the Structure and Staffing Review project. The People Centre has developed further and is increasingly seen as a key element in our evolving approach to business support. Work on ICT continues apace with some major innovations in place or in the pipeline. Customer services and the One Stop service are at the centre of a major review of our customer contact arrangements that will transform the way we interact with Brent residents in the future. And the Civic Centre programme team are performing well with the project itself on schedule, on specification and on budget.

5.40 Given the developing role of the Strategy, Partnerships and Improvement Unit with regard to the One Council Programme, the clear strategic remit of CMT as the principal 'owner' of the programme and the now widely dispersed leadership across the whole Council of the Improvement and Efficiency Programme and its component projects, I have been forced to review whether or not there is still a critical mass of distinct activities that justifies retaining Business Transformation as a separate department. In more equitable financial times, I would still consider there to be an arguable case for retaining such a function but I accept that it is increasingly difficult to justify a separate corporate department with board-level representation when our arrangements for 'transformation' have moved on so much over the last twelve months in particular and when the rest of the organisation is being asked to review critically all layers of management and all support functions. Ironically, the very success of the component teams within Business Transformation gives me confidence that they would still thrive in whatever departmental context they were re-located. I have therefore concluded that on balance the case for retaining a corporate 'transformation' function is not sufficient to justify the retention of a free-standing Business Transformation Department and I therefore propose that, subject to further consultation with affected staff, it is deleted as part of this restructuring exercise.

5.41 **Proposed changes**

Taken together, these developments point to a reduced requirement for the Business Transformation Department *per se* although there is evidently a need for the operational functions within the Business Transformation Department to continue. I believe that the vitality of the component parts of Business Transformation and the availability of suitable alternative departmental 'homes' for these functions mean the abolition of the department itself poses limited risks to the organisation other than the admitted loss of senior management capacity currently in place. I therefore make the following proposals:

- Human Resources/People Centre and Information Technology to be located with Finance within a retained Finance and Corporate Resources Department. This brings together a set of key corporate functions that are all moving towards the same business partner model, which creates further opportunities to develop the model, for example through combining transactional functions.
- The Assistant Director, IT and the Assistant Director, HR to report to the newly appointed Director of Finance and Corporate Resources. All reporting arrangements below the Assistant Directors will remain the same in the immediate term. The move to a fully integrated, cross-council IT function will continue.
- the Civic Centre Programme function and its chief officer to move to the Regeneration and Major Projects Department and to carry the corporate leadership role for all matters relating to the new facility including management of the move

itself and the measures needed beforehand, including promoting flexible and remote working, to ensure a successful and problem-free occupation

- the One Stop service to transfer to a new Customer and Community Engagement Unit under the current Director of Communications and Diversity. This fits comfortably with the Unit's remit around public and citizen engagement and emphasises the outward-looking focus of this important corporate function. In the longer term the One Stop service will be redefined in line with the customer services delivery model under development through the customer services project

5.42 Overall, these proposed changes would ensure:

- a reduction in the proposed number of departments and further reductions in senior management costs
- a better balance between corporate and frontline service functions on the Corporate Management Team
- a clearer single point of accountability for managing the One Council Programme within the new Strategy, Partnerships and Improvement Unit
- the alignment of major support functions such as finance, HR and ICT within a resources department with new leadership and a mandate to take forward our transactional services and shared services agendas
- the re-location of the Civic Centre project with our mainstream regeneration and major projects capacity
- the move to a fully integrated cross-council IT function will continue
- HR will continue to be a key player in delivering the One Council Programme
- customer services work will still be transformed through the implementation of the One Council project on customer contact

## **Legal and Procurement**

- 5.43 The Borough Solicitor/Monitoring Officer post is currently responsible for legal, democratic and electoral services. I am proposing to move the procurement function (currently located within Finance and Corporate Resources) into a new Legal and Procurement function headed up by the Borough Solicitor who has previous high level experience of managing such a combined function in a previous city-wide authority. There are important areas of commonality between legal and procurement although it is expected that the two functions will nevertheless still operate from separate professional teams within the new unit. Both functions require a rigorous and disciplined attitude with regard to process issues and both have the potential to impact positively across a broad swathe of operational activities. There are some important areas which offer the potential for closer working with other agencies and authorities such as the development of shared services and joint procurement exercises where legal aspects are often crucially important. The Council's legal service has already offered support to the West London Alliance's adult social care shared services project and this is something that can clearly be developed in the future.
- 5.44 As well as taking line management responsibility for the procurement function, the Borough Solicitor will become the project champion/sponsor for the key improvement and efficiency project around improved purchasing and procurement which is currently held by the outgoing Director of Finance and Corporate Resources. In recognition of these wider and heavier responsibilities, I propose to re-instate the Borough Solicitor post as a full member of the Corporate Management Team under the suggested title of Director of Legal and Procurement.

### ***Legal and Procurement Unit – proposed changes***

- 5.45 It is proposed to make the following changes:
- combine the current Legal Services function with the Procurement and Risk Management function currently located within Finance and Corporate Resources
  - the Borough Solicitor to assume the added role of Director of Legal and Procurement and to remain the authority's Monitoring Officer
  - the Borough Solicitor/Director of Legal and Procurement to become a board level position with full membership of the Corporate Management Team
  - democratic services will remain within the Unit

## 6. IMPLEMENTATION AND TIMETABLE ISSUES

- 6.1 Implementation is governed by the Council's Managing Change Policy. This is designed to support a continuous process of planned, strategic and co-ordinated change which enables the Council to flex its organisational structure and deploy its staffing resources to best effect to meet its vision, values and performance objectives and deliver excellent services to the people of Brent. Critically, it also enables the Council to avoid redundancy and to retain and develop its most talented staff by focusing on the transferability of skills and competencies between old and new roles to enable people to be matched to new posts.
- 6.2 The criteria we will use to assess 'fit' include the appropriate knowledge, experience, skills and/or qualifications required by the person specification and, on this basis, the policy allows post holders to be ring fenced or redeployed into posts that are one or two grades above or one grade below their current grade. This level of flexibility is particularly critical in the context of this reorganisation, given the move to a flatter management structure with reduced numbers of managers across the council and the formulation of a new department with consequent shrinking numbers in each of the three main service departments. In this case, the approach adopted also provides opportunities for internal promotion for talented individuals where appropriate and has the potential to improve significantly the gender and ethnic diversity of the Corporate Management Team.

### **Pre-consultation**

- 6.3 The following actions have been taken to avoid compulsory redundancy:
- volunteers have been sought for Voluntary Redundancy/Early Retirement (VR/ER)
  - recruitment restrictions have been placed on all posts in the management structure other than the Director of Finance and Corporate Resources post which has already been externally advertised;
  - in line with Council policy, job matching has been carried out on a council wide basis.

The principles underpinning job matching are as follows:

- assimilation of current post holder when the old and new posts are substantially similar and within the same grade range and there are no more staff than posts;
- ring fencing of post holder(s) when the new post is one or two grades up or one down when compared to the current post and the role is deemed to be a suitable alternative by management and/or there are more potential redeployees than roles available where the definition of assimilation would otherwise apply. For example, those on Hay 3 are ring fenced against appropriate roles graded Hay 2, 3 or 4 and those on Hay 4 are ring fenced against appropriate roles graded Hay 2, 3, 4 or 5);
- redeployment of post holders where an employee is under notice (or imminent notice) of dismissal by reason of redundancy. Since the objective of our Redeployment Policy is primarily to avoid termination of employment in specific situations, positions which are one or two grades up or one down from their existing grade will be considered to enable greater flexibility for managing change.

### **Consultation**

- 6.4 Because the proposals in this report cut across the entire management structure of the council and impact on all main service departments as well as some core units, this restructuring exercise has been subject to consultation across the entire management structure. Those directly affected, including all members of CMT and Assistant Directors have been formally consulted.

### **Formal staff consultation**

- 6.5 The proposals for potential redundancies have been the subject of a statutory 30 day consultation period commencing 1 July with trade unions and the affected staff. The purpose of this was to seek views about ways of avoiding dismissals, reducing the number of employees who may be dismissed and mitigating the consequences of the dismissals.

### **Post-consultation**

- 6.6 The 30 day consultation period ended on 31<sup>st</sup> July. An overview of the issues raised is set out in section 11 of this report and where proposals are accepted (summarised in Annexe A), these have been incorporated into the report. Decisions made by the Executive and the General Purposes Committee will be circulated to relevant staff and unions shortly after the relevant meetings. Agreement of outstanding applications for VR/ER by relevant staff will be confirmed and release dates agreed. The assimilation process will commence immediately the new structure is agreed and ring fenced interviews will take place on pre-arranged dates by mid September. The proposals for assimilation and ring-fencing of those managers affected by the restructuring are set out in appendix 7 (not for publication). Any redeployees will continue to be matched with any remaining vacant posts while they serve their notice. It is proposed that the new structure will go live on Monday 18<sup>th</sup> October.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 The proposals envisage a net loss of three Assistant Director (or equivalent) level posts within the main service areas, the creation of one new Director level post, with the deletion of another Director post, subject to consultation. This would generate a net saving in the salary budget of around £350,000 in a full financial year. There may be redundancy costs deriving from the loss of these three posts as they are all currently filled unless alternative employment can be found for the current post holders. The actual level of these costs will be dependent on the individual circumstances of those post holders not selected as part of the process. Any costs associated with this will be funded in 2010/11 from the salary savings achieved. The Assistant Director One Council Programme is a new post. However, the role has been undertaken since the establishment of the Programme Management Office in the autumn of 2009. This can therefore be funded from the existing Programme Management Office budget.
- 7.2 There will also be one-off costs, such as accommodation moves that will accrue from putting the new structures in place. This will also be funded from savings made as a result of the restructuring. No allowance has been made for any consequent costs and savings that could occur as a result of the proposed changes. For example, the further review of spans of control which will be undertaken as part of this overall project will probably lead to further efficiencies but these cannot be quantified precisely at this stage. Similarly, bringing together functions and teams centrally will be implemented with efficiency targets attached as a key objective – additional full year savings from these measures will be expected in 2011/12.

## **8. LEGAL IMPLICATIONS**

- 8.1 The One Council Programme which informs this report is a programme which has been well communicated and is clearly understood by staff. The report proposes a reduction of three Assistant Director posts and creates a new post of Director of Regeneration and Major Projects. At the same time, the report proposes changes in line management for a number of senior staff and some changes of directorate for some functions. In light of these changes, a period of consultation for staff will be necessary – however, due to the limited number of staff affected, the timeline for the consultation would need to be a minimum of 15 days. The Council's change management procedures will be followed for all those staff affected by these proposals. The proposals themselves have no implications for the statutory duties imposed upon local authorities in respect of officers with statutory responsibilities.

## **9. DIVERSITY IMPLICATIONS**

- 9.1 This report makes extensive reference to staffing issues but it is not expected to have any adverse consequences for the diversity of Brent's workforce or the provision of services to Brent's highly diverse population. The 2009-10 people dashboard has indicated a depreciating in leadership diversity in the council. The proposals to assimilate and ring-fence staff within the new departmental structure has the potential to facilitate the promotion of women and Black Minority Ethnic (BME) staff into more senior positions. Where downsizing proposals have been adopted, these have been screened to ensure that there are no disproportionate consequences affecting under-represented groups. An equality impact assessment will be undertaken on the final proposals following consultation. This will continue to be closely assessed as further changes are proposed and implemented.

## **10. STAFFING IMPLICATIONS**

- 10.1 This report deals substantially with a wide range of staffing matters and these are discussed in some detail in section 5 on the main proposals for change. While the proposed changes are significant and include a small overall reduction in posts at Assistant Director level, it is likely that there could be some potential consequential redundancies at this level. The council's managing change policy will be applied and staff directly affected including those at risk of redundancy will be individually consulted. The proposals in this report cover restructuring at CMT and DMT levels only and do not directly affect subsequent tiers at this stage. However, it is envisaged that once new structures are in place the implications on current fourth tier / Service Heads will need to be reviewed.

## **11. OVERVIEW AND CONCLUSIONS FROM THE CONSULTATION**

### **Introduction**

- 11.1 The publication of these proposals has produced a substantial number of written responses from across the organisation, in addition to the views expressed in my one-to-one meetings with Directors and Assistant Directors. I very much welcome what has proved to be a wide-ranging, serious and stimulating debate on the future shape of the organisation.
- 11.2 Many of the comments have supported the proposals, others have proposed alternatives, expressed very specific concerns, asked questions and/or raised issues. I have given very careful consideration to all of these comments and alternative suggestions. They have helped me shape and re-shape the final proposals set out in this report and which are now submitted to the Executive for consideration and agreement. The feedback has also reinforced my view that these changes are essential if we are to finally tackle the legacy of Brent Council's past inefficiencies. We

have a unique opportunity to move conclusively and decisively beyond that legacy and I am determined that this should now happen.

