# **Public Document Pack**



# **Executive**

# Tuesday, 15 February 2011 at 7.00 pm

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

# Membership:

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

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

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www.brent.gov.uk/committees

The press and public are welcome to attend this meeting



# **Agenda**

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

**Item** Page

# 1 Declarations of personal and prejudicial interests

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

2 Minutes of the previous meeting

1 - 6

- 3 Matters arising (if any)
- 4 Petition Mission Dine Centre

7 - 8

A petition has been received from supporters of the Mission Dine Centre requesting that the centre at Fry Road should not be demolished as part of the expansion of Newfield Primary School.

The petition contains more than 50 valid signatures. Related report below.

5 Deputations (if any)

# **Children and Families Reports**

6 Newfield Primary School - determination of proposal to alter 9 - 22 Newfield Primary School

This report informs the Executive of the outcome of the statutory proposals to alter Newfield Primary (Community) School through expansion by one form of entry from 05 September 2011. Representation period on the proposal ended on 30 December 2010. The report seeks Executive approval to permanently expand Newfield Primary School, conditional upon planning permission being granted.

Ward Affected: Lead Member: Councillors Arnold and Crane Harlesden: Contact Officer: Krutika Pau, Director of

Children and Families

Tel: 020 8937 3126 krutika.pau@brent.gov.uk

7 Brentfield Primary School - determination of proposal to alter 23 - 34 Brentfield Primary School

This report informs the Executive of the outcome of the statutory proposals to alter Brentfield Primary (Community) School through expansion by one form of entry from September 2011. Representation period on the proposal ended on 23 December 2010. The report seeks Executive approval to permanently expand Brentfield Primary School, conditional upon planning permission being granted.

Ward Affected: Lead Member: Councillors Arnold and Crane Stonebridge; Contact Officer: Krutika Pau, Director of

Children and Families

Tel: 020 8937 3126 krutika.pau@brent.gov.uk

# 8 Preston Manor High School - determination of proposal to alter 35 - 52 Preston Manor High School

This report informs the Executive of the outcome of the statutory proposals to alter Preston Manor High (Foundation) School by lowering the age limit of the school and as a result, enlargement of the premises of the school which would increase the physical capacity of the school. Representation period on the proposal ended on 16 December 2010. The report seeks Executive approval to permanently expand Preston Manor High School, conditional upon the planning permission being granted.

Appendix also below

Ward Affected: Lead Member: Councillors Arnold and Crane Preston; Contact Officer: Krutika Pau, Director of

Children and Families

Tel: 020 8937 3126 krutika.pau@brent.gov.uk

# 9 Restructuring of Children's Centre buildings/provision in Brent

Circulated separately

This paper sets out a proposal regarding Children's Centre capital projects which will contribute to Children's Centre savings in the context of budgetary reductions for 2011/12.

Ward Affected: Lead Member: Councillor Arnold

All Wards; Contact Officer: Krutika Pau, Director of

Children and Families

Tel: 020 8937 3126 krutika.pau@brent.gov.uk

# **Housing and Community Care Reports**

# 10 Housing revenue account

53 - 82

This report presents to members the revised (probable) HRA budget for 2010/11 and the draft HRA budget for 2011/12 as required by the Local Government and Housing Act 1989. The report also includes proposals for setting the rent and service charge levels for 2011/12 for the non HRA

Brent Stonebridge dwellings.

Ward Affected: Lead Member: Councillor Thomas

All Wards; Contact Officer: Martin Cheeseman, Director of

Housing and Community Care

Tel: 020 8937 2341

martin.cheeseman@brent.gov.uk

11 The transfer of capital assets from NHS Brent to Brent Council in 83 - 90 line with the Learning Disability Valuing People Now Strategy

To agree the freehold transfer of four residential properties from Brent Primary Care Trust: 54 Beechcroft Gardens HA9 8EP, 7 Kinch Grove HA9 9TF, 63 Manor Drive HA9 8EB, 1-5 Peel Road HA9 7ZY Legal Charge – Albert Road Day Centre, Albert Road, South Kilburn.

Ward Affected: Lead Member: Councillor R Moher

Kilburn; Contact Officer: Alison Elliott, Adult Social Care Northwick Park; Tel: 020 8937 4230 alison.elliott@brent.gov.uk

Preston; Tokyngton;

12 Development of Contracts with Voluntary Organisations (Carer 91 - 116 Services)

This report asks the Executive for approval to extend its partnership arrangements (& its contribution to the pooled budget detailed in paragraph 4.3 of this report) with NHS Brent to deliver seamless, effective, good quality and value for money services for carers in Brent for the period 2011-2013.

Ward Affected: Lead Member: Councillor R Moher

All Wards; Contact Officer: Linda Martin, Head of Service

**Development and Commissioning** 

Tel: 020 8937 4061 linda.martin@brent.gov.uk

# **Environment and Neighbourhood Services reports**

13 Re-adoption of the Local Government (Miscellaneous Provisions) 117 - Act 1982 Schedule 3 (as amended by The policing and Crime Act 120 2009) Licensing Of Sexual Entertainment Venues

On 14<sup>th</sup> September 2010 the Executive Committee agreed to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of The Police and Crime Act 2009. Notice of the adoption failed to appear in a local newspaper two weeks in succession and therefore Members are asked to re-adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended

by Section 27 of The Police and Crime Act 2009.

Ward Affected: Lead Member: Councillor Powney

All Wards; Contact Officer: Geoff Galilee, Director, Health

Safety & Licensing

Tel: 020 8937 5358 geoff.galilee@brent.gov.uk

# 14 The Brent Placemaking Guide

121 -130

The Brent Placemaking Guide has been developed in order to support and advise all those whose work impacts on the design of the public realm. In advocating a greater focus on good urban design, it responds to recent government advice and best practice guidance on how to create successful places. In time, its use will improve the quality of the Public Realm in Brent. This report briefly summarises the content of the Brent Placemaking Guide and seeks the Committees approval to formally adopt the Guide as design guidance to be used by officers across the Council.

Appendices circulated separately

Ward Affected: Lead Member: Councillor Powney

All Wards; Contact Officer: Tim Jackson, Transportation

Unit

Tel: 020 8937 5151 tim.jackson@brent.gov.uk

# **Regeneration and Major Projects reports**

# 15 Regeneration Strategy 2010-2030

131 -150

This report introduces a proposed new twenty year Regeneration Strategy for the Borough, to replace the current Strategy, first published in 2001. It sets out the rationale for the new strategy and gives details of the proposed new priorities that will be used to maximise investment into the

Borough in order to deliver the ambitious twenty year vision.

Ward Affected: Lead Member: Councillor Crane

All Wards; Contact Officer: Joanne Francis, Regeneration

Policy Team

Tel: 020 8937 1043 joanne.francis@brent.gov.uk

# 16 The Willesden Green Project

151 -

168

This paper outlines redevelopment options for the Willesden Green Library site. It sets out proposals for the comprehensive redevelopment of the entire site into a mixed used scheme to include a new bespoke flagship Council building with housing. The new Council building would provide a vibrant cultural hub for the south of the borough and have a customer facing offer. The purpose of this report is to gain the necessary approvals required to test the market and establish if the redevelopment

of Willesden Green Library can be delivered at zero net capital cost to the Council.

# Appendices also below

Ward Affected: Lead Member: Councillor Crane

Brondesbury Contact Officer: Andrew Donald, Director of

Park; Regeneration and Major Projects

Tel: 020 8937 1049

andrew.donald@brent.gov.uk

# 17 11-15 Brondesbury Road

169 -

172

To agree the leasing of the offices known as 11-15 Brondesbury Road, NW6 6BX to the Central and North West London NHS Foundation Trust for a term of 12 years.

Ward Affected: Lead Member: Councillor Crane

Kilburn; Contact Officer: Richard Barrett, Property and

**Asset Management** 

Tel: 020 8937 1334 richard.barrett@brent.gov.uk

# **Central Reports**

# 18 Budget 2011/12

Circulated separately

This report sets out the key decisions members are asked to make on the 2011/12 General Fund revenue budget, the 2011/12 schools budget, the 2011/12 Housing Revenue Account, the capital programme for 2011/12 to 2014/15 the treasury management strategy and prudential indicators aimed at ensuring the affordability of capital spending and a secure approach borrowing and investment.

Ward Affected: Lead Member: Councillor Butt

All Wards; Contact Officer: Clive Heaphy, Director of

Finance and Corporate Services

Tel: 020 8937 1424 clive.heaphy@brent.gov.uk

## 19 Annual Audit Letter 2009/2010

173 -

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This report accompanies the Annual Audit Letter for 2009/10. The Letter is issued by the Audit Commission.

Ward Affected: Lead Member: Councillor John

All Wards; Contact Officer: Clive Heaphy, Director of

Finance and Corporate Services

Tel: 020 8937 1424 clive.heaphy@brent.gov.uk

# 20 Authority to award contract for a server-based desktop solution

197 -

This report requests authority to award a contract for the supply of a server-based desktop solution for the council through an eAuction as required by Contract Standing Order 88.

# Appendix also below

Ward Affected: Lead Member: Councillor Butt

All Wards; Contact Officer: Tony Ellis, Head of IT

Tel: 020 8937 1400 tony.ellis@brent.gov.uk

# 21 NNDR discretionary rate relief and hardship

209 -220

The Council has the discretion to award rate relief to charities or non-profit making bodies. It also has the discretion to remit an individual National Non-Domestic Rate (NNDR) liability in whole or in part on the grounds of hardship. This report includes applications received since the Executive Committee last considered relief in June 2010.

# Appendix also below

Ward Affected: Lead Member: Councillor Butt

All Wards; Contact Officer: Richard Vallis, Revenue and

Benefits

Tel: 020 8937 1503 richard.vallis@brent.gov.uk

# 22 Reference of item considered by Forward Plan Select Committee

221 -224

# Former park keepers' houses at 776 and 778 Harrow Road - disposal in open market

The draft recommendations from the meeting of the Call in Overview and Scrutiny Committee held on 2 February 2011 are attached.

# 23 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.

## 24 Exclusion of Press and Public

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

in paragraph 3 Schedule 12(A) of the Local Government Act 1972 namely: information relating to the financial or business affairs of any particular person (including the Authority holding the information):

# **Appendices:**

Preston Manor High School (item 8)

- The Willesden Green Project (item 16)
- Server-based desktop solution (item 20)
- NNDR rate relief (item 21)

# Report:

• ALMO Settled Homes – tranche 2 (item 25)

in paragraph 5 Schedule 12(A) of the Local Government Act 1972 namely Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings:

Preston Manor High School (item 8)

# 25 ALMO Settled Homes Initiative - Tranche 2 loan facility

This report requests the Executive's approval to provide BHP with a tranche 2 loan facility in order to finance the acquisition of affordable homes under the Settled Homes Initiative, subject to final terms and conditions that are agreed by the Director of Finance and Corporate Services.

Ward Affected: Lead Member: Councillor Crane
All Wards; Contact Officer: Manjul Shah

Tel: 020 8937 2523 manjul2.shah@brent.gov.uk

Date of the next meeting: Monday, 14 March 2011



Please remember to **SWITCH OFF** your mobile phone during the meeting.