- 11.3 Where a convincing case has been made for either retaining current arrangements, or changing elements of the proposals that clarify or improve the intent of the original, I have incorporated these in the final proposals and reflected them in the report. For clarity, the most significant changes arising from consultation are set out in Annexe A.
- 11.4 Annexe B sets out more detailed responses to the key comments and issues raised, grouped under each department. It has not been possible to respond to all of the very detailed questions and issues raised in relation to activities within broad functional groupings, working arrangements either within or between departments, reporting lines and the impact on individual teams and services. I appreciate that managers and staff want to understand how the proposals affect them but this report and my response to the consultation cannot sensibly go into this level of detail. My overriding purpose is to set out a direction of travel, some general principles and a broad description of the building blocks that will make up the reconfigured Council. It is for the Directors and their new Departmental Management Teams to determine the configuration and operation of their departments within the One Council parameters that have been proposed in this report and the later phases of the Structure and Staffing review project which will consider structures below Departmental Management Team level in greater detail.

#### **Some themes from the consultation**

- 11.5 A number of themes have emerged that reflect important perceptions or raise important issues that are central to my rationale for putting forward these wide-ranging changes, including:
- a view that the centre is expanding at a time when the organisation is generally downsizing
  - a perceived imbalance between frontline services and corporate functions
  - an ambiguity between the roles of the Business Transformation Department and the Strategy, Partnerships and Improvement Unit
- 11.6 **An expanding centre** - these concerns are to some extent based on a mistaken view that the Regeneration and Major Projects department is part of the centre. It is however principally a service department with a majority of staff engaged in front line delivery and projects. This is not a question of semantics. While it includes some corporate functions, its primary role and focus is regeneration which is undoubtedly a core frontline business activity with key responsibilities and functions that are very clearly either providing services direct to residents (such as planning and building control) or putting in place and delivering substantial projects and programmes that are central to meeting the needs of residents, businesses and local communities. The overall quality of life in the borough, the quality of the built environment and the life chances and opportunities for residents are all seriously affected by the department's activities.
- 11.7 The point is made in the report but also bears repeating - our regeneration successes have been secured despite rather than because of our internal structures. This is no longer sustainable and I am absolutely certain that creating this department with a board level director is right for the organisation and more important, right for the residents and communities of Brent. It also resonates very strongly with the new Administration's Corporate Strategy and its wider ambitions for the borough as a whole.
- 11.8 Many of the responses acknowledge the description of an area of activity that has lacked coherence in the past, welcome the proposal for the new department and recognise the much greater coherence this will bring to a key priority for the Council.

Some responses also suggest that the current economic climate undermines the requirement for a regeneration function. On the contrary, I consider that the case for doing so is even greater in a period of recession. The Council has a critical community leadership role in leading and enabling the development of sustained and sustainable regeneration programmes, which create the conditions over time that ensure that as the economy recovers - as it eventually will - we can ensure that the borough, its residents and businesses get the maximum benefit from the eventual economic upturn. A strong focus on regeneration is more necessary during a recession than during more buoyant economic times.

- 11.9 ***The perceived imbalance between frontline services and corporate functions*** - the scale of the prospective cuts in local government funding will mean no service can be entirely sheltered but I am committed to protecting frontline services as far as possible, while at the same time requiring that they are subjected to the same rigorous scrutiny in relation to costs and performance as all other services.
- 11.10 We must also be very clear about the nature of any imbalance. There is a real and substantial issue, highlighted through the analysis by PriceWaterhouseCoopers, in relation to the balance of resources between staff engaged in frontline service delivery (29%) and staff involved in back office and enabling activities (71%). The latter are of course located in both service and corporate departments and need to be subjected to the same rigorous examination wherever they are located. We are committed to re-balancing this allocation to a 50:50 ratio and the downsizing in posts over the past twelve months has explicitly targeted management, back office and enabling activities as part of these efforts. Over 80% of the 299 post reduction achieved over this period has come from management, business support and customer contact. This is evidence that we are delivering on the commitment to protect frontline services. Nevertheless, there is still a substantial task in achieving the 50:50 balance and this will mean a continuing spotlight on back office and enabling activities.
- 11.11 There is also a real issue relating to the views that underpin the notion of the need for balance between service departments and corporate functions, as distinct from staffing resources. A number of comments indicate a perception that the restructuring is shifting both the 'balance of power' and resources to the centre. This is both an inaccurate and unhelpful response to my proposals. It is perhaps a reflection of an 'old Brent' legacy that views the relationship between frontline services and the corporate centre as at best an inconvenience, at worst a source of rivalry.
- 11.12 Such views see resources as 'belonging' to a service or department rather than to the Council as a whole and implies that corporate priorities and requirements are marginal or secondary to departmental considerations. This view of course is not the case across the board but I want to make it very clear that these polarised attitudes and behaviours are unacceptable anywhere in the organisation. Our One Council approach means all sections of the organisation will need to work together across departmental and professional boundaries – the corporate centre (which in practice includes quite a few frontline functions such as revenues and benefits and external communications) must support the delivery of frontline objectives while frontline departments must equally contribute to corporate goals and priorities. They are not separate entities occupying different universes – they are both parts of the 'One Council' multi-disciplinary approach and cross-council team.
- 11.13 The One Council ethos requires all managers and staff to work collectively towards delivering the Council's corporate priorities, as well as operating in an integrated, coherent and consistent way and within corporate frameworks. The proposed structures are aimed at creating a single, integrated set of functions, all of which are required to operate effectively together if we are to function as a coherent organisation that can deliver the priorities of the Administration, reduce costs and improve services.

- The model is designed to ensure each part of the organisation is focused on its primary purpose and that collectively we operate as an integrated single organisation
- 11.14 There is also a clear case for retaining sufficient senior management to ensure the organisation has the necessary leadership capacity in what is probably the most significant period of change for local government and this Council in many decades. The combination of our own change programmes, the extremely tough public sector funding conditions and a new Government pursuing an increasingly radical agenda will make increasing demands on our already stretched management resources.
- 11.15 At the same time I do recognise the concern about any increase in the overall number of departments at a time of significant downsizing and linked to this a perception that 'the centre' is somehow growing. My report clearly indicates the likely need to review our structural arrangements again in the future in response to the worsening financial situation, the further development of Government policy towards local councils and also following on from the move to the new Civic Centre in 2013. This report is therefore unlikely to be the final word on structural change and further tough decisions will in all probability be needed over the next year or two as the wider financial and policy context becomes clearer.
- 11.16 ***Ambiguity between the roles of the Business Transformation Department and the Strategy, Partnerships and Improvement Unit*** - the Improvement and Efficiency Strategy published in the autumn of 2008 set out the broad approach to creating the new Business Transformation Department. It was given a clear focus on the transformation of business processes and back office activities, aimed at creating the organisational infrastructure needed to support the One Council ethos and the move to the new Civic Centre. It was always acknowledged that the eventual successful move into the Civic Centre would result in a re-think of the requirement for such a department.
- 11.17 That re-think has been given added impetus through the consultation on my restructuring proposals. A consistent message from the consultation is the apparent confusion that exists in the organisation about the respective roles of Business Transformation and the former Policy and Regeneration Unit in relation to the Improvement and Efficiency Programme. This has become more acute with the recent development and roll-out of the Programme and its supporting infrastructure. I have addressed these issues in greater detail in my substantive comments on the Business Transformation Department in section 5 above.

## **Changes Proposed in the Consultation and Agreed by the Chief Executive ANNEXE A**

- a reduction in the proposed number of departments through disbanding the Business Transformation Department and re-allocating its functions to other existing departments
- locating the commissioning function in Housing and Community Care and Children and Families with service delivery
- rebalancing the portfolios of the Assistant Director posts in Environment and Neighbourhood Services, transferring Streetcare to the protection portfolio and redesignating the post Assistant Director, Environment and Protection
- retaining early years and extended services within the same division in Children and Families
- retaining democratic services with legal services in the Legal and Procurement unit
- transferring the Civic Centre project to the Regeneration and Major Projects department
- transferring Human Resources and IT to Finance and Corporate Resources
- transferring the One Stop service to Customer and Community Engagement
- transferring departmental complaints staff to the departmental policy and performance functions

**REGENERATION AND MAJOR PROJECTS**

<b>PROPOSAL</b>	<b>COMMENT</b>
Retaining the Civic Centre project in the Business Transformation department	It is not clear why one of the most significant Council projects is not included in the new Regeneration and Major Projects department
	<b>RESPONSE</b> This will now transfer to the new department as part of the reallocation of functions consequent on deleting the Business Transformation department.
<b>PROPOSAL</b>	<b>COMMENT</b>
The transfer of transport strategy to the new Regeneration & Major Projects department	The extent of functions within transport strategy that should transfer to the new department needs to be further clarified and defined.
	<b>RESPONSE</b> Work on the operational arrangements for the new department has started and includes a detailed specification of functions that will transfer, including transport strategy.
<b>PROPOSAL</b>	<b>COMMENT</b>
Naming the department Regeneration & Major Projects	A concern that the name of the department might not be clear for customers wanting to access planning services and a proposal that it be called the Regeneration & Planning department
	<b>RESPONSE</b> The key issue is to ensure customer access channels are clear and offer both the services customers want and the ways in which they want to access them. The planning service has made a number of improvements in this area e.g. services available through the website and these need to continue.  The immediate requirement is to ensure that any necessary changes in relation to current access channels, content, information etc. are in place by the 18 October 2010, when the new department comes into operation. This work has started.

## REGENERATION AND MAJOR PROJECTS

<b>PROPOSAL</b>	<b>COMMENT</b>
The departmental support function	The type and extent of required departmental support needs to be specified.
	<b>RESPONSE</b> This is also under consideration as part of the work on the operational arrangements for the new department and will be in place by the 18 October 2010.

**ENVIRONMENT AND NEIGHBOURHOOD SERVICES**

<b>PROPOSAL</b>	<b>COMMENT</b>
The proposed allocation of functions between the two new divisions within Environment & Neighbourhood Services.	The allocation of functions does not create a workable balance between the two divisions, which could put substantial additional pressure on management resources in the division with the bulk of service responsibilities.
	<p><b>RESPONSE</b></p> <p>This is accepted along with the proposed rebalancing, moving Streetcare to the portfolio of the AD Protection and Regulation and retitling the post Assistant Director, Environment and Protection</p>
Location of the ward working team in Customer and Community Engagement	<b>COMMENT</b>
	The Ward Working Team should be located in the Environment and Neighbourhood Services department, which would align it with the department’s responsibilities for the locality and neighbourhoods agenda.
	<p><b>RESPONSE</b></p> <p>There is an important distinction between the engagement of residents in the delivery of local services, which is one dimension of community engagement and which the Environment and Neighbourhood Services department will lead on as the key, relevant service department, and their involvement in the wider democratic and engagement processes of the Council, which is a corporate responsibility of the Customer and Community Engagement unit. Clearly both will need to work together closely in developing locality based approaches to service development, delivery and performance management.</p> <p>While the ward working team operates in relation to both service delivery and community engagement, I consider its key area of activity is in relation to the wider consultation and engagement agenda and as such has a better fit with the Consultation Team and Area Consultative Forums that sit in The Customer and Community Engagement unit. They will all need to work closely with Environment and Neighbourhood Services in the development of locality and area based service delivery.</p>

## ENVIRONMENT AND NEIGHBOURHOOD SERVICES

PROPOSAL	COMMENT
The continuing location of the community safety team in the Strategy, Partnerships and Improvement unit	The Community Safety team already works closely with enforcement teams in Environment and Culture. Co-locating the teams would make a good fit under the 'protection' lead and further strengthen this area of activity
	<p><b>RESPONSE</b></p> <p>The Community Safety team works closely with enforcement services, as well taking the corporate lead on community safety partnerships and the wider community safety agenda. I consider its key area of activity is in relation to the corporate agenda and partnerships, though it will continue to work closely with departments.</p>
The Festival Team move to Customer & Community Engagement	<p><b>COMMENT</b></p>
	<p>Splitting festivals from arts is likely to impact on the overall capacity to deliver the festivals programme, as well as the opportunity to address the imbalance in budgets between the two areas.</p> <p>If it is to move then the timing of the move needs to allow for completion of the Arts &amp; Festivals strategy, which is due for consultation in the autumn.</p>
	<p><b>RESPONSE</b></p> <p>The festivals programme plays a vital role in community engagement and community cohesion which is why I am proposing its transfer to the Customer and Community Engagement function. I accept that the links with arts are also significant and need to be maintained. I am therefore proposing that the arts and festivals function transfers to Customer and Community Engagement.</p> <p>The timing of the move can be agreed between the relevant managers.</p>
Move of transport strategy to Regeneration and Major Projects	<p><b>COMMENT</b></p>
	<p>There is a very limited staff resource working on transport strategy, with the bulk of the work and staff resources related to bidding for funding from Transport for London. It should therefore remain with the Transportation Service</p> <p><b>RESPONSE</b></p> <p>While there will need to be sufficient resources to ensure effective development of transport strategy and this will need to be identified and agreed between the two departments, this is not a convincing argument for not transferring it. Transport is very clearly an essential component in any integrated regeneration function and in the past has not featured in our regeneration programmes in the way it needs to.</p>

**CHILDREN AND FAMILIES**

<b>PROPOSAL</b>	<b>COMMENT</b>
Relocate children social care commissioning within the Children & Families policy & performance function, with its direct reporting line to the Director of Strategy, Partnerships & Improvement	Commissioning needs to be retained within the Childrens Social care division
	<p><b>RESPONSE</b></p> <p>Strategic commissioning and market development based on a robust understanding of the immediate, longer term and changing needs of the borough’s population has a logical connection to the wider policy and performance agenda of the H&amp;CC department and the Council. The proposal to locate the commissioning function in the policy &amp; performance unit within H&amp;CC reflects this thinking.</p> <p>At the same time, the need to effectively manage spending through day to day commissioning activity is critical, particularly with the continuing and in all likelihood increasing pressures in this area. Given this, it is accepted that the commissioning function should continue to be part of delivery. However, the need for and emphasis on strategic development and commissioning should not be lost. A longer term approach, aligned to the Council’s policy priorities and resourcing levels is critical if the Council is to achieve a sustainable balance between increasing needs and continuing financial pressures.</p>
Early years located within the Achievement and Inclusion Division	<p><b>COMMENT</b></p> <p>Early Years and Extended Services needs to be retained under a single Head of Integrated and Extended Services, in line with the recent restructuring.</p>
	<p><b>RESPONSE</b></p> <p>This is accepted and early years will be located within the Childrens Social care Division</p>

**CHILDREN AND FAMILIES**

PROPOSAL	COMMENT
The creation of departmental business support functions	Include responsibility for business support within the remit of the policy and performance function and retain the head of service post, responsibilities to be determined
'Business partner' arrangements for departmental policy and performance functions	<b>RESPONSE</b>
	<p>The inclusion of activities within the policy and performance function will need to be assessed as part of the development of the cross-council, integrated policy and performance model. Work on defining the remit, roles and operating methods for these teams will be undertaken over the next few weeks as part of the implementation of the restructuring. Departments will be fully involved and the final proposals will be considered by the Corporate Management Team towards the end of October 2010.</p> <p>A similar process will apply in relation to business support. In overall terms, the proposal is aimed at putting in place the first stage of an eventual move to a cross-council, integrated set of business support functions that in the move to the new Civic Centre could also be co-located. Beyond indicating a general set of functions, the report has not attempted to define what at this stage should constitute business support and how it should work. This will be done through the Business Support project.</p>

**HOUSING AND COMMUNITY CARE**

PROPOSAL	COMMENT
<p>Transfer of the housing regeneration team and the affordable housing development team to the new Regeneration and Major Projects Department</p>	<p>As an alternative to creating a new Regeneration and Major Projects department, transfer regeneration to housing to create a Housing and Regeneration Department. Adult social care would become part of a Health and Social care department, combining adults and childrens social care alongside a remit for health, in response to the proposals in the Government’s health White Paper. The third service department would be an Education and Neighbourhoods department.</p>
	<p><b>RESPONSE</b></p>
	<p>There are a number of reasons for not accepting these proposals:</p> <ul style="list-style-type: none"> <li>• one of the fundamental weaknesses in our current regeneration arrangements is the lack of integration between functions and areas of activity that are vital if the Council is to develop an effective approach and programmes. Combining regeneration with housing does not address this issue</li> <li>• a housing led regeneration function is less likely to lead to the multi-dimensional approach required for effective regeneration</li> <li>• the proposals in the Government’s health White Paper are important for local government and create potential opportunities in the longer term but it is too early to have a clear view of what those opportunities might mean and whether they will require any structural changes</li> <li>• as I indicated in the report, the case for realigning childrens and adults social care is increasingly persuasive, but I continue to be of the view that this needs to be considered in the context of national policy developments</li> </ul>
	<p><b>COMMENT</b></p>
	<p>If the transfer of these housing functions to the Regeneration and Major Projects department goes ahead, then responsibility for housing strategy and determining targets for affordable housing should remain with Housing and Community Care.</p>
<p><b>RESPONSE</b></p>	
<p>The Housing and Community Care Department will continue to lead on the development of the housing strategy.</p>	

**HOUSING AND COMMUNITY CARE**

<b>PROPOSAL</b>	<b>COMMENT</b>
Transfer of the housing regeneration team and the affordable housing development team to the new Regeneration and Major Projects Department	<p>The affordable housing unit will need to maintain close links with the Housing and Community Care department, as well as maintaining their close working relationships with housing associations. All of this will need to be defined to ensure clarity concerning the respective roles the two departments will have in relation to housing.</p> <p><b>RESPONSE</b></p> <p>During implementation of these proposals, the relevant senior managers in both departments will be responsible for the detailed definition of roles and working arrangements, as well as ensuring these are in place, agreed and understood by all internal and external partners.</p>
<b>PROPOSAL</b>	<b>COMMENT</b>
Relocation of adult social care commissioning within the Housing & Community Care policy & performance function, with its direct reporting line to the Director of Strategy, Partnerships & Improvement	<p>This creates a split between commissioning and the Director of Adult Social Care’s responsibility for service delivery that is unhelpful to and compromises meeting that responsibility.</p> <p>The adult social care commissioning function is responsible for a substantial proportion of spending (70% of adult care spend). To manage these budgets effectively they must remain the responsibility of the service delivery part of the department.</p> <p>Adult social care commissioning should therefore continue to report to the Director of Housing &amp; Community Care, through the Assistant Director responsible for adult social care</p>
	<b>RESPONSE</b>
	<p>Strategic commissioning and market development based on a robust understanding of the immediate, longer term and changing needs of the borough’s population has a logical connection to the wider policy and performance agenda of the H&amp;CC department and the Council. The proposal to locate the commissioning function in the policy &amp; performance unit within H&amp;CC reflects this thinking.</p> <p>At the same time, the need to effectively manage spending through day to day commissioning activity is critical, particularly with the continuing and in all likelihood increasing pressures in this area. Given this, it is accepted that the commissioning function should continue to be part of delivery. However, the need for and emphasis on strategic development and commissioning should not be lost. A longer term approach, aligned to the Council’s policy priorities and resourcing levels is critical if the Council is to achieve a sustainable balance between increasing needs and continuing financial pressures.</p>

**HOUSING AND COMMUNITY CARE**

<b>PROPOSAL</b>	<b>COMMENT</b>
Relocate social care transformation to the policy & performance team, with its direct reporting line to the Director of Strategy, Partnerships & Improvement	<p>To ensure the focus and priority on this area, responsibility for service transformation should remain with adult social care delivery and commissioning.</p> <p><b>RESPONSE</b></p> <p>Day to day responsibility for delivering the adult social care transformation programme will continue to be with the Director of Housing and Community Care and the departmental management team.</p> <p>The proposal is based on a number of considerations:</p> <ul style="list-style-type: none"> <li>• overall responsibility for the One Council Improvement &amp; Efficiency Programme and deployment of related resources rests with the Director of Strategy Partnerships &amp; Improvement</li> <li>• at the same time change capacity needs to exist within departments, in order to support delivery of service specific projects and programmes</li> <li>• locating these resources within the cross-council policy and performance teams ensures change activity is both linked to the Improvement Programme and located within the wider departmental and council policy and performance context</li> <li>• it allows for greater flexibility in deploying resources, as well as ensuring those resources are allocated and used on the basis of corporate priorities and within the context of the Improvement &amp; Efficiency Programme</li> <li>• it offers greater opportunities for staff</li> </ul>
<b>PROPOSAL</b>	<b>COMMENT</b>
Deletion of the post of AD Quality and Support and transfer the functions to other parts of Housing and Community Care or to cross-council functions	<p>The scale and importance of the transformation and commissioning agenda are such that:</p> <ol style="list-style-type: none"> <li>1) commissioning, transformation and personalisation need to be managed together</li> <li>2). they must be managed at AD level</li> <li>3). this requires the continuation of the two AD posts with responsibility for adult social care delivery and commissioning</li> </ol>
	<p><b>RESPONSE</b></p> <p>The argument for keeping commissioning and delivery together within the remit of the Assistant Director Community Care post is accepted.</p> <p>While adult social care is a complex area requiring the management of significant budgets, areas of high risk, management of large staff numbers and extensive partnership working, these characteristics are shared by many of the Council’s areas of activity, none of which are led by two Assistant Directors.</p>

**HOUSING AND COMMUNITY CARE**

PROPOSAL	COMMENT
<p>Transfer the Learning and Development function to the corporate Learning and Development team</p>	<p>The L&amp;D function in adult social care undertakes a wide range of roles beyond commissioning and delivering training. These include capacity building, raising standards, partnership working and service development initiatives.</p> <p>An alternative proposal to relocation with corporate L&amp;D, would be to create a single social care organisational development unit, bringing together L&amp;D for children’s and adults social care.</p>
	<p><b>RESPONSE</b></p> <p>The HR Transformation programme implemented a delivery model for HR that included a corporate, cross-council Learning &amp; Development function. It was envisaged that this would be developed in two stages, with the first stage bringing together general training budgets and L&amp;D activities across the Council and the second stage then amalgamating professional learning and development activities within the corporate L&amp;D function. The first stage was completed and has been operational for some time. The proposed transfer of the L&amp;D functions in adults and children’s social care services will complete this process.</p> <p>It reflects a number of considerations:</p> <ul style="list-style-type: none"> <li>• the move away from the departmental, silo-based approaches, processes and functions that have characterised the way Brent has worked in the past</li> <li>• opportunities for more effective utilisation of staff and assets, as well as removal of duplication and waste</li> <li>• opportunities for cross-fertilisation of ideas and thinking, staff development and career progression</li> </ul> <p>Delivery of professional development support to these services will be developed in line with the arrangements operating for all other parts of the Council, taking account of the specific service and operational requirements.</p>

**HOUSING AND COMMUNITY CARE**

<b>PROPOSAL</b>	<b>COMMENT</b>
The creation of departmental business support functions	These functions have now been distributed amongst the Assistant Directors, as part of a departmental restructuring
	<p><b>RESPONSE</b></p> <p>The proposal is aimed at putting in place the first stage of an eventual move to a cross-council, integrated set of business support functions that in the move to the new Civic Centre could also be co-located. Beyond indicating a general set of functions, the report has not attempted to define what at this stage should constitute business support and how it should work. This will be done through the Business Support project.</p>
<b>PROPOSAL</b>	<b>COMMENT</b>
'Business partner' arrangements for departmental policy and performance functions	It is not clear how this will work. It will need to take account of the important differences between different policy areas and the model must be developed with departments
	<p><b>RESPONSE</b></p> <p>The development of the cross-council, integrated policy and performance function will be part of the wider implementation of these proposals. Departments will be fully involved and the final proposals will be considered by the Corporate Management Team towards the end of October 2010.</p>

**STRATEGY, PARTNERSHIPS & IMPROVEMENT**

<b>PROPOSAL</b>	<b>COMMENT</b>
‘Business partner’ arrangements for departmental policy and performance functions	The model should also apply to the Regeneration and Major Projects Department’s policy and performance functions
	<p><b>RESPONSE</b></p> <p>This is accepted and is reflected in the main report.</p>
Location of departmental complaints functions with business support services	<p><b>COMMENT</b></p> <p>Effective complaints handling should contribute directly to front-line service improvement. Complaints handling should therefore be located in the council’s performance and improvement structure and not in technical and admin support for service delivery.</p>
	<p><b>RESPONSE</b></p> <p>This is accepted and the departmental complaints functions will be located within departmental policy and performance functions.</p>
The location of the neighborhood working team in the Customer and Community Engagement function	<p><b>COMMENT</b></p> <p>The team plays a key role in supporting Members as community leaders and as advocates in relation to service performance.</p>
	<p><b>RESPONSE</b></p> <p>While the ward working team operates in relation to both service delivery and community engagement, I consider its key area of activity is in relation to the wider corporate consultation and engagement agenda and as such has a better fit with the Consultation Team and Area Consultative Forums that sit in the Customer and Community Engagement unit. They will need to continue working closely with other areas of the Council, including the Environment and Neighbourhood Services Department and the Strategy Partnerships and Improvement Unit.</p>

**BUSINESS TRANSFORMATION**

PROPOSAL	COMMENT
<p>The creation of an integrated, cross-council IT function</p>	<p>A concern that the report does not refer to IT support in Finance and Children and Families</p>
	<p><b>RESPONSE</b></p>
	<p>The move to an integrated, cross-council IT function is driven by a number of considerations:</p> <ul style="list-style-type: none"> <li>• the need to create a much stronger link between strategic IT priorities, particularly in relation to the One Council Improvement Programme, and the IT resources required to deliver them. The current dispersed staffing and budgets make it very difficult to ensure priorities drive resource allocation.</li> <li>• the requirement to rationalise, develop and improve IT infrastructure as part of the move to the new Civic Centre</li> <li>• a lack of control over the development and implementation of systems and infrastructure, which are often poorly thought out and implemented</li> <li>• low levels of expertise in departments to ensure effective development, implementation and support to IT infrastructure</li> <li>• variations in IT infrastructure that add to costs without adding value</li> <li>• a failure to maximise overall IT spend, though this has improved with recent moves towards centralised purchasing</li> </ul> <p>All of this points to the need to aggregate, streamline and improve the use of IT resources and the efficiency of the IT function. While the report does not identify all departmental IT resources, the intention is that the integrated, cross-council IT function will encompass all current teams and IT budgets across the Council.</p>

**LEGAL AND PROCUREMENT**

<b>PROPOSAL</b>	<b>COMMENT</b>
Transfer Democratic Services to the Communications and Community Engagement unit	A concern that the close working between the Legal and Democratic Services teams might become more difficult with the location of the latter in another unit.
	The need to ensure continuing close co-operation between the two services in relation to the mechanics and procedures related to the democratic process.
	<b>RESPONSE</b>
	This is accepted and Democratic Services will remain in the Legal and Procurement unit.