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



# LONDON BOROUGH OF BRENT

# MINUTES OF THE EXECUTIVE Monday, 17 January 2011 at 7.00 pm

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

ALSO PRESENT: Councillors Chohan, Gladbaum and Sheth

# 1. Declarations of personal and prejudicial interests

None made.

# 2. Minutes of the previous meeting

**RESOLVED:-**

that the minutes of the previous meeting held on 13 December 2010 be approved as an accurate record of the meeting.

## 3. Adult and Social Care assessment

The report from the Director of Housing and Community Care advised members on the Annual Performance Assessment (APA) judgement for Adult Social Care for 2009/10, published by the Care Quality Commission (CQC). Councillor R Moher (Lead Member, Adults, Health and Social Care) drew attention to the CQC's judgement that the council was making progress in all areas. She confirmed that work was under way in those areas identified as requiring further improvement and that this would continue. Councillor Moher referred to proposed changes to the system of performance regulation and management, which meant that was the last year of the current system and the last report in this form. The changes would mean significantly more responsibility for local authorities.

## RESOLVED:

that the overall annual performance assessment and in particular the strengths and areas for further improvement identified in the performance assessment report be noted.

# 4. Award of contracts for accommodation with social care support services for people using mental health services

The Lead Member, Housing and Customer Care, Councillor Thomas, introduced the report which sought authority to appoint two providers to a framework for the provision of accommodation with social care support services, housing support and housing management for people with mental health illness as required by Contracts Standing Orders. Councillor Thomas pointed out that in consultation individuals using mental health services locally had indicated the importance of housing, support, not being isolated and being able to do "normal activities" as other people do. Two providers were recommended for approval. It was also proposed to bring back 50 individuals currently placed in out of borough social care settings. The framework was for a period of three years commencing in January 2011 with an option to extend the contracts for a further two-year period.

#### **RESOLVED:-**

- (i) that approval be given to the appointment of two provider organisations, Equinox Care and Look Ahead Housing and Care, to a framework for the provision of accommodation with social care support services, housing support and housing management. The length of the contract would be for a period of three years commencing in January 2011 with an option to extend the framework for a further two-year period;
- (ii) that approval be given to award a call-off contract from the framework referred to in paragraph (i) above to Equinox Care for the provision of accommodation with social care support services, housing support and housing management for up to 25 adults with high and medium mental health needs over three years with an option to extend the framework for a further two-year period;
- (iii) that approval be given to award a call-off contract from the framework referred to in paragraph (i) above to Look Ahead Housing and Care for the provision of accommodation with social care support services, housing support and housing management for up to 25 adults with high and medium mental health needs over three years with an option to extend the framework for a further two-year period.

# 5. De-commissioning of the Mental Health Community Networks Day Care Service

Councillor R Moher (Lead Member, Adults, Health and Social Care) introduced the report which recommended that the Community Networks Day Care Service be decommissioned. Community Networks provided day care to approximately 175 mental health clients in the borough and the proposal was to create in-house support worker posts who would direct service users to appropriate day activities either with the Community Networks Day Care Service or the voluntary sector. There would be a period of consultation. Councillor Moher referred to the associated risks and benefits and added that while this change was reflective of the shift towards independence and personalisation within Adult Social Care, it may not have been considered at this time were it not for the need for the council to make financial savings.

# **RESOLVED:-**

(i) that approval be given to the proposal that the Community Networks Day Care Service be decommissioned and that two in-house support worker posts be created to work in Community Services and develop knowledge of the private and voluntary sector resources available within Brent to which service users requiring day activities could be signposted;

(ii) that approval be given to a 12 week consultation period, with a further report to be submitted to the Executive in March 2011.

# 6. Arts and Festivals Strategy

The report from the Directors of Environment and Neighbourhood Services and Customer and Community Engagement outlined proposals for the draft Arts and Festivals Strategy for Brent Council. The strategy examined the current Brent offer and proposed changes that delivered savings and a more effective and efficient service. Councillor Jones (Lead Member, Human Resources and Diversity, Local Democracy and Consultation) felt that the strategy was long overdue and drew attention to the recommendation for public consultation. Comparisons would also be made with provision in other boroughs. It was felt that the time was now appropriate for a review of current arrangements in the light of demographic changes that have taken place over the years.

Councillor Jones also stated that there was the potential for income to fund projects to be generated through donations. She outlined the options put forward for future festivals provision. Option 1 involved ceasing all funding for the Navratri celebrations and all festivals apart from a Brent Festival, Holocaust Memorial Day and Bonfire Night and Diwali which would have reduced funding. Option 2 was to cease all festivals and to disband the Festival Team. Councillor Jones advised that the equalities impact assessment would need to be thorough. Councillor Powney (Lead Member, Environment Planning and Culture) referred to the climate of budget cuts within which the council had to operate. The Option 1 for arts provision involved the development of a sponsorship plan to increase capacity while Option 2 put forward the addition of reducing funding to the Tricycle Theatre. Councillor Powney drew attention to the proposals for a refocus of arts/cultural activity around the new civic centre and a redeveloped Willesden Green Library.

# **RESOLVED:-**

- (i) that the proposals of the Draft Arts and Festivals Strategy at paragraph 5.3. of the report from the Directors of Environment and Neighbourhood Services and Customer and Community Engagement be noted:
- (ii) that approval be given to a public consultation on the proposals as set out in Option 1 in the report;
- (iii) that a further report be submitted to the Executive in June 2011, setting out the consultation results and final recommendations on future arts and festivals in Brent.

# 7. Former park keepers' houses at 776 and 778 Harrow Road - disposal in open market

Councillor Crane (Lead Member, Regeneration and Economic Development) introduced the report which sought to vary the decision of the Executive on 14 September 2010 so that approval was given for the disposal, in the open market, of the former park-

keepers houses at 776 and 778 Harrow Road, located within the Barham Park open space. He advised that following discussion with the Charity Commission it was now considered that the council, as trustee, could dispose of these assets without prior Charity Commission approval. The properties could now be disposed of at auction based on advice from the District Valuer. Options for additional funding were being explored.

#### **RESOLVED:-**

- (i) that the report of the Director of Finance and Corporate Services be noted;
- (ii) the decision dated 14 September 2010 to dispose of the properties in the open market at auction, i) subject to the appropriate Charity Commission approval and ii) statutory advertising of a disposal of land within public open space and in the event of significant objections in the opinion of the Head of Property and Asset Management the matter is to be reported back to the Executive, be noted;
- (iii) that approval be given to vary the decision to dispose of the properties in the open market at auction subject to the appropriate Charity Commission approval, such that approval now be given to dispose of the properties subject to the final advice of the District Valuer in accordance with the Charities Act 1993 without recourse to the Charity Commission for its prior consent pursuant to consideration of the charity trust issues and decision of the Barham Park Trust Management Team.

# 8. Any Other Urgent Business

None.

# 9. Reference of item considered by Call in Overview and Scrutiny Committee

None.

### 10. Exclusion of Press and Public

# RESOLVED:

that the press and public be now excluded from the meeting as the following report contains the following category of exempt information as specified in the Local Government Act 1972 namely:

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

# 11. **113 Bryan Avenue – former social services stores**

The report before members from the Director of Regeneration and Major Projects sought approval to the freehold disposal of the surplus and vacant former Bryan Avenue storage building at auction so as to achieve the best price that could be reasonably obtained.

# **RESOLVED:-**

- (i) that it be noted that the original preferred purchaser is not proceeding, due to financial constraints, with an acquisition of the site (and a small area of adjoining land) for the purpose of a social housing redevelopment scheme in partnership with the Council on terms set out in the report from the Director of Finance and Corporate Services presented to and approved by members on 18 January 2010;
- (ii) that the Director of Regeneration and Major Projects be authorised to dispose of the freehold of the property with vacant possession at auction on such terms as the Assistant Director Regeneration and Major Projects (Property and Asset Management) considers to be in the council's best interests so as to achieve the best price that can be reasonably obtained subject to agreeing a reserve for auction with the Director of Finance and Corporate Services.

The meeting ended at 7.15 pm

A JOHN Chair This page is intentionally left blank

# EXECUTIVE 15 FEBRUARY 2011

#### **PETITION - MISSION DINE CLUB**

We, the undersigned, hereby present this deputation requesting that Brent Council should not demolish Mission Dine Club (MDC) Centre at Fry Road, Harlesden. The Centre provides a caring environment for the elderly and vulnerable to have a healthy meal and ease their isolation. It also provides space for inter-generational activity, volunteering opportunities, training and community engagement and cohesion.

The Council proposes to expand Newfield Primary School which was given a Grade 3 (satisfactory) by Ofsted in 2009. We have no confirmation that funds have been identified and are in place for the proposed expansion.

We respectfully ask the Council to either ensure that any expansion of the school is done without building on land occupied by MDC Centre, or that the new structure provides space for MDC Centre.

MDC has been supporting the elderly for over 24 years. Its Founder Dame Betty Asafu-Adjaye was made a Dame in 1997 in recognition of her services to charity. We urge you not to impede the work of the charity by demolishing MDC Centre, but rather to pro-actively support the charity and its vulnerable users.

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Agenda Item 6



# **Executive** 15 February 2011

# Report from the Directors of Children and Families and Regeneration and Major Projects

Wards Affected: ALL

Determination of proposal to permanently expand Newfield Primary School.

# 1 Summary

- 1.1 This report informs the Executive of the outcome of the statutory proposals to alter Newfield Primary (Community) School through expansion by one form of entry from 05 September 2011. Representation period on the proposal ended on 30 December 2010.
- 1.2 The Local Authority in agreement with the governing body of Newfield Primary School has proposed to alter the school by adding a form of entry. The current capacity of the school is 210 and the proposed capacity will be 420. For the academic year 2009/10, 238 children were on the school roll and there are currently 231 children attending Newfield School. The current admission number for the school is 30 and the proposed admission number will be 60.
- 1.3 The report seeks Executive approval to permanently expand Newfield Primary School, conditional upon planning permission being granted.

#### 2 Recommendations

The Executive are requested to:

- 2.1 Approve the permanent expansion of Newfield Primary (Community) School by one form of entry from 05 September 2011, conditional upon the granting of full planning permission under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011.
- 2.2 Agree that the main factor for approving the alteration of Newfield Primary School is to provide permanent primary places in an area of the borough which has severe shortage of reception and year 1 school places.