## **Background Papers**

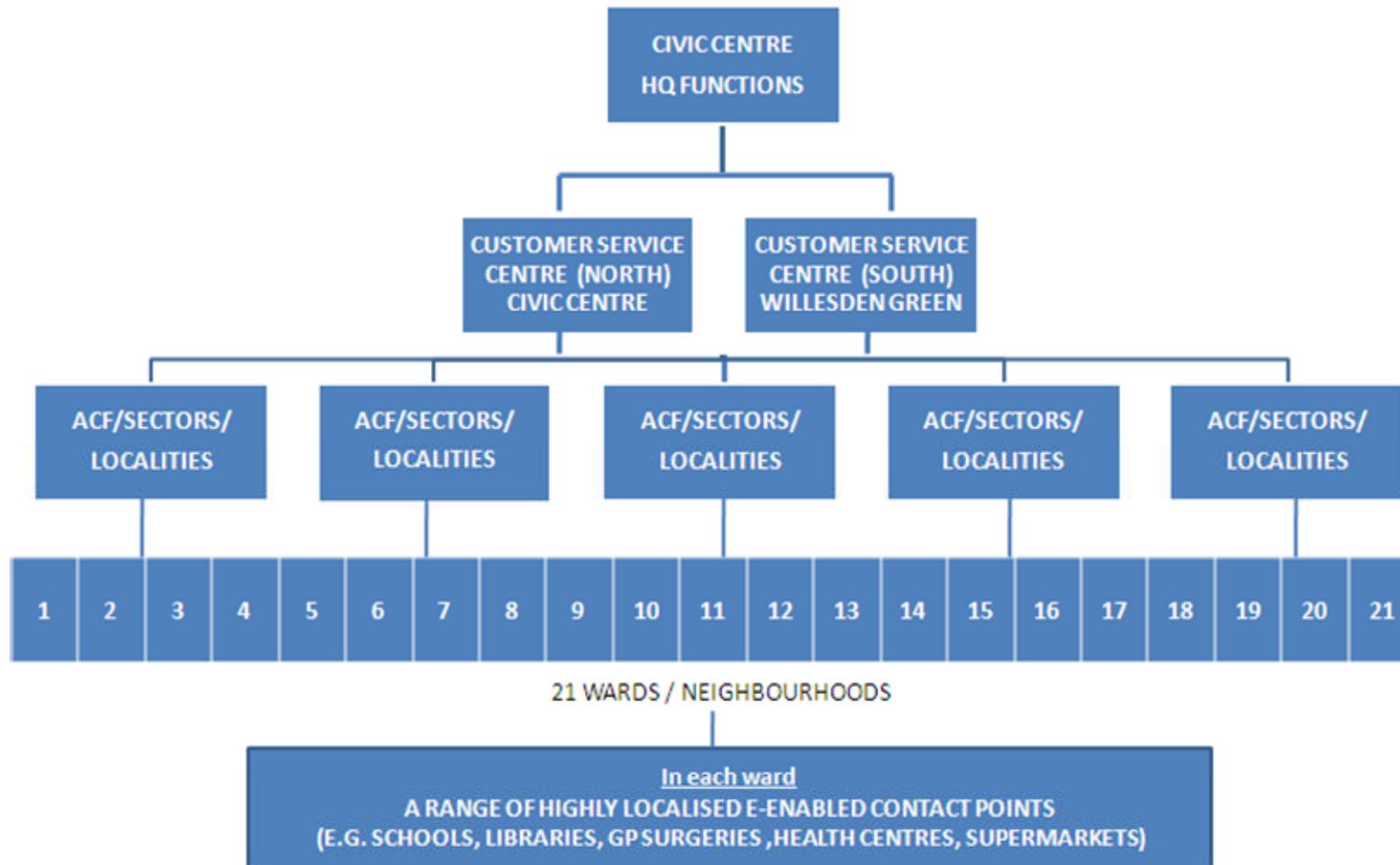
Appendix 1	Brent Council in 2014
Appendix 2	Locality and Neighbourhoods Structure
Appendix 3	Implementation Timetable
Appendix 4	Director - Job Description
Appendix 5	Assistant Director - Job Description
Appendix 6	One Council Corporate Management Team
Appendix 7 (not for publication)	Impact on Director and Assistant Director posts and proposed assimilation and ring-fencing

### **Contact Officers:**

The contact officers for this report are Gareth Daniel, Chief Executive, Room 207, Town Hall, Wembley, Middlesex HA9 9HD tel: 020 8937 1007 and Tracey Connage, Assistant Director – Human Resources, Room 5, Town Hall, Wembley, Middlesex HA9 9HD tel: 020 8937 1611 from whom background papers are available upon request.

**GARETH DANIEL  
CHIEF EXECUTIVE**





**IMPLEMENTATION TIMETABLE****APPENDIX 3**

<b>Task</b>	<b>Date</b>
Announce proposals	1 July
Start of 30 (calendar) day consultation – report circulated to staff	2 July
Meeting with affected staff	wk commencing 5 July
Consultation ends	31 July
Consider feedback and amend proposals as necessary	1-3 <sup>rd</sup> August
Publish report	3 August
Consider feedback relating to proposals to delete the Business Transformation Department consultation	10 August
Executive Committee agree proposals	11 August
General Purposes Committee	11 August
Ring fenced interviews	Mid September
New departments start	18 October

Job Description - Director

**Overall purpose**

To support the Chief Executive in securing the continuous development, improvement, efficiency and success of the Council as a whole through effective corporate leadership, strategic direction, planning, management and governance across the Council.

To lead the development, planning and delivery of a portfolio of services to meet the current and future needs of users within available resources.

**Key accountabilities**

As a member of the Corporate Management Team (CMT), work collegiately and make a proactive contribution at corporate level to:

- the formulation of strategic direction, policy and planning;
- communicating and building commitment to the Council’s vision and strategic objectives;
- building a shared and cohesive organisational culture and ethos;
- promoting positive interaction across internal and external organisational boundaries to address organisational priorities;
- robust corporate governance and risk management;
- leading on, driving and supporting corporate initiatives;
- advising the board on the service area for which you are responsible;
- representing the Council externally with key stakeholders, acting as an effective ambassador and advocate for the organisation;
- ensuring high performance and excellent operational delivery
- deputising for the Chief Executive as required.

As a Director, lead and manage a portfolio of services in alignment with corporate aims and priorities.

Provide strategic direction to the development and planning of customer focused services across a range of professional disciplines including:

- ensuring broad engagement and consultation across service users, partners and stakeholders to understand their needs and aspirations;
- ensuring that forward service planning identifies and takes account of service need in the light of current and anticipated demand;
- ensuring that both directly provided and commissioned services are accessible;
- ensuring that strategy is translated into ambitious and achievable service plans within available resources and with clearly defined targets and accountability for outcomes;
- ensuring that departmental budgets accurately reflect the resource requirements of plans;
- meeting requirements for submission of statutory plans and related returns.

Foster a consistent cross Council culture across the department by ensuring:

- that the Council's overall vision, values and ethos are central to the approach taken;
- effective cross Council working in the interests of achieving key objectives and improving operational effectiveness;
- a shared understanding of, and compliance with, the Council's approach to managing performance, quality and risk; its operational management systems, practices, processes and ways of working and its governance arrangements, constitution, schemes of delegation, financial regulations, rules, policies and procedures;
- a shared commitment to the Council's equality, diversity and inclusion objectives in relation to both staff and service users;
- compliance with statutory frameworks including those relating to health and safety;
- high standards of public service including openness, fairness, honesty and transparency.

Take overall responsibility for high performance and effective operational delivery by:

- ensuring that robust governance arrangements are in place to manage performance, risk and business continuity, including operational systems and processes;
- ensuring that benchmarking and target setting drives continuous and sustained performance improvement;
- ensuring effective tracking against plans to deliver performance targets within allocated resources;
- taking prompt action to manage and mitigate risks and barriers to operational effectiveness and areas of under performance.

Take overall responsibility for the effective use of the department's resources by:

- ensuring that financial, staffing and physical resources are planned, controlled and deployed to best effect to deliver agreed service priorities;
- ensuring that budget and service planning and monitoring are aligned;
- securing the right people in the right place at the right time;
- leading on commissioning of services to deliver improved outcomes for service users;
- ensuring that contracts are specified, procured, managed, monitored and reviewed to secure optimum value for money.

Provide leadership and management to staff across the department as a whole by:

- gaining ownership of and commitment to the Council's overall aims and values;
- building a high performing, proactive, customer focused culture which welcomes change;
- creating an inclusive environment which fosters innovation and improvement;
- maximising the potential of a diverse workforce;
- ensuring that staff are motivated and developed to improve their capability to deliver;
- recognising excellent performance and ensuring that under-performance is tackled.

Taking the lead on building effective working relationships with relevant portfolio holders by:

- providing clear, balanced and accurate advice and guidance on the strategic issues facing the department;
- ensuring that they are briefed and kept up to date on service developments including highly sensitive matters likely to have a major impact on the Council.

Taking the lead on partnership working by:

- identifying where strategic partnerships have the potential to deliver long term service improvement and cost effectiveness;
- building relationships and working collaboratively with key partners to this end.

Act as an effective ambassador and advocate with external organisations including:

- representing the department externally to promote and protect the Council's interests;
- leading negotiations with contractors and partners on contentious issues;
- ensuring effective preparation for, conduct of and follow up to audits and inspections;
- managing the interface with the media.

## Scope of Job

### **Financial responsibility**

Annual budget responsibility

£xxxm directly controlled revenue expenditure

£xxm directly controlled capital expenditure

Other

### **Staffing responsibility**

xxx direct reports

xxxfte total staff group

Contractors

### **Other factors**

Wide range of internal and external contacts including directors, senior managers, elected members, professional bodies, partner organisations and government functions involving the use of a wide range of interpersonal skills

Partner other local authorities, public sector organisations and agencies, local businesses, the voluntary sector and other stakeholders.

Developing partnership working with key external stakeholders across the public, private and voluntary sectors.

High level of work related pressure in terms of deadlines, conflicting priorities etc

Lead role in the development of the Council's services in this area

Operates within a framework set by elected members but with considerable freedom to shape services

Portfolio may be altered from time to time but currently includes (list of services)

Lead on policy and development and ensure implementation of new legalisation requirements

Ensure high professional standards

## Person Specification

### Part One

#### Qualifications, knowledge and understanding

Relevant professional qualification – *only where this is a statutory requirement of the role.*

Evidence of significant relevant CPD.

Understanding of:

- legislative and regulatory framework and developments applicable to the service area;
- major challenges and opportunities facing local government;
- management issues facing the public sector.

#### Experience

Track record of achievement at a senior leadership level in a similarly large, complex, political organisation including:

- working collaboratively across organisational boundaries to shape and deliver strategic plans;
- providing clear strategic direction and management across a range of services, promoting customer care and equality of opportunity;
- translating strategy into cost effective plans within tight resource constraints;
- ensuring the effective delivery of service/business plans to meet performance targets, managing and mitigating risk;
- developing practical, innovative, creative and tactical solutions to the management of complex problems;
- securing ownership and commitment to key objectives across professional staff teams and building capacity and capability to deliver;
- commanding the confidence of stakeholders and partners and building positive cross sector relationships in support of key objectives;
- developing and delivering programmes of work and major projects to deliver service wide improvements in relation to key organisational priorities;
- commissioning and contract management.

## **Part Two**

### **Key skills and abilities**

- Intellectual agility to be able to think and act strategically, analyse complex evidence and develop practical, innovative and entrepreneurial solutions to the management of strategic issues and complex problems.
- Organisational skills to translate strategy into plans and priorities and manage complex large scale, long term work programmes and multiple projects to deliver results to time and within budget, managing risk and resolving barriers to success.
- Leadership ability to develop an inspirational vision, give a clear sense of direction and purpose, set high standards and gain ownership and commitment to them, create an inclusive environment, build high performing teams and deliver transformational change.
- Communication and influencing skills to inform, consult and negotiate with a range of audiences in a straightforward, articulate, sensitive and persuasive manner, both orally and in writing.
- Interpersonal ability to engage with service areas, elected members, partners, stakeholders, the media and the wider community, engendering confidence and respect.

### **Personal characteristics**

- A strong role model who demonstrates a personal commitment to high standards of public service, honesty and integrity and professionalism.
- A collaborative corporate player with a strong team spirit and respect for others.
- A customer focused individual with a personal commitment to service improvement, equality, diversity and inclusion.
- A dynamic, committed individual with the resilience and drive to cope with the demands and pressures of the post including the ability to cope effectively at times of crisis.

**Management competencies - Directors are expected to meet all 3 levels in each of the areas set out below.**

<b>Improving Performance</b>		
You manage and seek to improve service performance, assessing the performance of people, teams and resources against clear standards and performance indicators		
<p><b>Level 1 – As a Brent first line manager/team leader you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Set individual and team goals that link to the service area plan and strategy of the Council</li> <li>• Are responsible for performance monitoring and achieving results</li> <li>• Hold people to account for their performance</li> <li>• Have had an annual performance review with 100% of your staff</li> <li>• Have regular 1:1 performance discussions with each team member</li> <li>• Have regular team meetings that review performance against plans and take actions forward</li> <li>• Produce and follow realistic project/ programme plans</li> <li>• Show a “can do” attitude when faced with obstacles or challenging targets</li> </ul>	<p><b>Level 2 – As a Brent middle manager/ head of unit you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Build team motivation and productivity</li> <li>• Challenge the status quo and seek ways to improve it</li> <li>• Talk with key stakeholders to agree partnership objectives</li> <li>• Develop plans that deliver service targets</li> <li>• Come up with performance measures for the business plan and tell the team</li> <li>• Focus on the achievement of results using a cycle of planning, doing, measuring and reviewing</li> <li>• Share learning and experiences across Brent to improve performance</li> </ul>	<p><b>Level 3 – As a Brent senior manager/director/ assistant director you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Provide strategic direction for the Council and identify the strategic and service development needs</li> <li>• Ensure services are dynamic and customer focused</li> <li>• Ensure business plans are achievable and integrated with Brent’s corporate plan</li> <li>• Often provide and communicate clear direction and vision</li> <li>• Promote a solution focussed culture within the council</li> <li>• Take responsibility for longer term department planning</li> <li>• Ensure diversity is integral to business performance</li> </ul>
<b>Positive Indicators</b>		<b>Negative Indicators</b>
<ul style="list-style-type: none"> <li>• Follow project plans, meet milestones and deliver results on time</li> <li>• Come up with ideas for improving performance</li> <li>• Address poor performance as it occurs</li> <li>• Develop solutions and agree actions with people.</li> <li>• Give constructive feedback daily</li> <li>• Take the initiative to solve problems and improve results</li> </ul>		<ul style="list-style-type: none"> <li>• Your people are not clear on what you expect of them</li> <li>• Let poor performance persist without taking action</li> <li>• Are unreliable and do not deliver on what you say you will</li> <li>• Just does the minimum required</li> <li>• Do not demonstrate respect for corporate performance management protocols or reporting time scales</li> <li>• Do not conduct regular performance reviews with staff</li> </ul>

<b>Managing Budgets</b> You plan and effectively manage your budget to meet individual, team and department objective and achieve quality and value for money	
<p><b>Level 1 – As a Brent first line manager/team leader you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Set, monitor and communicate realistic budgets</li> <li>• Adopt a disciplined approach to budget management and know the state of your budget at all times</li> <li>• Follow the Brent finance policies and procedures including procurement</li> <li>• Use and operate systems of internal control</li> <li>• Make efficient use of resources; financial, material and human</li> <li>• Take responsibility and are accountable for your budget</li> </ul>	<p><b>Level 2 – As a Brent middle manager/ head of unit you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Set up systems to manage and measure risk</li> <li>• Plan and organise services and make sure they are cost effective and show this in your budget</li> <li>• Make sure projects are financially viable before commencing them</li> <li>• Adhere to the council’s financial control policy</li> <li>• Develop and communicate performance measures for the business plan</li> <li>• Monitor spend against the budget regularly and take prompt action to avoid deviation from budget</li> </ul>
<p><b>Level 3 – As a Brent senior manager/director/ assistant director you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Deliver value for money services and projects</li> <li>• Ensure all strategies are financially efficient</li> <li>• Allocate appropriate resources that will deliver the Council’s business plans</li> <li>• Anticipate the effects of future internal or external developments, trends or legislation</li> <li>• Identify and take prompt action to mitigate organisational risks</li> <li>• Contribute positively to the risk management plan for the Council</li> </ul>	
Positive Indicators	Negative Indicators
<ul style="list-style-type: none"> <li>• Anticipate risks and implications of decision making</li> <li>• Are cost conscious and do not waste money</li> <li>• Participate in the budget setting process</li> <li>• Follow all relevant financial and operational procedures</li> <li>• Have hands on knowledge of where resources will be required</li> <li>• Make the best use of the budget available</li> <li>• Show that you understand finances and are commercial in approach</li> </ul>	<ul style="list-style-type: none"> <li>• Overlook risks in decision making</li> <li>• Are not cost conscious and waste money</li> <li>• Do not participate in the budget setting process</li> <li>• Rarely monitor your budgets</li> <li>• Do not follow relevant financial and/or operational procedures</li> <li>• Fail to operate systems and procedures of internal control</li> <li>• Show no knowledge of where resources will be required</li> <li>• Fail to own and be accountable for the figures in the budget</li> </ul>

<b>Developing Our People</b> You work to develop our staff and to create a diverse team that is highly skilled and flexible and committed to improving service delivery		
<b>Level 1 – As a Brent first line manager/team leader you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Give support and regular feedback to staff</li> <li>• Recognise and reward good performance</li> <li>• Have a development plan for each team member</li> <li>• Delegate work to encourage ownership and engagement</li> <li>• Work around blocks to progress your plans</li> <li>• Use Brent’s policies and procedures to manage staff</li> <li>• Communicate your thoughts clearly</li> </ul>	<b>Level 2 – As a Brent middle manager/ head of unit you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Ensure people know the scope of their roles</li> <li>• Inspire buy-in by showing how individual efforts contribute to goals</li> <li>• Role model behaviour and challenge inappropriate behaviour</li> <li>• Promote effective communication across departments and with all partners</li> <li>• Build excellent relationships with key stakeholders, internal and external</li> </ul>	<b>Level 3 – As a Brent senior manager/director/ assistant director you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Own the change process and lead it by engaging your managers and teams</li> <li>• Lead by modelling Brent’s vision and values</li> <li>• Empower people to make decisions and take risks</li> <li>• Have an environment where individuals feel their opinions and ideas are welcomed and valued</li> <li>• Use professional associations to voice sector issues to central government and/or to professional bodies</li> </ul>
<b>Positive Indicators</b>		<b>Negative Indicators</b>
<ul style="list-style-type: none"> <li>• Ask team members what they think the solutions to problems are rather than solving it yourself</li> <li>• Use coaching to develop the behaviours and skills of team members</li> <li>• Give effective feedback regularly and check that team members are clear about what is expected of them</li> <li>• Model behaviours that are expected within the team</li> <li>• Have a clear vision that you tell the team about and it inspires the team to follow</li> <li>• Encourage innovative approaches and thinking</li> </ul>		<ul style="list-style-type: none"> <li>• Scrutinise how work was completed rather than celebrating achievement</li> <li>• Replace clear objectives with menial to do lists</li> <li>• Do not deal with under performance or development issues</li> <li>• Create an atmosphere of fear or indifference and without trust</li> <li>• Reluctant to share knowledge, information and ideas with others</li> <li>• Expects certain behaviour but does not model that behaviour</li> <li>• Hangs on to how things have been done in the past</li> <li>• The needs of others are ignored in communications</li> </ul>

Job Description – Assistant Director

**Overall purpose**

To support the Director in securing the continuous development, improvement, efficiency and success of the Department as a whole through effective corporate leadership, strategic direction, planning, management and governance.

To lead the development, planning and delivery of a portfolio of services to meet the current and future needs of users within available resources.

To lead on and support cross cutting corporate initiatives at the request of the Chief Executive.

**Key accountabilities**

As a member of the Departmental Management Team (DMT), work collegiately and make a proactive contribution to:

- the formulation of strategic direction, policy and planning;
- communicating and building commitment to the Council's vision and strategic objectives;
- building a shared and cohesive organisational culture and ethos;
- promoting positive interaction across internal and external organisational boundaries to address organisational priorities;
- robust corporate governance and risk management;
- leading on, driving and supporting corporate and departmental initiatives;
- advising the board on the service area for which you are responsible;
- representing the Council externally with key stakeholders, acting as an effective ambassador and advocate for the organisation;
- deputising for the Director as required.

As an Assistant Director, lead and manage a portfolio of service teams within the Department in alignment with both corporate and departmental aims and priorities as set out below.

Manage the process of customer focused service development, design and delivery including:

- engagement and consultation across service users, partners and stakeholders to understand their needs and aspirations;
- forward service planning, ensuring that it identifies and takes account of service need in the light of current and anticipated demand;
- ensuring that barriers to accessibility of directly provided and commissioned services are identified and overcome;
- the translation of strategy into ambitious and achievable service plans within available resources and with clearly defined targets and accountability for outcomes;
- working closely with finance to ensure that the resource requirements of plans are accurately reflected in departmental budgets;
- meeting requirements for submission of statutory plans and related returns.

Foster a consistent cross Council culture across by ensuring:

- that the Council's overall vision, values and ethos are central to the approach taken;
- effective cross Council working in the interests of achieving key objectives and improving operational effectiveness;
- a shared understanding of, and compliance with, the Council's approach to managing performance, quality and risk; its operational management systems, practices, processes and ways of working and its governance arrangements, constitution, schemes of delegation, financial regulations, rules, policies and procedures;
- a shared commitment to the Council's equality, diversity and inclusion objectives in relation to both staff and service users;
- compliance with statutory frameworks including those relating to health and safety;
- high standards of public service including openness, fairness, honesty and transparency.

Manage teams to achieve high performance and effective operational delivery by:

- putting robust governance arrangements in place to manage performance, risk and business continuity, including operational systems and processes;
- using benchmarking and target setting to drive continuous and sustained performance improvement;
- tracking action against plans to deliver performance targets within allocated resources;
- taking prompt action to manage and mitigate risks and barriers to operational effectiveness and areas of under performance.

Manage the effective use of resources by:

- planning, controlling and deploying financial, staffing and physical resources to best effect to deliver agreed service priorities;
- working closely with finance to align monitoring of budgets and service delivery;
- ensuring that staffing establishments and recruitment and retention plans and activity support effective service delivery;
- being closely involved in the commissioning of services to deliver improved outcomes for service users, including input to the specification and procurement process;
- ensuring that contracts are managed, monitored and reviewed to secure optimum value for money.

Provide leadership and management to staff teams by:

- gaining ownership of and commitment to the Council's overall aims and values;
- building a high performing, proactive, customer focused culture which welcomes change;
- creating an inclusive environment which fosters innovation and improvement;
- maximising the potential of a diverse workforce;
- ensuring that staff are motivated and developed to improve their capability to deliver;
- recognising excellent performance and ensuring that under-performance is tackled.

Working closely with the Director to support effective working relationships with relevant portfolio holders by:

- providing clear, balanced and accurate advice and guidance on the strategic issues facing the portfolio of services managed;
- ensuring that they are briefed and kept up to date on service developments including highly sensitive matters likely to have a major impact on the Council.

Supporting the Director on partnership working by:

- identifying where strategic partnerships have the potential to deliver long term service improvement and cost effectiveness;
- building relationships and working collaboratively with agreed partners to this end.

Act as an effective ambassador and advocate with external organisations as agreed with the Director including:

- representing the department externally to promote and protect the Council's interests;

- leading and supporting negotiations with contractors and partners on contentious issues;
- managing effective preparation for, conduct of and follow up to audits and inspections;
- assisting in the management of the interface with the media.

## Scope of Job

### **Financial responsibility**

Annual budget responsibility

£xxxm directly controlled revenue expenditure

£xxm directly controlled capital expenditure

Other

### **Staffing responsibility**

xxx direct reports

xxxfte total staff group

Contractors

### **Other factors**

The post operates within a framework set by elected members but with considerable input to shaping services (and has a lead professional role in ensuring high professional standards – may apply to certain posts - check).

The post holder works with a wide range of internal contacts including assistant directors, directors, senior managers, elected members and key external stakeholders across the public, private and voluntary sectors including professional bodies, inspectorates, government functions, other local authorities, public and voluntary sector partners and agencies, local businesses, contractors and other stakeholders.

This is a politically restricted post.

## Person Specification

### Part One

#### Qualifications, knowledge and understanding

Relevant professional qualification – *only where this is a statutory requirement of the role.*

Evidence of significant relevant CPD.

Understanding of:

- legislative and regulatory framework and developments applicable to the service area;
- major challenges and opportunities facing local government;
- management issues facing the public sector.

#### Experience

Track record of achievement at a senior leadership level in a similarly large, complex, political organisation including:

- working collaboratively across organisational boundaries to shape and deliver strategic plans;
- providing clear strategic direction and management, promoting customer care and equality of opportunity;
- translating strategy into cost effective plans within tight resource constraints;
- ensuring the effective delivery of service/business plans to meet performance targets, managing and mitigating risk;
- developing practical, innovative, creative and tactical solutions to the management of complex problems;
- securing ownership and commitment to key objectives from professional staff and building capacity and capability to deliver;
- commanding the confidence of stakeholders and partners and building positive relationships in support of key objectives;
- developing and delivering major projects to deliver service wide improvements in relation to key organisational priorities;
- commissioning and contract management.