### 3 Detail

# 3.1 Background

- 3.1.1 Brent Council has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area.
- 3.1.2 According to GLA's current projection of school rolls (based on the January 2010 pupil census data), the number of four year olds on roll is expected to rise by over 300 pupils between 2010 and 2013, after which the demand is projected to decrease slightly. This translates into a shortfall in the capacity by 270 reception places (9 classes) by September 2012. The impact of rising birth rate may further impact on the demand for reception places.
- 3.1.3 Based on the GLA school roll projection analysis, the Council will need to provide an additional 1680 (Reception to Year 6) primary places by 2015-16 (including a 5% planning margin), which approximately equates to four new 2FE primary schools. In the last two academic years, the GLA's accuracy rate for the projection of primary school rolls has been falling and has not addressed the real rise in demand for primary school places. This is generally the case across London authorities, which are being caught by extremely high number of applications for reception and Year 1 places.
- 3.1.4 On time reception applications were up last year with, 3,817 applications received for admission in September 2010 compared to 3,583 on time applications for the 2009/10 academic year.
- 3.1.5 The demand for school places is mainly driven by:
  - Housing growth;
  - · Increased density of use of existing housing stock;
  - Increased popularity of Brent schools (mainly due to the increasing quality of Brent's educational offer);
  - Inward economic and other migration;
  - Decreasing availability of places in neighbouring boroughs;
  - Increased live births and fertility rates
- 3.1.6 The Council have provided 135 additional temporary places for September 2010. As at 24 January 2011, 50 reception aged children and 122 Year 1 children remain without a school place for the 2010-11 academic year. Since then, the Council has accommodated a further 56 children in temporary classes for the ongoing year.
- 3.1.7 The number of unplaced children and vacancies in the system are constantly fluctuating but overall demand is exceeding supply in the lower year groups (reception to Year 2), which is correlated to the pattern of rising demand in the borough, and indeed across London, over the last three years.
- 3.1.8 In May 2009, the local authority consulted with primary schools in the borough to explore the possibility of increasing the number of school places. Subsequently, the local authority reviewed opportunities to increase capacity at all primary schools and attempted to match these with areas where there was the highest demand for school places. Discussions took place with schools which were suitable and willing for expansion. This was followed by an

initial feasibility assessment for a long list of schools. A priority list for expansion of schools has been drawn from this work based on the following criteria:

- Expression of interest and/or agreement by the school to expand its capacity on a permanent basis;
- shortage of school places in a local area;
- physical expansion of a school deemed to be feasible;
- availability of funding to expand the school in accordance with the initial feasibility study;
- risk associated with the expansion of the specific schools, likelihood of planning consent.
- 3.1.9 Brent Council was allocated £14.766m in November 2009 from the previous DCSF under the additional round of Basic Need Safety Valve (BNSV). The funding is an emergency allocation to provide sufficient reception places by September 2011.
- 3.1.10 Subsequently, Brent Council discussed the option to provide primary school places with Newfield Primary School, since it met the criteria listed above. The Governing Body of Newfield Primary School agreed to consult on the proposal to permanently expand the school by one form of entry.
- 3.1.11 Newfield Primary School had taken a 'bulge' Reception class in the previous academic year 2009-10. This cohort would eventually progress to Year 6 in September 2015.

# 3.2 Proposal to Alter Newfield Primary School

- 3.2.1 Newfield Primary School is located at Longstone Avenue, Harlesden, London, NW10 3UD. It is a Community school using the admission arrangements set by the Local Authority. It offers non-denominational mixed gender places for students aged 3-11years.
- 3.2.2 The Local Authority in agreement with the governing body published a proposal to expand Newfield Primary School by one form of entry from September 2011.
- 3.2.3 If the proposals are accepted conditional upon the granting of planning permission under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011, Newfield Primary School will offer 2FE provision from September 2011. Its admission capacity will increase from 210 to 420 Reception to Year 6 places, which will support the Council to meet its statutory duty to provide sufficient school places. The pupils from the 2010-11 'bulge' Reception class will progress to Year 6 by September 2015 at which point the school would commence operating at full capacity in all Year Groups. The following table provides a summary of the progression in capacity:

| Year         | Sep 2009 | Sep 2010 | Sep 2011 | Sep 2012 | Sep 2013 | Sep 2014 | Sep 2015 |
|--------------|----------|----------|----------|----------|----------|----------|----------|
| Planned      | 30 R +   | 30 R     | 60 R     |
| Increase in  | 30 R     | 60 Y1    |
| Pupil        | 'bulge'  | 30 Y2    | 60 Y2    |
| Numbers      | class    | 30 Y3    | 30 Y3    | 60 Y3    | 60 Y3    | 60 Y3    | 60 Y3    |
|              | 30 Y1    | 30 Y4    | 30 Y4    | 30 Y4    | 60 Y4    | 60 Y4    | 60 Y4    |
|              | 30 Y2    | 30 Y5    | 30 Y5    | 30 Y5    | 30 Y5    | 60 Y5    | 60 Y5    |
|              | 30 Y3    | 30 Y6    | 60 Y6    |
|              | 30 Y4    |          |          |          |          |          |          |
|              | 30 Y5    |          |          |          |          |          |          |
|              | 30 Y6    |          |          |          |          |          |          |
| Total Places | 240 R-Y6 | 240 R-Y6 | 300 R-Y6 | 330 R-Y6 | 360 R-Y6 | 390 R-Y6 | 420 R-Y6 |

- 3.2.4 In accordance with paragraph 4.75 of the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (Excerpt attached in Appendix A), the Decision Maker can decide to approve the proposals subject to meeting a specific condition. The Decision Maker must set a date by which the condition should be met but will be able to modify the date if the proposers confirm, before the date expires, that the condition will be met later than originally thought.
- 3.2.5 The proposals comply with the Government's current agenda for raising standards, innovation and transforming education and in the process meet area and design guidance standards as detailed in Building Bulletin 99, where feasible.
- 3.2.6 The expansion of Newfield Primary School is fully in line with the aim of the guidance and the wish of the Secretary of State that local authorities provide school places where demand is high. The school serves a wide range of ethnic minority children, both boys and girls, and the proposals will be of benefit to them. As this is an expansion of school places there is no adverse impact to any disadvantaged group.
- 3.2.7 Achievement and attainment for Newfield Primary School in 2009 in comparison with the Local Authority average is as follows:

| Performance                             | English |     | Mathemati<br>cs |     | Science |     | both<br>English<br>and<br>Mathematic<br>s | Avera<br>ge<br>point<br>score |
|---|---------|-----|-----------------|-----|---------|-----|---|-------------------------------|
|   | L4+     | L5  | L4+             | L5  | L4+     | L5  | L4+                                       |                               |
| Local Authority<br>Average              | 80<br>% | 28% | 78<br>%         | 37% | 85%     | 40% | 72%                                       | 27.7                          |
| England<br>(maintained<br>schools only) | 80<br>% | 29% | 79<br>%         | 34% | 88%     | 43% | 72%                                       | 27.8                          |
| England (all schools)                   | 80<br>% | 29% | 79<br>%         | 35% | 88%     | 43% | 72%                                       | 27.9                          |
| Newfield<br>Primary<br>School           | 81<br>% | 50% | 81<br>%         | 42% | 88%     | 46% | 77%                                       | 28.5                          |

3.2.8 According to the 2009 Ofsted report, the school no longer requires significant improvement. The school now provides a satisfactory quality of education. Pupils' personal development is good and attendance has improved. They now make satisfactory progress from their starting points, leaving with standards which are broadly average.

These improvements are the result of the determined leadership of the headteacher, supported well by staff, governors and the local authority. Parents are happy with the education provided by the school. A typical comment is, 'I am proud to be part of Newfield and extremely happy my boys have the opportunity to learn and grow here.' The headteacher has successfully created an inclusive ethos where everyone feels valued. Pupils joining midway through the year, some at an early stage of learning English, are welcomed into the school community and good support is put in place to meet their needs. In this secure and peaceful environment, pupils develop good social and personal qualities. They behave well and are friendly and considerate towards others.

- 3.2.9 Brent's School Improvement Service is working with the school and advises that Newfield being a one form entry school, with a highly mobile pupil population, the results are likely to vary year on year. However, against the most important indicator at Key Stage 2: the proportion of pupils achieving level 4+ in both English and mathematics, results rose from 38% in 2008 to 77% in 2009, and then 68% in 2010: sound performance taking into account the highly challenging circumstances the school works in. The School Improvement Partner's judgement last year was that the school was satisfactory, with good leadership and management and good capacity to improve. The Council's view is that if the school were to expand, this would help to stabilise the pupil population and help secure high standards.
- 3.2.10 The Council and their advisors considered a number of options during the feasibility studies for Newfield. These options were considered very carefully however were rejected as they either were not viewed as value for money, or impacted further on the playspace which affected the Council's core strategy, or did not meet government guidelines.
- 3.2.11 The Council's preferred option for extra primary school places at Newfield Primary School:
  - meets the amount of playspace required by BB99 (Building Bulletin 99 that provides government guidelines on classroom size and playspace)
  - minimises the impact on the parkland by minimising the footprint of the extension;
  - minimises the impact on the existing building (thereby reducing cost);
  - provides an enhanced community space (increased hall space, and a MUGA (Multi use games area) that the community can use);
  - utilises roof space for both renewable energy, and for an outdoor learning space;
  - and finally as part of the school expansion it was important to improve visibility of the school entrance and create a strong sense of arrival and place
- 3.2.12 The accommodation will provide an additional form of entry primary provision offering 210 new Reception to Year 6 places. The extension and expansion has provided the school with an opportunity to rationalise their layout, reconfiguring the existing learning accommodation to split the children in to KS1 and KS2 accommodation, located adjacent to their respective playspaces. Access to the ICT existing facility will be maintained under the proposal and new classrooms will be built to comply with state-of-the art technology requirement.
- 3.2.13 The expansion of Newfield Primary School will increase the choice available to local parents and residents in an area of demand. The proposals will increase diversity of provision and enable the local authority to meet its statutory duty to provide school places to all resident pupils.

- 3.2.14 Newfield Primary is a popular and well performing primary school; the local authority is confident that sufficient number of applications will be received for the permanent primary provision.
- 3.2.15 The travel arrangements for existing pupils are not changed for pupils at Newfield Primary School. However, the expansion of provision will enable more Brent pupils to be educated in general nearer to where they live.
- 3.2.16 One of the key changes within the proposals is the relocation of the main entrance. Currently tucked away at the north west part of the site, the school is not physically visible to its community. The addition of a new two storey wing, and reconfiguration of a new entrance to the south west, will give it visibility from Fry Road, and provide a more natural access to the site for the majority of its community.
- 3.2.17 The Council owned land currently occupied by the existing Mission Dine Community Centre to the south west of the school building is planned to be incorporated into the school site with the existing building demolished, along with access to the adjacent parkland providing a new Multi Use Games Area (MUGA), in order to meet the need for the additional land required for the increasing school population. Mission Dine's lease expires on 31 August 2011 and the statutory legislation governing landlord and tenant relationships allows a landlord to refuse to renew a lease. In addition, the tenant has persistently delayed paying rent due and now owes a substantial sum amounting to £20,762.
- 3.2.18 A new hall is also provided from the new reception. The new wing will provide new classrooms, WC's, and a shared teaching area with space for desks and circulation.
- 3.2.19 It is anticipated that the building works will enable an enhanced level of the delivery of the curriculum, through the provision of the above mentioned additional classrooms and facilities which are essential in supporting the educational standards for its pupils and staff. In effect it would lead to:
  - Provision of a safe and secure environment
  - Create a healthy environment naturally ventilated, good sized classrooms with easy access to outside space.
  - Modelling of proposed spaces to maximise natural daylighting and control sunlight, to maximise thermal comfort, control glare and provide a suitable internal environment.
  - Environmentally friendly and efficient
  - Provision of minimal loss of 'down-time' i.e travel to core facilities, toilets, etc.
  - Allow a variety of learning experiences individual, group, class, year group, quiet spaces internal and external
  - Provision of playing space
  - Enhancing the opportunity for the community to become involved in the school and support the children's learning Classrooms to support easy access to ICT provision
- 3.2.20 An area analysis of the site has been carried out to ensure the new accommodation would meet the guidelines for new school accommodation, Building Bulletin 99. The target of 'Very Good' is being aimed for BREEAM accreditation.