## **Part Two**

### **Key skills and abilities**

- Intellectual agility to be able to think and act strategically, analyse complex evidence and develop practical, innovative and entrepreneurial solutions to the management of strategic issues and complex problems.
- Organisational skills to translate strategy into plans and priorities and manage complex large scale projects to deliver results to time and within budget, managing risk and resolving barriers to success.
- Leadership ability to develop an inspirational vision, give a clear sense of direction and purpose, set high standards and gain ownership and commitment to them, create an inclusive environment, build high performing teams and deliver cultural change.
- Communication and influencing skills to inform, consult and negotiate with a range of audiences in a straightforward, articulate, sensitive and persuasive manner, both orally and in writing.
- Interpersonal ability to engage with service areas, elected members, partners, stakeholders, the media and the wider community, engendering confidence and respect.

### **Personal characteristics**

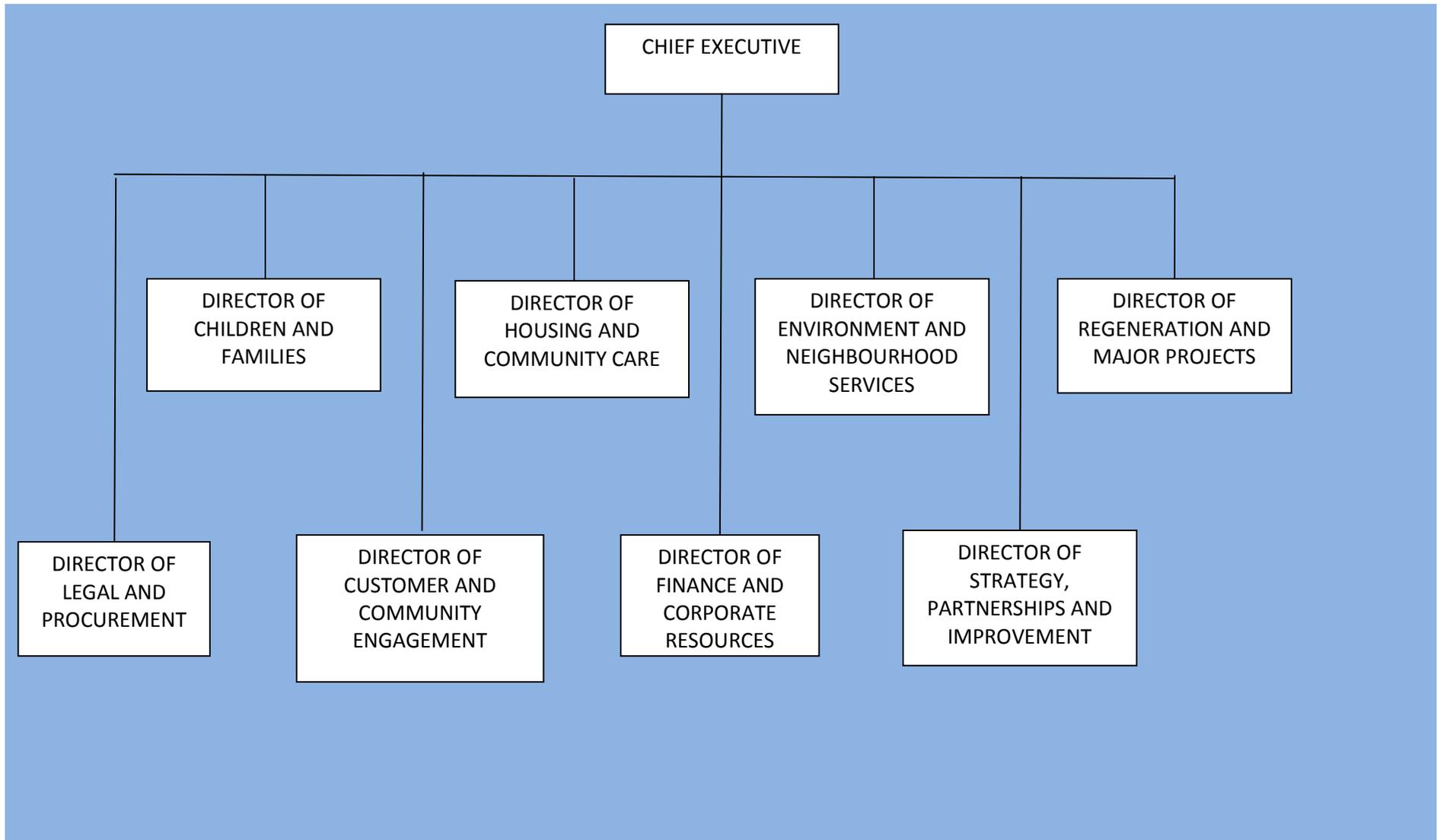
- A strong role model who demonstrates a personal commitment to high standards of public service, honesty and integrity and professionalism.
- A collaborative corporate player with a strong team spirit and respect for others.
- A customer focused individual with a personal commitment to service improvement, equality, diversity and inclusion.
- A dynamic, committed individual with the resilience and drive to cope with the demands and pressures of the post including the ability to cope effectively at times of crisis.

**Management competencies - Directors are expected to meet all 3 levels in each of the areas set out below.**

<b>Improving Performance</b> You manage and seek to improve service performance, assessing the performance of people, teams and resources against clear standards and performance indicators		
<b>Level 1 – As a Brent first line manager/team leader you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Set individual and team goals that link to the service area plan and strategy of the Council</li> <li>• Are responsible for performance monitoring and achieving results</li> <li>• Hold people to account for their performance</li> <li>• Have had an annual performance review with 100% of your staff</li> <li>• Have regular 1:1 performance discussions with each team member</li> <li>• Have regular team meetings that review performance against plans and take actions forward</li> <li>• Produce and follow realistic project/ programme plans</li> <li>• Show a “can do” attitude when faced with obstacles or challenging targets</li> </ul>	<b>Level 2 – As a Brent middle manager/ head of unit you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Build team motivation and productivity</li> <li>• Challenge the status quo and seek ways to improve it</li> <li>• Talk with key stakeholders to agree partnership objectives</li> <li>• Develop plans that deliver service targets</li> <li>• Come up with performance measures for the business plan and tell the team</li> <li>• Focus on the achievement of results using a cycle of planning, doing, measuring and reviewing</li> <li>• Share learning and experiences across Brent to improve performance</li> </ul>	<b>Level 3 – As a Brent senior manager/director/ assistant director you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Provide strategic direction for the Council and identify the strategic and service development needs</li> <li>• Ensure services are dynamic and customer focused</li> <li>• Ensure business plans are achievable and integrated with Brent’s corporate plan</li> <li>• Often provide and communicate clear direction and vision</li> <li>• Promote a solution focussed culture within the council</li> <li>• Take responsibility for longer term department planning</li> <li>• Ensure diversity is integral to business performance</li> </ul>
Positive Indicators		Negative Indicators
<ul style="list-style-type: none"> <li>• Follow project plans, meet milestones and deliver results on time</li> <li>• Come up with ideas for improving performance</li> <li>• Address poor performance as it occurs</li> <li>• Develop solutions and agree actions with people.</li> <li>• Give constructive feedback daily</li> <li>• Take the initiative to solve problems and improve results</li> </ul>		<ul style="list-style-type: none"> <li>• Your people are not clear on what you expect of them</li> <li>• Let poor performance persist without taking action</li> <li>• Are unreliable and do not deliver on what you say you will</li> <li>• Just does the minimum required</li> <li>• Do not demonstrate respect for corporate performance management protocols or reporting time scales</li> <li>• Do not conduct regular performance reviews with staff</li> </ul>

<b>Managing Budgets</b> You plan and effectively manage your budget to meet individual, team and department objective and achieve quality and value for money		
<p><b>Level 1 – As a Brent first line manager/team leader you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Set, monitor and communicate realistic budgets</li> <li>• Adopt a disciplined approach to budget management and know the state of your budget at all times</li> <li>• Follow the Brent finance policies and procedures including procurement</li> <li>• Use and operate systems of internal control</li> <li>• Make efficient use of resources; financial, material and human</li> <li>• Take responsibility and are accountable for your budget</li> </ul>	<p><b>Level 2 – As a Brent middle manager/ head of unit you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Set up systems to manage and measure risk</li> <li>• Plan and organise services and make sure they are cost effective and show this in your budget</li> <li>• Make sure projects are financially viable before commencing them</li> <li>• Adhere to the council’s financial control policy</li> <li>• Develop and communicate performance measures for the business plan</li> <li>• Monitor spend against the budget regularly and take prompt action to avoid deviation from budget</li> </ul>	<p><b>Level 3 – As a Brent senior manager/director/ assistant director you are considered effective when you:</b></p> <ul style="list-style-type: none"> <li>• Deliver value for money services and projects</li> <li>• Ensure all strategies are financially efficient</li> <li>• Allocate appropriate resources that will deliver the Council’s business plans</li> <li>• Anticipate the effects of future internal or external developments, trends or legislation</li> <li>• Identify and take prompt action to mitigate organisational risks</li> <li>• Contribute positively to the risk management plan for the Council</li> </ul>
Positive Indicators		Negative Indicators
<ul style="list-style-type: none"> <li>• Anticipate risks and implications of decision making</li> <li>• Are cost conscious and do not waste money</li> <li>• Participate in the budget setting process</li> <li>• Follow all relevant financial and operational procedures</li> <li>• Have hands on knowledge of where resources will be required</li> <li>• Make the best use of the budget available</li> <li>• Show that you understand finances and are commercial in approach</li> </ul>		<ul style="list-style-type: none"> <li>• Overlook risks in decision making</li> <li>• Are not cost conscious and waste money</li> <li>• Do not participate in the budget setting process</li> <li>• Rarely monitor your budgets</li> <li>• Do not follow relevant financial and/or operational procedures</li> <li>• Fail to operate systems and procedures of internal control</li> <li>• Show no knowledge of where resources will be required</li> <li>• Fail to own and be accountable for the figures in the budget</li> </ul>

<b>Developing Our People</b> You work to develop our staff and to create a diverse team that is highly skilled and flexible and committed to improving service delivery		
<b>Level 1 – As a Brent first line manager/team leader you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Give support and regular feedback to staff</li> <li>• Recognise and reward good performance</li> <li>• Have a development plan for each team member</li> <li>• Delegate work to encourage ownership and engagement</li> <li>• Work around blocks to progress your plans</li> <li>• Use Brent’s policies and procedures to manage staff</li> <li>• Communicate your thoughts clearly</li> </ul>	<b>Level 2 – As a Brent middle manager/ head of unit you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Ensure people know the scope of their roles</li> <li>• Inspire buy-in by showing how individual efforts contribute to goals</li> <li>• Role model behaviour and challenge inappropriate behaviour</li> <li>• Promote effective communication across departments and with all partners</li> <li>• Build excellent relationships with key stakeholders, internal and external</li> </ul>	<b>Level 3 – As a Brent senior manager/director/ assistant director you are considered effective when you:</b> <ul style="list-style-type: none"> <li>• Own the change process and lead it by engaging your managers and teams</li> <li>• Lead by modelling Brent’s vision and values</li> <li>• Empower people to make decisions and take risks</li> <li>• Have an environment where individuals feel their opinions and ideas are welcomed and valued</li> <li>• Use professional associations to voice sector issues to central government and/or to professional bodies</li> </ul>
<b>Positive Indicators</b>		<b>Negative Indicators</b>
<ul style="list-style-type: none"> <li>• Ask team members what they think the solutions to problems are rather than solving it yourself</li> <li>• Use coaching to develop the behaviours and skills of team members</li> <li>• Give effective feedback regularly and check that team members are clear about what is expected of them</li> <li>• Model behaviours that are expected within the team</li> <li>• Have a clear vision that you tell the team about and it inspires the team to follow</li> <li>• Encourage innovative approaches and thinking</li> </ul>		<ul style="list-style-type: none"> <li>• Scrutinise how work was completed rather than celebrating achievement</li> <li>• Replace clear objectives with menial to do lists</li> <li>• Do not deal with under performance or development issues</li> <li>• Create an atmosphere of fear or indifference and without trust</li> <li>• Reluctant to share knowledge, information and ideas with others</li> <li>• Expects certain behaviour but does not model that behaviour</li> <li>• Hangs on to how things have been done in the past</li> <li>• The needs of others are ignored in communications</li> </ul>



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	<p style="text-align: center;"><b>Executive</b> 11 August 2010</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p>
<p style="text-align: right;">Wards affected: ALL</p>	
<p style="text-align: center;"><b>The Treasury Management Annual Report 2009/10</b></p>	

## 1. SUMMARY

The purpose of this report is to provide information to members on borrowing and investment activity, and performance compared to prudential indicators during 2009/10. It also sets out revised requirements in the 2009 Treasury Management Code of Practice and a progress report for 2010/11 as required by the revised Code. As the Treasury Management Annual Report should be agreed by Full Council, the Executive is asked to recommend them to Full Council for approval.

## 2. RECOMMENDATIONS

The Executive is asked to recommend that Full Council:

- 2.1 Adopts the 2009 Treasury Management Code of Practice (paras 3.3 – 3.5)
- 2.2 Approves the Treasury Management Annual Report (section 3); and Annual Investment Strategy Report (section 4)
- 2.3 Notes the outturn for prudential indicators (section 5)
- 2.4 Notes the updated position in 2010/11 (para.3.25).

## 3. TREASURY MANAGEMENT ANNUAL REPORT

- 3.1 Full Council adopted the 2002 CIPFA Code of Practice on Treasury Management in Local Authorities in September 2002. The Code stipulates that the Chief Financial Officer should set out in advance to Full Council the treasury strategy for the forthcoming financial year, and subsequently report the treasury management activities during that year. The report will also go to the Audit Committee. This section of the report details:-

- a) The economic background for 2009/10 (paras 3.6 to 3.7)
- b) The agreed treasury strategy (para 3.8)
- c) Borrowing activity during 2009/10 (paras 3.9 to 3.12)
- d) Lending activity during 2009/10 (paras 3.13 to 3.21)
- e) Overall interest paid and received (para 3.22)
- f) Developments since the year end (paras 3.23 – 3.24)

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

### **2009 REVISED TREASURY MANAGEMENT CODE OF PRACTICE**

- 3.3 CIPFA issued a revised Code of Practice in December 2009 to improve procedures in the light of the Icelandic banking crisis. This report is the first opportunity for the Full Council to approve the Code. The revised Code follows previous Codes that have been adopted by the Council. Public sector organisations are required to adopt the following four clauses as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances:-

- a) This organisation will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement (TMPS) stating the policies and objectives of its treasury management activities
  - suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and the TMPs will follow the recommendations contained in Sections 6 and 7 of the Code.

- b) The full council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- c) This organisation delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Director of Finance. The Director will act in accordance with the organisation’s policy statement and TMPs and CIPFA’s Standard of Professional Practice on Treasury Management.
- d) This organisation nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 3.4 CIPFA also recommends that an organisation’s treasury management policy statement adopts the following forms of words to define the policies and objectives of its treasury management activities:-
- 1 Treasury management is ‘the management of the organisation’s cash flows, its banking, money market and capital market transactions: the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

- 2 Brent Council regards the successful identification, monitoring and control of risk to be the prime criterion by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the authority.
  - 3 Brent Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- 3.5 The detailed treasury management practices set out in the Code also seek to address some of the perceived shortcomings in treasury management in local government, as follows:-
- a) Improved reporting arrangements. It is proposed that there should be a mid-year review, and regular monitoring reports on treasury management activities and risks. Additional reporting will be supported by training for members to assist them in the scrutiny of activities. The Audit Committee already receives regular reports on treasury management, and a mid-year report will be presented in the autumn.
  - b) Where credit ratings are used, authorities should have regard to the ratings issued by all three main agencies, and make their decisions on the basis of the lowest rating. Ratings should be kept under regular review and 'ratings watch' notices acted upon. Other information sources should also be used. The Brent Lending List consists of very high quality UK financial institutions. The new treasury Adviser, Arlingclose, undertakes its own credit research as well as supplying data from the credit agencies.
  - c) Use of external service providers, such as advisers, should be subject to regular review and the terms of appointment should be clear. Brent has recently reviewed its adviser and appointed Arlingclose.

### **ECONOMIC AND MARKET BACKGROUND DURING 2009/10**

- 3.6 The world economy began the financial year in recession, though the Chinese and Indian economies continued to grow rapidly. UK GDP shrank by 4.9% in 2009, USA by 2.4%, Euro area 4.0% and World by 0.8%. Although the UK did not return to growth until Q4 2009, the USA and Europe emerged from recession earlier. However, as the year progressed any growth remained slow as banks were unable / unwilling to lend and borrowers were unwilling to increase existing debts. In both UK and USA, quantitative easing (governments buying back debt and increasing the money supply) supported activity and reduced longer term interest rates. Inflation initially fell sharply (RPI fell to -1.6%) but rose towards the end of the year as VAT returned to 17.5%, energy prices recovered and the long term effects of the 2008 fall in the value of sterling (around 25%) increased prices (RPI +5.3% at year end). However, bank rate remained at 0.5% as monetary policy sought to encourage economic activity and assumed that inflation would fall to reflect low economic activity. Overnight interest rates remained very low, at 0.25% - 0.4%. Fiscal policy has also been very loose, with the government running a large payments deficit. Although the UK returned to growth in Q4 2009, it appears that recovery will be slow.
- 3.7 As indicated in Table 1, very long-term (50 year) interest rates were fairly stable, with a trough in early autumn. Shorter periods have risen from the extreme levels following the bank collapses in 2008, but have remained relatively low reflecting bank rate, quantitative easing and poor economic

prospects. The interest rate yield (return) curve remained 'normal', with rates rising up to around 15 year duration, then almost stable through to 50 years..

**Table 1 – PWLB Interest rates during 2009/10**

	<b>1<sup>st</sup> April 2009 %</b>	<b>30 June %</b>	<b>30 Sept. %</b>	<b>31 March 2010 %</b>
10 year	3.36	3.68	3.80	4.19
25 year	4.28	4.47	4.19	4.47
50 year	4.57	4.48	4.25	4.70

**STRATEGY AGREED FOR 2009/10**

- 3.8 On the basis of advice and research from Butlers (then our treasury adviser), Capital Economics and managers, it was anticipated that bank rate would fall to 1% or less, and that long term rates would fall under the pressures from declining economic activity and quantitative easing. The Treasury Management Strategy emphasised security – a reduced lending list until credit conditions improved, and lending for short periods. Whereas previously Brent has maintained borrowing at the Capital Financing Requirement – defined as the difference between the authority's total liabilities in respect of capital expenditure financed by borrowing and the provision that has been made to meet those liabilities in the revenue accounts - it was agreed that the strategy would be flexible and recognise that short term rates may remain low for a considerable period. It was envisaged that less borrowing would also reduce the level of deposits with banks and other borrowers. Finally, it was agreed that officers would look for opportunities to restructure debt, but that low rates may make this uneconomic.

**BORROWING ACTIVITY DURING 2009/10**

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

**Table 2 – Treasury portfolio at 31<sup>st</sup> March 2010 – loans and investments**

	<b>31.03.09 Actual £m</b>	<b>31.03.2010</b>	
		<b>Planned £m</b>	<b>Actual £m</b>
Fixed rate loans – PWLB	512.0	574.5	522.0
Variable rate loans – PWLB	-	-	-
Variable rate loans – Market	85.5	85.5	85.5
Short-term loans – Market	69.5	-	52.0
<b>Total Debt</b>	<b>667.0</b>	<b>660.0</b>	<b>659.5</b>
<b>INVESTMENTS</b>	<b>97.2</b>	<b>74.0</b>	<b>69.0</b>
<b>NET DEBT</b>	<b>569.8</b>	<b>586.0</b>	<b>590.5</b>

- 3.10 The average rate of interest payable by Brent Council on its loans has fallen from 5.09% in 2007/08, to 4.87% in 2008/09, and to 4.6% in 2009/10. A debt restructuring was undertaken in March 2009, repaying £64.8m of PWLB loans and taking advantage of cheaper short term debt. In 2009/10 Brent Council did not undertake any debt restructuring, but took two new PWLB £10m loans at 4.2% (50 years) and 3.55% (10 years) respectively.

- 3.11 The PWLB has revised its policy on the calculation of premia / discounts for the early repayment of debt. The PWLB now issues rate notices twice a day, and has marginally reduced the premia payable / discounts receivable for early repayment. This may help with debt restructuring.
- 3.12 The duration and average interest rate, of loans in the treasury portfolio at 31<sup>st</sup> March 2010 is set out in Table 3.

**Table 3 – Treasury portfolio at 31<sup>st</sup> March 2010 – duration/interest rates**

Maturing Within	£m		Share of total debt %	Average Interest Rate 2009/10 %
	31.03.09	31.03.10		
1 Year	79.5	52.0	7.9	0.45
1 – 2 Years	-	-	-	-
2 – 3 years	-	-	-	-
3 – 4 years	-	-	-	-
4 – 5 years	-	-	-	-
5 – 6 years	-	-	-	-
6 – 10 Years	-	10.0	1.5	3.55
10 – 15 Years	5.0	5.0	0.7	8.88
Over 15 Years	497.0	507.0	76.9	4.94
Variable – PWLB	-	-	-	-
Variable – Market	<u>85.5</u>	<u>85.5</u>	<u>13.0</u>	<u>4.58</u>
<b>TOTAL</b>	<b><u>667.0</u></b>	<b><u>659.5</u></b>	<b><u>100.0</u></b>	<b><u>4.60</u></b>

**LENDING ACTIVITY DURING 2009/10**

- 3.13 The council's investments averaged £86m during 2009/10 (£126m during 2008/09) and earned £2.2m in interest. Returns were assisted by the portfolio of long term deposits (deposited in 2007 and 2008 for up to three years), a number of which continued to generate returns in excess of 5% per annum when overnight rates had fallen to 0.25%. The amount invested varied from day to day depending on cash-flow and the Council's borrowing activity. Responsibility for investing funds was split between the in-house team, which manages approximately 75% of the investments and an external house managing approximately 25% of the investments.
- 3.14 Investments by the in-house team were made primarily with the intentions of achieving security and liquidity, and were all placed with call accounts (for money market funds) or for periods up to one month. A total of £396m was lent during 2009/10 (£624m 2008/09). Rates achieved ranged between 0.25% and 0.5%, with the average rate being 2.54% (2008/09 5.25%). Loans were made to high quality counterparties included on the Treasury Lending list. Appendix 1 lists the deposits outstanding at 31<sup>st</sup> March 2010.
- 3.15 The financial tsunami following the bankruptcy of Lehman brothers forced a number of banks into administration in the autumn of 2008, and the collapse of the main Icelandic banks (7<sup>th</sup> October 2008). Brent Council has two deposits outstanding with Icelandic banks, as follows:-

- 3.16 The Council continues to work with the Local Government Association and other authorities to recover the loans. All other deposits have been repaid on time. The most recent advice from CIPFA, the Department for Communities and Local Government (DCLG) and the Local Government Association (LGA) states that authorities are likely to be treated as preferred creditors to Glitnir. It was hoped that Brent would recover both deposit and interest during 2009/10. However, the Winding Up Board for Glitnir has proposed that local authority deposits be treated as ordinary creditors (only likely to recover around 30% of their losses), meaning that legal action will continue – our legal advisers, Bevan Brittan, believe that the deposit will be recovered. The administrators for Heritable have repaid £3.5m in 2009/10, a further £633,000 in July 2010, and state that creditors should receive 80% / 85% of deposit plus interest to October 2008, by instalments to 2012.
- 3.17 Regular reports have been made to the Audit Committee during 2009/10 on loans outstanding, the House of Commons Select Committee Report on loans to Icelandic Banks and revised treasury procedures.
- 3.18 External cash managers were initially appointed in 1998 to manage two portfolios with the aim of achieving an improved return at an acceptable level of risk. Aberdeen Asset Management has managed a portfolio throughout the period. The value of the Aberdeen’s portfolio was £23.3m as at 31<sup>st</sup> March 2010 (£22.8m 2009). Actual performance for 2009/10 (2008/09 in brackets), and the three and five years to 2009/10 are set out in Table 4.

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

	<b>Aberdeen</b> %		<b>Brent in-house</b> %	<b>7 Day LIBID Benchmark</b> %
<b>2009/10</b>	1.9 (7.0)		2.8 (5.25)	0.4 (3.8)
<b>Three Years</b>	4.9		4.4	3.3
<b>Five Years</b>	4.8		4.6	3.8

- 3.19 Aberdeen outperformed the benchmark in 2009/10 by using longer dated certificates of deposit of up to twelve months duration with financial institutions on the Brent lending list.
- 3.20 The in-house team did not have access to the same wider range of lending instruments as the managers (gilts or CDs), but was able to add value by using money market funds (pooled funds managed by city finance houses) and benefiting from previous long term deposits. The Brent strategy had previously identified that core balances of £60m would not be needed for immediate cash flow purposes, so that £60m could be lent for periods up to three years. The 2009 debt repayment has reduced the core balance.
- 3.21 The three and five year records indicate that Aberdeen has achieved their out-performance target (+0.5% per annum). Aberdeen is among the best managers over all periods (there are around ten in the market).

**TOTAL INTEREST PAID AND RECEIVED**

- 3.22 Total interest paid and received in 2009/10 is shown in Table 5. The reduced interest paid on external debt reflects the restructuring in March 2009 and short term borrowing at lower rates. The reduced interest received on deposits reflects lower market rates and lower cash balances.