- 3.2.21 Subject to planning application approval, the building works are planned to commence in March/April 2011 which will involve new build works in compliance with Department for Education's design guidelines.
- 3.2.22 No change to the existing SEN provision is being proposed. The proposal will comply with the standards, quality and range of educational provision for children with special educational needs in the proposed expansion of primary provision. The proposal will fully meet the requirements of the SEN Code of Practice and the accessibility standards.

# 3.3 Statutory Process

# **Stage One Consultation**

- 3.3.1 The Local Authority with the support of the governing body of Newfield Primary School consulted with key interested parties on the alteration proposal. The consultation documents are attached as an appendix to the complete statutory proposals document (Appendix B). Over 2500 copies of the consultation document were distributed through hand delivery, email and/or internal/external post. The school distributed the consultation documents by hand to parents, pupils, staff and other interested parties. The Council arranged for 2000 copies to be hand delivered in the area surrounding the school through a special leaflet drop.
- 3.3.2 The consultation document was listed on the Council consultation website http://www.brent.gov.uk/consultations and this link had been provided in the consultation document itself.
- 3.3.3 A consultation meeting with the parents was held at the school on 11 November 2010.
- 3.3.4 The consultation on the proposal to expand by one form of entry thereby providing 420 primary Reception to Year 6 places commenced on 21 October 2010. The first consultative stage of the statutory process completed on 25 November 2010. All applicable statutory requirements to consult in relation to these proposals have been complied with.
- 3.3.5 The proposal received 30 on time responses to the consultation. 23 (76.6%) consultees support the proposal and only 3 (10%) consultees have expressed concerns, whilst 4 (13.3%) remain undecided.
- 3.3.6 Responses to the various concerns and objections were included as an appendix to the published statutory proposal.
- 3.3.7 Following the close of consultation, the Local Authority agreed to publish the statutory notice and proposal.

# **Publication of Statutory Notice and Representation Period**

3.3.8 The Local Authority with the support of the governing body of Newfield Primary School published the Statutory Notice in two local newspapers on 02 December 2010 for altering the school by expanding Newfield Primary School by one form entry from 05 September 2011. Following the progression of the pupils in the 2009-10 'bulge' reception class through to the primary classes up to Year 6, the school will commence operating at full capacity of 420 places by September 2015.

- 3.3.9 The planning application for the expansion of Newfield Primary School is due to be considered by the Council's Planning Committee at their meeting in February 2011. Hence, the Executive is requested to approve the expansion of Newfield Primary School from 05 September 2011, conditional upon the granting of planning permission and in accordance with Regulation 38 (1) (a) of the School Organisation Regulations.
- 3.3.10 A copy of the statutory proposal is attached in Appendix B, which includes a copy of the statutory notice.
- 3.3.11 The statutory notice was followed by a 4 week statutory period (Representation stage), which ended on 30 December 2010, during which representations (i.e. objections or comments) could be made. The representation period is the final opportunity for residents and organisations to express their views about the proposal and ensures that they will be taken into account by the Brent Executive when the proposal is determined.

# Response received during the Representation Stage:

- 3.3.12 Only one representation was received during the 4 week statutory period:
- 3.3.13 Mission Dine Centre: I write to provide feedback regarding the proposed expansion of Newfield Primary School. I am concerned about what will happen to Mission Dine Club (MDC) centre which has been providing vital services to the elderly in Brent and its environs. In my view the expansion will impact negatively on the elderly and vulnerable who have been accessing services at MDC.

## Council's view:

- 3.3.14 The Council wrote to the Mission Dine Club on 27 October 2010 informing them that the Council is struggling to keep pace with the significant increase in demand for primary school places in Brent. The Mission Dine Club was informed that the Local Authority has a statutory duty to ensure there are sufficient school places and for this reason the Council in agreement with the school is proposing to expand it by 1 Form of Entry. In order to achieve this expansion, the community centre was informed that additional land would be required and that the Council intends to demolish the Mission Dine centre and utilise the land to accommodate the school expansion.
- 3.3.15 Brent Council has regrettably had to serve notice to Mission Dine Club that it will not renew the lease next year on the site of its building adjacent to Newfield Primary School because of mounting pressure to provide more school places.
- 3.3.16 The site is needed for an expansion of the school to create an extra 30 new places ready for the school year starting in September 2011. The council has a statutory requirement to provide school places.
- 3.3.17 Mission Dine's lease expires on 31 August 2011 and the statutory legislation governing landlord and tenant relationships allows a landlord to refuse to renew a lease. The reasons stated in Brent Council's notice are that the tenant has persistently delayed paying rent due; that on the termination of the current tenancy Brent Council intends to demolish or reconstruct the premises comprised in the holding or a substantial part of those premises or to carry out substantial work of construction on the holding or part thereof and that Brent Council could not reasonably do so without obtaining possession of the holding; and that on the termination of the current tenancy Brent Council intends to

- occupy the holding for the purposes, or partly for the purposes, of a business to be carried on by Brent Council therein, or as its residence.
- 3.3.18 Officers are actively reviewing alternative options which may be suitable for the purposes of the Mission Dine Club.

# 3.4 Next Steps

3.4.1 The milestones following a decision by the Executive to determine this proposal to alter Newfield Primary School are set out in the timetable below:

| Milestone  | Date             |
|--|------------------|
| Decision on Newfield Primary School expansion from 5 September 2011 through the provision of 420 permanent places (Reception to Year 6), conditional upon planning consent | 15 February 2011 |
| Planning Application submitted by  | 26 Nov 2010      |
| Planning Committee consider application on   | 23 February 2011 |
| Award of contract for building works by  | 07 March         |
| Reception class with 30 new places commences or  | 5 September 2011 |
| Year 1 class taking in the pupils from the temporary provision at Curzon Crescent Nursery commences on   | 5 September 2011 |
| Year 2 class taking in the pupils from the 2009-10 'bulge' Reception class commences on  | 5 September 2011 |

# 4 Procurement

- 4.1 The Planning Application has been submitted in advance of the Executive approval to this proposal to ensure that the statutory proposal can be implemented on time. However, if the statutory proposal is rejected then the planning application would be withdrawn.
- 4.2 Consultants have been appointed for this project under both delegated authority and under decision of the Executive on 15<sup>th</sup> November 2010.
- 4.3 On 15 November 2010, the Executive also agreed to delegate the decision to award contracts from appropriate frameworks to building contractors to the Director of Regeneration and Major Projects in order to minimise further delay in the delivery of this project. The report informed Members that it is not usual for award decisions to be delegated however it is considered justified in these circumstances where the implementation time is short.
- 4.4 Subsequently, the Council has undertaken a procurement process. The procurement of the contractors has been carried out using The Improvement Efficiency South East Framework (IESE) framework. This framework uses a two stage process for design and build projects. Under this two stage process, those bidding submit bids including indicative costs. The successful contractor under the bidding process is then awarded a pre-construction services contract under which they work on the costs in more detail and carryout some design work. If this work is satisfactory then the provider of the pre-construction services will be awarded the main works contract. The three schools proposed for expansion were put into two lots, lot one Preston Manor High School, and Lot two Brentfield and Newfield Primary Schools. The evaluation for both lots was split

into quality 70% and cost plan 30%. The qualitative submission was evaluated by a panel consisting of officers from London Borough of Brent, external technical advisers and representatives from the individual schools. The cost plan submission was evaluated by the technical adviser's quantity surveyor. The whole process was overseen by a senior category manager from London Borough of Brent. The pre-construction services contract for lot two has been awarded to Morgan Sindall who are now working on the costs for the main works contract. A works contract will then be awarded under the delegation described in paragraph 4.3 above.

# 5 Financial Implications

- The capital costs of the expansion of Newfield Primary School are estimated at approximately £3.61m.
- On 15 November 2010, the Executive agreed the sum of £3.1m to this project from Basic Needs Safety Valve funding totalling £14.76m allocated to the Council in November 2009 to support the provision of additional permanent primary places by 2011. This funding allocation is dependent on pupil numbers in the January 2012 census meeting those forecast for September 2011 and the Department for Education (DFE) 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.
- 5.3 If there is any subsequent reduction in the grant allocation any shortfall on this scheme's funding will have to be met from elsewhere within the schools capital programme.
- 5.4 The forecast shortfall of £0.51m arising from the difference between the approved Executive allocation of £3.1m and the current estimated cost of the project at £3.61m is proposed to be allocated from the schools capital programme. In the November 2010 Executive report, the sum of £4.34m was identified under the Capital programme for 2011/12 for further investment in other priority school expansion schemes in conjunction with future years capital programme allocations. The forecast shortfall identified for Newfield Primary School will be met from this allocation which will reduce the funding available for subsequent priority expansion schemes. The currently forecast additional requirements for the three ongoing proposed expansion projects at Preston Manor High School, Brentfield and Newfield Primary Schools totals £2.68m and will have to be met from the 2011/12 allocation detailed above. There will be a further report to Executive to give full details of the impact of this on the provision of other forecast expansion schemes and further proposed programmes of work.
- 5.5 The expansion of pupil numbers at the school will result in increased revenue costs for staffing and associated teaching costs. These increased costs will be met from the school's budget which will increase proportionately based on the formulaic allocation from the DFE.

# 6 Legal implications

The procedure for the enlargement of Newfield Primary School is as required by The Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 as amended. The Local Authority is entitled to make prescribed alterations to Newfield Primary School pursuant to powers granted by The Education and Inspections Act 2006, Sections 18 and 19 and in accordance with Schedule 4 Part 1 and Schedule 5 of the Regulations.

- The Authority has the power to consider and determine proposals published under Section 19 of The Education and Inspections Act 2006, pursuant to Section 21 (2) (f) of the Act and in accordance with Regulation 30 of The School Organisation Regulations 2007 as amended.
- 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.
- 6.4 The Council's legal officer advises on a) to d) that:
  - a) Executive should decide this
  - b) The published notices meet the requirements
  - c) The required statutory consultations have been carried out
  - d) The proposals are not related to any other proposals
- The Brent Executive acting on behalf of the Brent Local Authority is the Decision Maker pursuant to the Education and Inspections Act 2006 Section 21 (2) (f) and schedule 3 paragraph 30 of The School Organisation Regulations.
- The Executive would need to have regard to Guidance issued by the Secretary of State before making a decision upon this proposal. Paragraphs 4.1 to 4.80 of the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (Excerpt attached in Appendix A) is applicable.
- 6.7 If the LA fail to decide proposals within 2 months of the end of the representation period the LA must forward proposals, and any received representations (i.e. not withdrawn in writing), to the schools adjudicator for decision. They must forward the proposals within one week from the end of the 2 month period.
- The lease to Mission Dine is protected by the Landlord and Tenant Act 1954 (the Act) which means that notwithstanding the ending of the contractual term, the tenancy will be automatically continued until such time as it is terminated in one of the ways specified in the Act.
- Furthermore upon the expiration of the business tenancy in accordance with the Act, Mission Dine will have a statutory right to apply to court for a new tenancy and Brent Council may only oppose that application on certain statutory grounds.
- The relevant section where a landlord wishes to terminate a protected tenancy is s25 of the Act and the landlord must serve a notice on the tenant in the prescribed form and give not less than 6 months, nor more than 12 months before the date of termination specified in it which cannot be earlier than the contractual term date.
- 6.11 Where the landlord is opposed to the grant of a new tenancy the notice must also specify one or more of the grounds specified in section 30(1) of the Act as the ground or grounds for its opposition.

- Some of the grounds confer discretion on the court whether or not to order a new tenancy even if the ground is made out. However where the landlord can prove one of the mandatory grounds, such as its intention to demolish or reconstruct the premises on the termination of the current tenancy, the court must refuse the tenant's application.
- 6.13 The tenant may be entitled to compensation for failing to obtain a new tenancy.

# 6.14 **Decision Making**:

- There are 4 key issues which the Decision Maker should consider before judging the respective factors and merits of the statutory proposals:
  - Is any information missing? If so, the Decision Maker should write immediately to the proposer specifying a date by which the information should be provided;

All necessary information has been provided.

Does the published notice comply with statutory requirements?

The statutory notice is complete and in line with the statutory requirements. The four week statutory representation period closed on 30 December 2010.

 Has the statutory consultation been carried out prior to the publication of the notice?

All applicable statutory requirements to consult in relation to the proposal have been complied with.

Are the proposals "related" to other published proposals?

The Newfield Primary School proposal is not 'related' to other proposals.

# 6.16 Types of Decision

- 6.17 All decisions must give reasons for the decision, irrespective of whether the proposals were rejected or approved, indicating the main factors/criteria for the decision.
- 6.18 In considering prescribed alteration proposals, the Decision Maker can decide to:
  - reject the proposals;
  - approve the proposals;
  - approve the proposals with a modification (e.g. the implementation date); or
  - approve the proposals subject to them meeting a specific condition.
- 6.19 The following bodies may appeal against an LA decision:
  - The local Church of England diocese:
  - The Bishop of the local Roman Catholic diocese;
  - the Young People's Learning Agency (previously the LSC) where the school provides education for pupils aged 14 and over; and
  - The governing body of the Community School that is proposed for expansion.

- Any appeals must be submitted to the LA within 4 weeks of the notification of the LA decision. On receipt of an appeal the LA must then send the proposals and the comments and objections received, to the schools adjudicator within 1 week of receipt of the appeal. The LA should also send a copy of the minutes of the LA's meeting or other record of the decision and any relevant papers. Where the proposals are "related" to other proposals, all the "related" proposals must also be sent to the schools adjudicator.
- 6.21 Legal Services has also been involved in the procurement described in section 4 above and will be involved in formalising the works contract to ensure that it complies with standing orders and allocates risk to the contractor as appropriate to protect the Council's interest. A Works contract of the value outlined in section 4 is a High Value contract under the Council's Contract Standing Orders and needs to be tendered under the EU public procurement regime. Here the use of an IESE framework means that a further EU tender is not required, and furthermore the delegation by the November Executive means that the Executive is not required to award the works contract.

# 7 Diversity Implications

- 7.1 In 2008, the Council consulted widely on schools strategy in Brent, receiving over 800 responses. Brent residents were in favour of the Council's strategy for school places and believed that the LA should play a major role in managing and running schools. Over two thirds of participants did not feel they were disadvantaged in obtaining a school place for their children due to any of the main diversity strands. Over, 90% did not feel they were disadvantaged due to their gender. This was also true for 85% of participants in relation to disability; 77% in relation to ethnicity; and 66% in relation to their faith.
- 7.2 The school proposed for expansion has a diverse ethnic representation of children. Expanding Newfield Primary School would enable the Council to provide additional new places required for Brent's growing pupil population.
- 7.3 The expansion will improve choice and diversity. The impact on Equalities will be kept under review and reported to the members on a regular basis.
- 7.4 An Equalities Impact Assessment has been completed and is currently being reviewed by the Council's Diversity Team. The Executive will be informed of any concerns raised by the Diversity Team at the meeting.

# 8 Staffing Issues

8.1 With the expansion of pupil numbers there is likely to be an expansion of posts rather than a reduction. The costs relating to the need to provide for additional pupils will be covered by the schools' budgets.

# 9 Background Papers

- Statutory Proposal Files
- Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form.
- 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

# 10 Appendices

Appendix A – Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (complete guidance document available from Property & Asset Management Service or at www.dcsf.gov.uk/schoolorg).

Appendix B – complete statutory proposals document

Appendix C – Location Map

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ANDY DONALD DIRECTOR OF REGENERATION AND MAJOR PROJECTS

KRUTIKA PAU DIRECTOR OF CHILDREN AND FAMILIES DEPARTMENT

Agenda Item 7



# **Executive** 15 February 2011

# Report from the Directors of Children and Families and Regeneration and Major Projects

Wards Affected: ALL

Determination of proposal to permanently expand Brentfield Primary School.

# 1 Summary

- 1.1 This report informs the Executive of the outcome of the statutory proposals to alter Brentfield Primary (Community) School through expansion by one form of entry from September 2011. Representation period on the proposal ended on 23 December 2010.
- 1.2 The Local Authority in agreement with the governing body of Brentfield Primary School has proposed to alter the school by adding a form of entry. The current capacity of the school is 420 and the proposed capacity will be 630. There were 423 children on the school roll for the 2009/10 academic year and there are currently 439 children on roll. The current admission number for the school is 60 and the proposed admission number will be 90.
- 1.3 The report seeks Executive approval to permanently expand Brentfield Primary School, conditional upon planning permission being granted.

## 2 Recommendations

The Executive are requested to:

- 2.1 Approve the permanent expansion of Brentfield Primary (Community) School by one form of entry from 05 September 2011, conditional upon the grant of full planning permission under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011.
- 2.2 Agree that the main factor for approving the alteration of Brentfield Primary School is to provide permanent primary places in an area of the borough which has severe shortage of reception and year 1 school places.

#### 3 Detail

# 3.1 Background

- 3.1.1 Brent Council has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area.
- 3.1.2 According to GLA's current projection of school rolls (based on the January 2010 pupil census data), the number of four year olds on roll is expected to rise by over 300 pupils between 2010 and 2013, after which the demand is projected to decrease slightly. This translates into a shortfall in the capacity by 270 reception places (9 classes) by September 2012. The impact of rising birth rate may further impact on the demand for reception places.
- 3.1.3 Based on the GLA school roll projection analysis, the Council will need to provide an additional 1680 (Reception to Year 6) primary places by 2015-16 (including a 5% planning margin), which approximately equates to four new 2FE primary schools. In the last two academic years, the GLA's accuracy rate for the projection of primary school rolls has been falling and has not addressed the real rise in demand for primary school places. This is generally the case across London authorities, which are being caught by extremely high number of applications for reception and Year 1 places.
- 3.1.4 On time reception applications were up last year with 3,817 applications received for admission in September 2010 compared to 3,583 on time applications for the 2009-10 academic year.
- 3.1.5 The demand for school places is mainly driven by:
  - Housing growth;
  - Increased density of use of existing housing stock;
  - Increased popularity of Brent schools (mainly due to the increasing quality of Brent's educational offer);
  - Inward economic and other migration;
  - Decreasing availability of places in neighbouring boroughs;
  - Increased live births and fertility rates
- 3.1.6 The Council have provided 135 additional temporary places for September 2010. As at 24 January 2011, 50 reception aged and 122 Year 1 children remain without a school place for the 2010-11 academic year. Since then, the Council has accommodated a further 56 children in temporary classes for the ongoing year.
- 3.1.7 The number of unplaced children and vacancies in the system are constantly fluctuating but overall demand is exceeding supply in the lower year groups (reception to Year 2), which is correlated to the pattern of rising demand in the borough, and indeed across London, over the last three years.
- 3.1.8 In May 2009, the local authority consulted with primary schools in the borough to explore the possibility of increasing the number of school places. Subsequently, the local authority reviewed opportunities to increase capacity at all primary schools and attempted to match these with areas where there was the highest demand for school places. Discussions took place with schools which were suitable and willing for expansion. This was followed by an

initial feasibility assessment for a long list of schools. A priority list for expansion of schools has been drawn from this work based on the following criteria:

- expression of interest and/or agreement by the school to expand its capacity on a permanent basis;
- shortage of school places in a local area;
- physical expansion of a school deemed to be feasible;
- availability of funding to expand the school in accordance with the initial feasibility study;
- risk associated with the expansion of the specific schools, likelihood of planning consent.
- 3.1.9 Brent Council was allocated £14.766m in November 2009 from the previous DCSF under the additional round of Basic Need Safety Valve (BNSV). The funding is an emergency allocation to provide sufficient reception places by September 2011.
- 3.1.10 Subsequently, Brent Council discussed the option to provide primary school places with Brentfield Primary School, since it met the criteria listed above. The Governing Body of Brentfield Primary School agreed to consult on the proposal to permanently expand the school by one form of entry.
- 3.1.11 Brentfield Primary School has accepted a 'bulge' Reception class in the current academic year 2010-11. This cohort would eventually progress to Year 6 in September 2016.