**Table 5 – Overall interest paid and received in 2009/10**

	<b>Budget £m</b>	<b>Actual £m</b>
Interest paid on external debt	33.2	29.8
Interest received on deposits	3.0	2.2
Debt management expenses	0.3	0.3

By way of comparison, interest received on deposits was £6.2m in 2007/08 (budget £3m) and £7.0m in 2008/09 (budget £3.5m).

## **OTHER DEVELOPMENTS**

- 3.23 Following a review, the treasury adviser Butlers was replaced by Arlingclose in March 2010. It was felt that Arlingclose were very strong in the area of credit management and risk – the house spotted the Icelandic and other banking problems very early, and they have different ideas from the norm on the composition of a lending list. The team is very experienced, and it is expected that the house will give Brent a more individual service.
- 3.24 In response to concerns raised about scrutiny of treasury management, a training seminar for members was held in May 2009. The seminar covered such topics as the regulatory framework, sources of advice, lending and borrowing policies, debt restructuring and reporting, and was attended by around 20 members. It is planned that a second seminar will be held in autumn 2010.

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

- 3.25 Although the UK financial markets have been fairly calm since the end of the financial year, European, share and foreign exchange markets have been turbulent in response to concerns about credit worthiness and debt. Short term interest rates remain very low, and long term rates have fallen in response to ‘flight to safety’ concerns and the growing belief that economic recovery will be very slow and monetary conditions loose. If financial stability continues to improve, it is expected that a revised Brent Lending List - that has previously been scrutinised by the Audit Committee – will be implemented so that lending recommences to high quality overseas banks, but only if security concerns are met. The list of loans outstanding as at 30<sup>th</sup> June 2010 is attached as Appendix 2.

## **4 ANNUAL INVESTMENT STRATEGY**

- 4.1 Regulations issued under the 2003 Local Government Act require that councils agree an Annual Investment Strategy (AIS) before the beginning of each year, setting out how investments will be prudently managed with close attention to security and liquidity. The AIS for 2009/10 was agreed by Full Council in March 2009. The AIS sets out the security of investments used by the authority analysed between Specified (offering high security and liquidity, with a maturity of no more than one year) and Non-Specified (entailing more

risk or complexity, such as gilts, certificates of deposit or commercial paper) investments. The AIS also sets out the maximum duration of deposits.

- 4.2 To discourage the use of investments that may be considered speculative, the acquisition of share or loan capital in any body corporate (such as a company) is defined as capital expenditure. On this basis, the Council does not invest treasury balances in shares, corporate bonds or floating rate notes issued by companies, though there is authority to invest through pooled schemes which are not considered capital expenditure.
- 4.3 Treasury activity has complied with the AIS in 2009/10. The approach has been to lend for short periods to high quality counterparties, reducing risk. As loans have matured, receipts have been used to minimise borrowing.

## 5. PRUDENTIAL INDICATORS – 2009/10 OUTTURN

- 5.1 The introduction of the new prudential system of borrowing in the 2003 Local Government Act (LGA) gave new opportunities for councils to assess their requirements for capital spending, and not have them restricted by nationally set approvals to borrow money (credit approvals), as previously. The new system also brought new responsibilities on councils to ensure that:
- capital expenditure plans are affordable;
  - all external borrowing and other long term liabilities are within prudent and sustainable levels;
  - treasury management decisions are taken in accordance with good professional practice.
- 5.2 Under regulations issued under the 2003 LGA councils are required to follow the Prudential Code issued by CIPFA which sets out how councils ensure responsible use of new freedoms. The Code details indicators that councils are required to set before the beginning of each year, to monitor during the year, and to report on at the end of each year.
- 5.3 The outturn for prudential indicators measuring affordability is set out in Table 6. General Fund and HRA capital financing charges as a proportion of total budget were lower than the original estimates principally because the average borrowing rate fell to 4.60%. There was no unsupported borrowing in 2009/10.

**Table 6 – Prudential indicators measuring affordability**

	2009/10 (estimates)	2009/10 (actual)
Capital financing charges as a proportion of net revenue stream:		
- General Fund	8.69%	8.41%
- HRA	34.71%	32.59%
Impact of unsupported borrowing on:		
- Council tax at Band D	£2.10	£0.00
- Weekly rent	-	-

- 5.4 The outturn for prudential Indicators for capital spending is set out in Table 7. Movements within the capital programme, including slippage between years and resources becoming available during the year, were reported in the Performance and Finance Outturn Report to the Executive in July 2010. Capital spending is funded from a variety of resources, including government

grants, capital receipts, revenue contributions, Section 106 contributions and borrowing. This means that movements in capital spending are not directly reflected in movements in the Capital Financing Requirement (CFR), which principally reflects borrowing requirements. Total borrowing in 2009/10 was lower than anticipated which meant a reduction in the overall CFR. However, due to the introduction of International Financial Reporting Standards it has become necessary to include two Private Finance Initiative schemes on the council's balance sheet, adding approximately £30m to the CFR.

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

	<b>2009/10 Estimates £m</b>	<b>2009/10 Actual £m</b>
Planned capital spending:		
- General Fund	106.211	79.666
- HRA	28.352	24.671
- Total	134.573	104.337
Estimated capital financing requirement for <sup>1</sup> :		
- General Fund	304.558	333.057
- HRA	330.693	330.241
- Total	635.251	663.298

5.5 The Council also sets prudential indicators for external debt which are shown in Table 8. This is to ensure that the council's overall borrowing is kept within prudent limits. The authorised limit for external borrowing is set flexibly above the CFR to allow for opportunities to restructure debt or borrow early when interest rates are favourable. The Operational Boundary sets out the expected maximum borrowing during the year, again allowing for cash flow, interest rate opportunities and possible restructuring. In 2009/10 the council did not undertake any debt restructuring, and did not exceed the Operational Boundary for external debt.

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

<b>Indicator</b>	<b>Limit</b>	<b>Status</b>
Authorised limit for external debt	£810m	Met
Operational boundary for external debt	£710m	Met
Net borrowing	Below CFR	Met

5.6 The prudential indicators for treasury management, which are included in Table 9 below, were all met. These are set to ensure that interest rate exposures are managed to avoid financial difficulties if interest rates rise sharply. Although borrowing at variable rates can be advantageous if rates are falling, a sharp rise can cause budget difficulties, and force the Council to fix rates at an inopportune time. Again, managing loan durations ensures a variety of maturity dates to avoid all re-financing happening when rates may be high. Finally, the upper limit on investments of more than one year allows

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

flexibility to lend for longer periods if interest rates make this advantageous, particularly by external managers investing in gilts, but also ensures that a minimum level of balances is available for cash flow purposes. Deposits have been short term, and long term loans have been run down during the year.

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

Indicator	Limit	Outcome
<b>Treasury Management Code</b>		Adopted
<b>Exposure to interest rate changes</b>		
- fixed rate upper limit	100%	100%
- variable rate upper limit	40%	8%
<b>Maturity of fixed interest loans</b>		
Under 12 months		
- upper limit	40%	8%
- lower limit	0%	2%
12 months – 24 months		
- upper limit	20%	0%
- lower limit	0%	0%
24 months – 5 years		
- upper limit	20%	0%
- lower limit	0%	0%
5 years – 10 years		
- upper limit	60%	2%
- lower limit	0%	0%
Above 10 years		
- upper limit	100%	96%
- lower limit	30%	92%
<b>Upper limit on investments of more than one year</b>	<b>£60m</b>	<b>£40m</b>

## 6. MINIMUM REVENUE PROVISION

- 6.1 The Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the requirement that councils set aside a minimum of 4% of their General Fund capital financing requirement to repay principal on debt, regardless of the length of life of the asset that was being financed.
- 6.2 Revised regulations which amend this requirement were issued in 2008.<sup>2</sup> Under the new regulations councils are required to set an amount of Minimum Revenue Provision which is 'prudent'. The definition of what counts as 'prudent' is set out in statutory guidance which has been issued by the Secretary of State for Communities and Local Government and which authorities are required to 'have regard' to.
- 6.3 Under the guidance councils are required to prepare an annual statement of their policy on making Minimum Revenue Provision to Full Council. The purpose of this is to give Members the opportunity to scrutinise use of the additional freedoms and flexibilities under the new arrangements. This Policy Statement was submitted and approved by the Full Council at its meeting in March 2010 within section 10 of the Budget Setting report.

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

## **7. FINANCIAL IMPLICATIONS**

7.1 Financial implications are set out within the report.

## **8. DIVERSITY IMPLICATIONS**

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

## **9. LEGAL IMPLICATIONS**

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

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

## **10. BACKGROUND INFORMATION**

1. Loans Register.
2. Logotech Loans Management System.
3. Butler quarterly and special reports on treasury management.
4. Aberdeen Asset Management quarterly reports.
5. 2009/10 Budget and Council Tax report – March 2009
6. Reports to Audit Committee on The Audit Commission report on Icelandic Banks (16<sup>th</sup> June 2009), the House of Commons Select Committee on local authority investment in Icelandic Banks (24<sup>th</sup> September 2009), Treasury Management (17<sup>th</sup> December 2009) and The Treasury Strategy for 2010/11.

## **11. CONTACT OFFICERS**

1. Martin Spriggs, Head of Exchequer and Investments – 020 8937 1472
2. Paul May, Capital Accountant – 020 8937 1568

**DUNCAN McLEOD**  
**Director of Finance and**  
**Corporate Resources**

**Brent treasury lending list**

1 The current loans outstanding **as at 31st March 2010** are:

<b>Name</b>	<b>Amount £m</b>	<b>Yield %</b>	<b>Lending Date</b>	<b>Maturity Date</b>
Global Treas. Fund (RBS)	3.8	Var.	Call	
Gartmore cash reserve	0.1	Var.	Call	
Cheshire BS	5.0	Var.	07.05.08	07/05/10
Heritable bank	6.5	5.85	15.08.08	14/11/08
Glitnir	5.0	5.85	15.09.08	12/12/08
Northern Trust global fund	0.1	Var.	Call	
Newcastle BS	5.0	6.05	28.04.08	28/04/10
Derbyshire BS	5.0	6.4	16.06.08	16/06/10
Dunfermline BS	5.0	5.9	01.07.08	01/07/10
Skipton BS	5.0	6.48	01.07.08	01/07/11
RBS	<u>5.0</u>	7.0	22.09.08	22/09/11
<b>Total</b>	<b><u>45.5</u></b>			

Brent has also invested £23.3m with an external manager, Aberdeen Asset Manager, which has placed the fund in a mixture of certificates of deposit (CDs) and cash. The list of investments held by Aberdeen is as follows:-

Abbey National CD	2.3	0.49	10.05.10
Lloyds TSB CD	1.25	0.66	03.08.10
Barclays Bank CD	2.7	0.67	04.08.10
RBOS CD	2.0	0.67	04.08.10
Clydesdale Bank CD	2.5	0.96	24.11.10
Barclays Bank CD	1.5	0.96	25.11.10
Nationwide BS CD	2.2	0.97	29.11.10
Lloyds TSB CD	2.0	0.99	06.12.10
Lloyds TSB CD	1.0	1.13	03.02.11
RBOS CD	2.25	1.14	07.02.11
Nationwide BS CD	2.2	1.25	28.03.11
Santander Deposit account	1.1		
Accrued interest	<u>0.3</u>		
	<b><u>23.3</u></b>		

**Brent treasury lending list**

2 The current loans outstanding **as at 30<sup>th</sup> June 2010** are:

<b>Name</b>	<b>Amount £m</b>	<b>Yield %</b>	<b>Lending Date</b>	<b>Maturity Date</b>
Global Treas. Fund (RBS)	4.1	Var.	Call	
Gartmore cash reserve	0.1	Var.	Call	
Heritable bank	6.5	5.85	15.08.08	14/11/08
Glitnir	5.0	5.85	15.09.08	12/12/08
Northern Trust global fund	0.1	Var.	Call	
Dunfermline BS	5.0	5.9	01.07.08	01/07/10
Skipton BS	5.0	6.48	01.07.08	01/07/11
RBS	5.0	7.0	22.09.08	22/09/11
Nationwide BS	10.0	0.46	03.06.10	05.07.10
Santander UK	10.0	0.81	03.06.10	01.07.10
Barclays	<u>4.0</u>	0.40	24.06.10	26.07.10
<b>Total</b>	<b><u>54.8</u></b>			

Brent has also invested £23.4m with an external manager, Aberdeen Asset Manager, which has placed the fund in a mixture of certificates of deposit (CDs) and cash. The list of investments held by Aberdeen is as follows:-

Lloyds TSB CD	1.25	0.66	03.08.10
Barclays Bank CD	2.7	0.67	04.08.10
RBOS CD	2.0	0.67	04.08.10
Clydesdale Bank CD	2.5	0.96	24.11.10
Barclays Bank CD	1.5	0.96	25.11.10
Nationwide BS CD	2.2	0.97	29.11.10
Lloyds TSB CD	2.0	0.99	06.12.10
Lloyds TSB CD	1.0	1.13	03.02.11
RBOS CD	2.25	1.14	07.02.11
Nationwide BS CD	2.2	1.25	28.03.11
Santander Deposit account	3.5		
Accrued interest	<u>0.3</u>		
	<b><u>23.4</u></b>		

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