# 3.2 Proposal to Alter Brentfield Primary School

- 3.2.1 Brentfield Primary School is located at 41 & 43 Meadow Garth, London, NW10 0SL. It is a Community school using the admission arrangements set by the Local Authority. It offers non-denominational mixed gender places for students aged 3-11years.
- 3.2.2 The Local Authority in agreement with the governing body published a proposal to expand Brentfield Primary School by one form of entry from September 2011.
- 3.2.3 If the proposals are accepted conditional upon the granting of planning permission under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011, Brentfield Primary School will offer 3FE provision from September 2011. Its admission capacity will increase from 420 to 630 Reception to Year 6 places, which will support the Council to meet its statutory duty to provide sufficient school places. The pupils from the 2010-11 'bulge' Reception class will progress to Year 6 by September 2016 at which point the school would commence operating at full capacity in all Year Groups. The following table provides a summary of the progression in capacity:

| Year                | Sep 2010 | Sep 2011 | Sep 2012 | Sep 2013 | Sep 2014 | Sep 2015 | Sep 2016 |
|---------------------|----------|----------|----------|----------|----------|----------|----------|
| Planned             | 60 R +   | 90 R     |
| Increase in         | 30 R     | 90 Y1    |
| Pupil               | 'bulge'  | 60 Y2    | 90 Y2    |
| Numbers             | class    | 60 Y3    | 60 Y3    | 90 Y3    | 90 Y3    | 90 Y3    | 90 Y3    |
|                     | 60 Y1    | 60 Y4    | 60 Y4    | 60 Y4    | 90 Y4    | 90 Y4    | 90 Y4    |
|                     | 60 Y2    | 60 Y5    | 60 Y5    | 60 Y5    | 60 Y5    | 90 Y5    | 90 Y5    |
|                     | 60 Y3    | 60 Y6    | 90 Y6    |
|                     | 60 Y4    |          |          |          |          |          |          |
|                     | 60 Y5    |          |          |          |          |          |          |
|                     | 60 Y6    |          |          |          |          |          |          |
| <b>Total Places</b> | 450 R-Y6 | 480 R-Y6 | 510 R-Y6 | 540 R-Y6 | 570 R-Y6 | 600 R-Y6 | 630 R-Y6 |

- 3.2.4 In accordance with paragraph 4.75 of the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (Excerpt attached in Appendix A), the Decision Maker can decide to approve the proposals subject to meeting a specific condition. The Decision Maker must set a date by which the condition should be met but will be able to modify the date if the proposers confirm, before the date expires, that the condition will be met later than originally thought.
- 3.2.5 The proposals comply with the Government's current agenda for raising standards, innovation and transforming education and in the process meet area and design guidance standards as detailed in Building Bulletin 99, where feasible.
- 3.2.6 The expansion of Brentfield Primary School is fully in line with the aim of the guidance and the wish of the Secretary of State that local authorities provide school places where demand is high. The school serves a wide range of ethnic minority children, both boys and girls, and the proposals will be of benefit to them. As this is an expansion of school places there is no adverse impact to any disadvantaged group.
- 3.2.7 Achievement and attainment for Brentfield Primary School in 2009 in comparison with the Local Authority average is as follows:

| Performance                             | English |     | Mathematics |     | Science |     | both English<br>and<br>Mathematics | Average point score |
|---|---------|-----|-------------|-----|---------|-----|------------------------------------|---------------------|
|   | L4+     | L5  | L4+         | L5  | L4+     | L5  | L4+                                |                     |
| Local Authority<br>Average              | 80%     | 28% | 78%         | 37% | 85%     | 40% | 72%                                | 27.7                |
| England<br>(maintained<br>schools only) | 80%     | 29% | 79%         | 34% | 88%     | 43% | 72%                                | 27.8                |
| England (all schools)                   | 80%     | 29% | 79%         | 35% | 88%     | 43% | 72%                                | 27.9                |
| Brentfield<br>Primary School            | 82%     | 14% | 80%         | 38% | 86%     | 30% | 73%                                | 27.4                |

3.2.8 The accommodation will provide an additional form of entry primary provision offering 210 new Reception to Year 6 places. The extension and expansion has provided the school with an opportunity to rationalise their layout, reconfiguring the existing learning accommodation to split the children in to KS1 and KS2 accommodation. Access to the recently upgraded existing ICT suite will be maintained under the proposal and new classrooms will be built to comply with state-of-the art technology requirements. The extension is confined to two parts of the site.

- 3.2.9 The first part comprises an additional six classrooms and breakout space over two floors, along with storage and toilets, linking in to the existing adjoining classrooms to provide a collocated KS2 wing. This KS2 wing is collocated alongside the KS2 playground, providing simple access and a rational site layout.
- 3.2.10 The proposals also include for further modifications, including additional toilets in the new KS1 wing, the repositioning of the main reception to provide improved surveillance to the site entrance, a remodelled entrance which provides a clearer and safer split between vehicles and pedestrians, and a rationalised designation of play/amenity space in line with BB99.
- 3.2.11 The second part is a new hall and kitchen built at the front of the site, with an accessible toilet. This will supplement the existing hall which is to be retained, and provide the extra capacity appropriate to the increase in population. Its location at the front allows for community access, with a security arrangement that allows for it to be opened out of school hours, without comprising the rest of the school. The new kitchen will be sized in line with guidelines, and capable of providing fresh meals for the increased school population.
- 3.2.12 The Expansion of Brentfield Primary School will increase the choice available to local parents and residents in an area of demand. The proposals will increase diversity of provision and enable the local authority to meet its statutory duty to provide school places to all resident pupils.
- 3.2.13 Brentfield Primary is a popular and performing primary school; the local authority is confident that sufficient number of applications will be received for the permanent primary provision.
- 3.2.14 The travel arrangements for existing pupils are not changed for pupils at Brentfield Primary School. However, with the expansion of provision will enable more Brent pupils to be educated in general nearer to where they live.
- 3.2.15 It is anticipated that the building works will enable an enhanced level of the delivery of the curriculum, through the provision of the above mentioned additional classrooms and facilities which are essential in supporting the educational standards for its pupils and staff. In effect it would lead to:
  - Provision of a safe and secure environment
  - Create a healthy environment naturally ventilated, good sized classrooms with easy access to outside space.
  - Modelling of proposed spaces to maximise natural daylighting and control sunlight, to maximise thermal comfort, control glare and provide a suitable internal environment.
  - Environmentally friendly and efficient
  - Provision of minimal loss of 'down-time' i.e travel to core facilities, toilets, etc.
  - Allow a variety of learning experiences individual, group, class, year group, quiet spaces internal and external
  - Provision of playing space
  - Enhancing the opportunity for the community to become involved in the school and support the children's learning
  - Classrooms to support easy access to ICT provision.

- 3.2.16 An area analysis of the site has been carried out to ensure the new accommodation would meet the guidelines for new school accommodation, Building Bulletin 99. The target of 'very good' is being aimed for, BREEAM accreditation.
- 3.2.17 The design proposals have been carefully developed to ensure there is no loss of play space for the school. This has been enabled through careful rationalisation of the existing site amenity areas, entrance and car parking.
- 3.2.18 The new buildings have been located in two parts of the site: the sports hall at the front of the site is in an area at the entrance, which is not utilised as play space; the second area is alongside the playground and rear of the existing car park. The car parking has been revised to provide a more organised layout, and in line with maximum number of parking spaces in line with planning policy, which is lower than the current number of spaces.
- 3.2.19 Subject to planning application approval, the building works are planned to commence in March/April 2011 which will involve new build works in compliance with Department for Education's design guidelines.
- 3.2.20 No change to the existing SEN provision is being proposed. The proposal will comply with the standards, quality and range of educational provision for children with special educational needs in the proposed expansion of primary provision. The proposal will fully meet the requirements of the SEN Code of Practice and the accessibility standards.

# 3.3 Statutory Process

# Stage One Consultation

- 3.3.1 The Local Authority with the support of the governing body of Brentfield Primary School consulted with key interested parties on the alteration proposal. The consultation documents are attached as an appendix to the complete statutory proposals document (Appendix B). Over 800 copies of the consultation document were distributed through hand delivery, email and/or internal/external post. The school distributed the consultation documents by hand to parents, pupils, staff and other interested parties. In addition, the Council arranged for 2000 copies to be hand delivered in the area surrounding the school through a special leaflet drop.
- 3.3.2 A consultation meeting with the parents was held at the school on 02 November 2010.
- 3.3.3 The statutory consultative stage of the proposal to expand by one form entry thereby providing 630 primary Reception to Year 6 places completed on 15 November 2010. All applicable statutory requirements to consult in relation to these proposals have been complied.
- 3.3.4 The proposal received 22 on time responses to the consultation. 16 (73%) consultees support the proposal and only 2 (9%) consultees have expressed concerns, whilst 4 (18%) remained undecided.
- 3.3.5 Responses to the various concerns and objections were included as an appendix to the published statutory proposal.
- 3.3.6 Following the end of consultation, the Council agreed to publish the statutory notice and proposal.

# <u>Publication of Statutory Notice and Representation Period</u>

- 3.3.7 The Local Authority with the support of the governing body of Brentfield Primary School published the Statutory Notice in two local newspapers on 25 November 2010 for altering the school by expanding Brentfield Primary School by one form entry from September 2011. Following the progression of the pupils in the 2010-11 'bulge' reception class through to the primary classes up to Year 6, the school will commence operating at full capacity of 630 places by September 2016.
- 3.3.8 The Council is estimating that the planning permission would be granted under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011. Hence, the Executive is requested to approve the expansion of Brentfield Primary School from September 2011, conditional upon the granting of planning permission and in accordance with Regulation 38 (1) (a) of the School Organisation Regulations.
- 3.3.9 A copy of the statutory proposal is attached in Appendix B, which includes a copy of the statutory notice.
- 3.3.10 The statutory notice was followed by a 4 week statutory period (Representation stage), which ended on 23 December 2010, during which representations (i.e. objections or comments) could be made. The representation period is the final opportunity for residents and organisations to express their views about the proposal and ensures that they will be taken into account by the Executive when the proposal is determined.

# Response received during the Representation Stage:

3.3.11 No representations were received during the 4 week statutory period.

# 3.4 Next Steps

3.4.1 The milestones following a decision by the Executive to determine this proposal to alter Brentfield Primary School are set out in the timetable below:

| Milestone  | Date             |
|--|------------------|
| Planning Application submitted   | 13 December 2010 |
| Planning Approval anticipated by   | 07 Feb 2011      |
| Executive Decision on Brentfield Primary School expansion from September 2011 through the provision of 630 permanent places (Reception to Year 6), conditional upon planning consent | 15 February 2011 |
| Award of contract for building works under delegated authority by  | 07 March 2011    |
| Reception class with 30 new places commences on  | 5 September 2011 |
| Year 1 class taking in the pupils from the 2010-09 'bulge Reception class commences on   | 5 September 2011 |

#### 4 Procurement

- 4.1 The Planning Application has been submitted in advance of the Executive approval to this proposal to ensure that the statutory proposal can be implemented on time. However, if the statutory proposal is rejected then the planning application would be withdrawn.
- 4.2 Consultants have been appointed for this project under both delegated authority and under decision of the Executive on 15<sup>th</sup> November 2010.
- 4.3 On 15 November 2010, the Executive also agreed to delegate the decision to award contracts from appropriate frameworks to building contractors to the Director of Regeneration and Major Projects in order to minimise further delay in the delivery of this project. The report informed Members that it is not usual for award decisions to be delegated however it is considered justified in these circumstances where the implementation time is short.
- 4.4 Subsequently, the Council has undertaken a procurement process. The procurement of the contractors has been carried out using The Improvement Efficiency South East Framework (IESE) framework. This framework uses a two stage process for design and build projects. Under this two stage process, those bidding submit bids including indicative costs. The successful contractor under the bidding process is then awarded a pre-construction services contract under which they work on the costs in more detail and carryout some design work. If this work is satisfactory then the provider of the preconstruction services will be awarded the main works contract. The three schools proposed for expansion were put into two lots, lot one Preston Manor High School, and Lot two Brentfield and Newfield Primary Schools. The evaluation for both lots was split into quality 70% and cost plan 30%. The qualitative submission was evaluated by a panel consisting of officers from London Borough of Brent, external technical advisers and representatives from the individual schools. The cost plan submission was evaluated by the technical adviser's quantity surveyor. The whole process was overseen by a senior category manager from London Borough of Brent. The pre-construction services contract for Lot two has been awarded to Morgan Sindall who are now working on the costs for the main works contract. A works contract will then be awarded under the delegation described in paragraph 4.3 above.

# 5 Financial Implications

- 5.1 The capital costs of the expansion of Brentfield Primary School are estimated at approximately £3.6m.
- On 15 November 2010, the Executive agreed the sum of £3m to this project from Basic Needs Safety Valve funding totalling £14.76m allocated to the Council in November 2009 to support the provision of additional permanent primary places by 2011. This funding allocation is dependent on pupil numbers in the January 2012 census meeting those forecast for September 2011 and the Department for Education (DFE) 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.
- 5.3 If there is any subsequent reduction in the grant allocation any shortfall on this scheme's funding will have to be met from elsewhere within the schools capital programme. The forecast shortfall of £0.6m arising from the difference between the approved Executive allocation of £3.0m and the current estimated cost of the project at £3.6m is proposed to be allocated from the schools capital programme. In the November 2010 Executive report, the sum of £4.34m was identified under the Capital programme for 2011/12 for further investment in other priority school expansion schemes in conjunction with future years capital programme allocations. The forecast shortfall identified for Brentfield Primary School will be met from this allocation which will reduce the funding available for subsequent priority expansion schemes. The currently forecast additional requirements for the three ongoing proposed expansion projects at Preston Manor High School, Brentfield and Newfield Primary Schools totals £2.68m and will have to be met from the 2011/12 allocation detailed above. There will be a further report to Executive to give full details of the impact of this on the provision of other forecast expansion schemes and further proposed programmes of work.
- The expansion of pupil numbers at the school will result in increased revenue costs for staffing and associated teaching costs. These increased costs will be met from the school's budget which will increase proportionately based on the formulaic allocation from the DFE.

# 6 Legal implications

- The procedure for the enlargement of Brentfield Primary School is as required by The Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 as amended. The Local Authority is entitled to make prescribed alterations to Brentfield Primary School pursuant to powers granted by The Education and Inspections Act 2006, Sections 18 and 19 and in accordance with Schedule 4 Part 1 and Schedule 5 of the Regulations.
- The Authority has the power to consider and determine proposals published under Section 19 of The Education and Inspections Act 2006, pursuant to Section 21 (2) (f) of the Act and in accordance with Regulation 30 of The School Organisation Regulations 2007 as amended.
- 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.

- 6.4 The Council's legal officer advises on a) to d) that:
  - a) Executive should decide this
  - b) The published notices meet the requirements
  - c) The required statutory consultations have been carried out
  - d) The proposals are not related to any other proposals
- The Brent Executive acting on behalf of the Brent Local Authority is the Decision Maker pursuant to The Education and Inspection Act 2006 Section 21 (2) (f) and schedule 3 paragraph 30 of the School Organisation Regulations.
- The Executive would need to have regard to Guidance issued by the Secretary of State before making a decision upon this proposal. Paragraphs 4.1 to 4.80 of the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (Excerpt attached in Appendix A) is applicable.
- 6.7 If the Local Authority fail to decide proposals within 2 months of the end of the representation period the Local Authority must forward proposals, and any received representations (i.e. not withdrawn in writing), to the schools adjudicator for decision. They must forward the proposals within one week from the end of the 2 month period.
- 6.8 **Decision Making**:
- 6.9 There are 4 key issues which the Decision Maker should consider before judging the respective factors and merits of the statutory proposals:
  - Is any information missing? If so, the Decision Maker should write immediately to the proposer specifying a date by which the information should be provided.

All necessary information has been provided.

Does the published notice comply with statutory requirements?

The statutory notice is complete and in line with the statutory requirements. The four week statutory representation period closed on 23 December 2010.

 Has the statutory consultation been carried out prior to the publication of the notice?

All applicable statutory requirements to consult in relation to the proposal have been complied with.

Are the proposals "related" to other published proposals?

The Brentfield Primary School proposal is not 'related' to other proposals.

# 6.10 Types of Decision

- 6.11 All decisions must give reasons for the decision, irrespective of whether the proposals were rejected or approved, indicating the main factors/criteria for the decision.
- 6.12 In considering prescribed alteration proposals, the Decision Maker can decide to:
  - reject the proposals;
  - approve the proposals;
  - approve the proposals with a modification (e.g. the implementation date); or
  - approve the proposals subject to them meeting a specific condition.
- 6.13 The following bodies may appeal against an LA decision:
  - The local Church of England diocese;
  - The Bishop of the local Roman Catholic diocese:
  - the Young People's Learning Agency (previously the LSC) where the school provides education for pupils aged 14 and over; and
  - The governing body of the Community School that is proposed for expansion.
- 6.14 Any appeals must be submitted to the LA within 4 weeks of the notification of the LA decision. On receipt of an appeal the LA must then send the proposals and the comments and objections received, to the schools adjudicator within 1 week of receipt of the appeal. The LA should also send a copy of the minutes of the LA's meeting or other record of the decision and any relevant papers. Where the proposals are "related" to other proposals, all the "related" proposals must also be sent to the schools adjudicator.
- 6.15 Legal Services has also been involved in the procurement described in section 4 above and will be involved in formalising the works contract to ensure that it complies with standing orders and allocates risk to the contractor as appropriate to protect the Council's interest. A Works contract of the value outlined in section 4 is a High Value contract under the Council's Contract Standing Orders and needs to be tendered under the EU public procurement regime. Here the use of an IESE framework means that a further EU tender is not required, and furthermore the delegation by the November Executive means that the Executive is not required to award the works contract.

# 7 Diversity Implications

- 7.1 In 2008, the Council consulted widely on schools strategy in Brent, receiving over 800 responses. Brent residents were in favour of the Council's strategy for school places and believed that the Local Authority should play a major role in managing and running schools (89% agree). Parent groups were the next most frequently identified (73% agree). Only around four in ten participants felt that charities (38%), faith groups (37%) or private sponsors (36%) should have such involvement in Brent schools.
- 7.2 Ensuring equal access to school places in Brent over two thirds of participants did not feel they were disadvantaged in obtaining a school place for their children due to any of the main diversity strands. Over, 90% did not feel they were disadvantaged due to their gender. This was also true for 85% of participants in relation to disability; 77% in relation to ethnicity; and 66% in relation to their faith.
- 7.3 The school proposed for expansion has a diverse ethnic representation of children. Expanding Brentfield Primary School would enable the Council to provide additional new places required for Brent's growing pupil population.

- 7.4 The expansion will improve choice and diversity. The impact on Equalities will be kept under review and reported to the members on a regular basis.
- 7.5 An Equality Impact Assessment has been completed and is currently being reviewed by the Council's Diversity team. Executive will be informed of any concerns raised by the team at the meeting.

# 8 Staffing Issues

8.1 With the expansion of pupil numbers there is likely to be an expansion of posts rather than a reduction. The costs relating to the need to provide for additional pupils will be covered by the schools' budgets.

# 9 Background Papers

- Statutory Proposal Files
- Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form
- 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/0/38c39cab7915e95c802573b8003feb7 4?OpenDocument

# 10 Appendices

Appendix A – Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (complete guidance document available from Property & Asset Management Service or at www.dcsf.gov.uk/schoolorg).

Appendix B – complete statutory proposal document.

Appendix C - Location Map

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ANDY DONALD DIRECTOR OF REGENERATION AND MAJOR PROJECTS

KRUTIKA PAU DIRECTOR OF CHILDREN AND FAMILIES



# **Executive** 15 February 2011

# Report from the Directors of Children and Families and Regeneration and Major Projects

Wards Affected: ALL

Determination of proposals to permanently expand Preston Manor High School

# Appendix E is Not for Publication

# 1.0 Summary

- 1.1 This report informs the Executive of the outcome of the statutory proposals to alter Preston Manor High (Foundation) School by lowering the age limit of the school and as a result, enlargement of the premises of the school which would increase the physical capacity of the school. Representation period on the proposal ended on 16 December 2010.
- 1.2 The governing body of Preston Manor High School propose to alter the school by providing 2 form entry primary provision from 05 September 2011. Pupils would progress annually through the primary provision to Year 6 and then transfer to Year 7. Hence, from September 2017 out of the current total of 252 places in Year 7, 60 places would be available for Year 6 pupils already on the roll of the school. If fewer pupils transfer from Year 6, the school will admit over the admission number to provide a total of 252 Year 7 places in accordance with the schools oversubscription criteria. The admission number (external intake by the school) for Year 7 would change from 252 to 192 from September 2016.
- 1.3 The report seeks Executive approval to permanently expand Preston Manor High School, conditional upon the planning permission being granted.

# 2.0 Recommendations

The Executive are requested to:

2.1 Approve the permanent expansion of Preston Manor High (Foundation) School to provide 2 forms of entry primary provision from 05 September 2011. This will allow the school to expand by a) lowering the age limit of the school and as a result, b) enlargement of the premises of the school which would increase the physical capacity

- of the school. This is conditional upon the granting of full planning permission under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011.
- 2.2 Agree that the main factor for approving the alteration of Preston Manor High School is to provide permanent primary places in an area of the borough which has severe shortage of reception and year 1 school places.

#### 3.0 Detail

# 3.1 Background

- 3.1.1 Brent Council has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area.
- 3.1.2 According to GLA's current projection of school rolls (based on the January 2010 pupil census data), the number of four year olds on roll is expected to rise by over 300 pupils between 2010 and 2013, after which the demand is projected to decrease slightly. This translates into a shortfall in the capacity by 270 reception places (9 classes) by September 2012. The impact of rising birth rate may further impact on the demand for reception places.
- 3.1.3 Based on the GLA school roll projection analysis, the Council will need to provide an additional 1680 (Reception to Year 6) primary places by 2015-16 (including a 5% planning margin), which approximately equates to four new 2FE primary schools. In the last two academic years, the GLA's accuracy rate for the projection of primary school rolls has been falling and has not addressed the real rise in demand for primary school places. This is generally true across London authorities, which are being caught by extremely high number of applications for reception and Year 1 places.
- 3.1.4 On time reception applications were up last year, 3,817 applications for 2010-11 compared to 3,583 on time applications for 2009-10. More applications will inevitably come in throughout the academic year.
- 3.1.5 The demand for school places is mainly driven by:
  - Housing growth;
  - Increased density of use of existing housing stock;
  - Increased popularity of Brent schools (mainly due to the increasing quality of Brent's educational offer);
  - Inward economic and other migration;
  - Decreasing availability of places in neighbouring boroughs;
  - Increased live births and fertility rates
- 3.1.6 Brent Council provided 135 additional temporary places for September 2010. As at 24 January 2011, 50 reception aged children and 122 Year 1 children remain without a school place for the 2010-11 academic year. Since then, the Council has accommodated a further 56 children in temporary classes for the ongoing year.
- 3.1.7 The number of unplaced children and vacancies in the system are constantly fluctuating but overall demand is exceeding supply in the lower year groups (reception to Year 2), which is correlated to the pattern of rising demand in the borough, and indeed across London, over the last three years.

- 3.1.8 In May 2009, the local authority consulted with primary schools in the borough to explore the possibility of increasing the number of school places. Subsequently, the local authority reviewed opportunities to increase capacity at all primary schools and attempted to match these with areas where there was the highest demand for school places. Discussions took place with schools which were suitable and willing for expansion. This was followed by an initial feasibility assessment for a long list of schools. A priority list for expansion of schools has been drawn from this work based on the following criteria:
  - shortage of school places in a local area;
  - physical expansion of a school deemed to be feasible;
  - availability of funding to expand the school in accordance with the initial feasibility study;
  - risk associated with the expansion of the specific schools, likelihood of planning consent:
  - expression of interest and/or agreement by the school to expand its capacity on a permanent basis.
- 3.1.9 Brent Council was allocated £14.766m in November 2009 from the previous DCSF under the additional round of Basic Need Safety Valve (BNSV). The funding is an emergency allocation to provide sufficient reception places by September 2011.
- 3.1.10 Subsequently, Brent Council discussed the option to provide primary school places with Preston Manor High School, since it met the criteria listed above. The Governing Body of Preston Manor High School agreed to consult on the proposal to expand the school by creating a new two form of entry (420 places) permanent primary provision as this could help provide school places for the local community in an area of growing demand.
- 3.1.11 Preston Manor High School primary expansion is one of the schemes which is being funded from the Basic Needs Safety Valve grant for providing permanent school places in an area of shortage, which is the main reason for the proposal.
- 3.1.12 Preston Manor High School also agreed to accommodate two Reception classes (60 places) on a temporary basis from January 2011 until the end of the academic year. The temporary accommodation is proposed to be sited adjacent to Ashley Gardens, for which planning consent has been granted.

# 3.2 Proposals to Alter Preston Manor High School

- 3.2.1 Preston Manor High School is located at Carlton Avenue East, Wembley, HA9 8NA. It is a Foundation school using the admission arrangements set by the Governing Body. It offers non-denominational mixed gender places for students aged 11-19 years.
- 3.2.2 The school has an excellent reputation for Science and Maths education throughout Brent. Since achieving specialist Science and Maths status, results in these subjects have improved across the key stages and are significantly above the national average. It has developed strong links with community since becoming a Specialist School. It works closely with local primary and secondary schools, running student workshops and teacher training sessions to share expertise in engaging students and raising achievement in Science and Maths.

- 3.2.3 The Governing Body of Preston Manor High School published two proposals: a) lowering the age limit of the school and as a result, b) enlargement of the premises of the school which would increase the physical capacity of the school to provide two form entry (420 places) primary provision. Both proposals would need to be approved simultaneously. If either proposal is rejected then the other proposal will not proceed. The proposals support the Local Authority's statutory duty to ensure the provision of sufficient school places.
- 3.2.4 If the proposals are accepted conditional upon the granting of planning permission under Part 3 of the Town and Country Planning Act 1990 by 30 April 2011, Preston Manor High School will offer 2FE primary provision through yearly progression, which will enable the Local Authority to meet its statutory obligations for placing some of the out of school children. This means that 60 pupils from the proposed temporary Reception classes from January 2011 would progress to Year 7 in September 2017. Similarly the proposed permanent Reception intake of 60 pupils from September 2011 would progress to Year 7 in September 2018. Hence from September 2017, out of the total of 252 places in Year 7, 60 places would be available for Year 6 pupils already on the roll of the school. If fewer pupils transfer from Year 6, the school will admit over the admission number to provide a total of 252 Year 7 places in accordance with the schools oversubscription criteria. The following table provides a summary of the progression in capacity:

| Year         | Jan 2010 | Sep 2011 | Sep 2012 | Sep 2013 | Sep 2014 | Sep 2015 | Sep 2016 | Sep 2017   |
|--------------|----------|----------|----------|----------|----------|----------|----------|------------|
| Planned      | Ashley   | 60 R     | 60 Y6 to   |
| Increase in  | Garden   | 60 Y1    | Y7         |
| Pupil        | Early    |          | 60 Y2    |            |
| Numbers      | Learning |          |          | 60 Y3    | 60 Y3    | 60 Y3    | 60 Y3    | 192        |
|              | 60 R     |          |          |          | 60 Y4    | 60 Y4    | 60 Y4    | external   |
|              |          |          |          |          |          | 60 Y5    | 60 Y5    | intake Y 7 |
|              |          |          |          |          |          |          | 60 Y6    |            |
| Total Places | 60 R     | 120 R-Y1 | 180 R-Y2 | 240 R-Y3 | 300 R-Y4 | 360 R-Y5 | 420 R-Y6 | 252 Y7     |

- 3.2.5 In accordance a) with paragraph 4.62 of the Guidance Making Changes to a Maintained Mainstream School (Other than Expansion, Foundation, Discontinuance & Establishment Proposals) (Excerpt attached in Appendix A), and b) with paragraph 4.75 of the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (Excerpt attached in Appendix B), the Decision Maker can decide to approve the proposals subject to meeting a specific condition. The Decision Maker must set a date by which the condition should be met but will be able to modify the date if the proposers confirm, before the date expires, that the condition will be met later than originally thought.
- 3.2.6 The Governing Body of Preston Manor High School published the proposals for the school to provide two form entry (420 places) primary provision. If this proposal is accepted, Preston Manor High School will offer 2FE provision through yearly progression allowing the Local Authority to meet its statutory obligations to these children and enable them to be placed at this school.
- 3.2.7 The proposals comply with the Government's current agenda for raising standards, innovation and transforming education and in the process meet area and design guidance standards as detailed in Building Bulletin 99, where feasible.
- 3.2.8 In 2009, 69% of pupils at Preston Manor High School attained 5 or more GCSE's (A\*-C) including English and Math. This is higher than the Local Authority average (57.1%) and national average (49.8%).

- 3.2.9 Expansion of Preston Manor High School to provide primary education will increase the choice available to local parents and residents to select an all-through school. Whilst specific requests from parents to this effect have not been collated, the proposals will increase diversity of provision and enable the local authority to meet its statutory duty to provide school places to all resident pupils. As this is an expansion of school places there is no adverse impact to any disadvantaged group.
- 3.2.10 Preston Manor is a popular high performing secondary school; the local authority is confident that sufficient number of applications will be received for the permanent primary provision. All the temporary places have been taken for the two classroom provision sited at Preston Manor for the current academic year to commence from January 2011.
- 3.2.11 The proposals do not require an additional site or playing field. Implementation of the proposals will provide adequate playing space for both the primary and secondary schools. The scheme will also provide S106 enhancement to sport facilities to comply with the Sports England and planning requirements.
- 3.2.12 The accommodation will provide a new two form of entry primary provision offering 420 places for Reception to Year 6 places. The accommodation will include toilet facilities, storage and a multifunction hall and an external learning environment consisting of hard and soft landscaping. The proposed building will be two storey with14 classrooms of approximately 60 square metres with two further practical learning classrooms and a Library. The multifunction hall is supported with an adjacent small hall which can be opened up to become one large space of approximately 225 square metres; suitable for community uses and a single badminton court. The main hall will be used as the dining area during the normal school day and can be hired locally for community functions.
- 3.2.13 Compliance with BB99 will ensure that the recommended spaces are allowed for in the design; therefore the main hall would be more than suitable for Physical Education in a Primary School. Climbing frames will be provided along the Eastern wall, which will allow the small hall to be in use whilst the main hall is being prepared for lunchtime.
- 3.2.14 The proposed layout provides one main site entrance from Carlton Avenue East. The main visitor entrance provides direct access to the modular classrooms on one side and to the main halls on the other side. Each modular classroom pod will have a separate entrance for the pupils, which will disperse the impact of children arriving all at one time at the one main entrance. Pupils will have cloak hanging space and toilet facilities adjacent to their learning spaces. There will be more than the minimum requirement (1:20) of toilet spaces within the school. Compliance with BS830 is satisfied by the inclusion of three disabled persons toilet enclosures. Catering will be carried out on site in a fully equipped kitchen. Overall there will be 2217 square metres of new school building on the site.
- 3.2.15 This new school will enable an enhanced level of the delivery of the curriculum, through the provision of the above mentioned additional classrooms and facilities which are essential in supporting the educational standards for its pupils and staff. In effect it would lead to:
  - Provision of a safe and secure environment
  - Create a healthy environment naturally ventilated, good sized classrooms with easy access to outside space, with shelter, for all pupils

- Provision of natural lighting where possible, good orientation of classrooms
- Environmentally friendly and efficient
- Provision of minimal loss of 'down-time' i.e travel to core facilities, toilets, etc.
- Allow a variety of learning experiences individual, group, class, year group, quiet spaces internal and external
- Provision of playing space
- Opportunity for the community to become involved in the school and support the children's learning
- Classrooms to support easy access to ICT provision
- 3.2.16 The target of Excellent is being aimed for BREEAM accreditation. The new building will be sited on the North Eastern portion of the High School playing fields. The proposed site is located in a largely unused area of the site. A new substation to be provided by EDF Energy will be included and the existing maintenance access will be upgraded perimeter for emergency vehicle access purposes. The site boundaries will retain much of the existing fencing and the site will be enclosed with new school weld mesh gates. The children's play area is to include a mixture of all-weather surfaces and grassed areas, canopy for outdoor learning. The High school grounds can easily accommodate the statutory minimum sports playing areas, with some area over the recommended minimum. Since there is a limited open space in Brent it has been advised by Sport England that the existing sports provision should be upgraded and in order to compensate for the loss of sports playing space at the school, there will be a new football pitch provided elsewhere in Brent (Eton Grove Park).
- 3.2.17 Subject to planning application approval, the building works are planned to commence in March/April 2011 which will involve new build works in compliance with Department for Education's design guidelines.
- 3.2.18 No changes to the SEN provision at the existing secondary part of the school are being proposed. The proposal will comply with the standards, quality and range of educational provision for children with special educational needs in the proposed primary provision. The primary provision will fully meet the requirements of the SEN Code of Practice and the accessibility standards.

# 3.3 Statutory Process

# Stage One Consultation

- 3.3.1 The governing body of the Preston Manor High School consulted with key interested parties on the alteration proposals. The consultation documents are attached as an appendix to the complete statutory proposals document (Appendix C). Approximately 6000 copies of the consultation document were distributed by email, hand and/or internal/external post. The school also distributed the consultation documents by hand to parents, pupils, staff and other interested parties. Out of the total, 4000 copies were distributed to the local residents through a special leaflet drop as agreed with the residents at the meeting held on 13 October 2010.
- 3.3.2 A consultation meeting with the residents was held at the school on 13 October 2010. Another meeting was held on 20 October 2010 as part of the Wembley Area

Consultative Forum, whereby the expansion proposals were included as an agenda item. Invitation for both the meetings had been advertised in the local newspaper.

- 3.3.3 It was further agreed at the residents meeting held on 13 October 2010 that the school would hold another residents' meeting if the governing body of the school decided to publish the statutory notice for the proposals. This meeting was held on 29 November 2010 with the aim of providing those residents who could not attend either of the first two sessions a chance to raise their concerns as well as an opportunity to address previously raised issues. Residents were advised by the school that if their concerns remained unresolved after the meeting, they could submit issues in writing to the Council, which would in turn be reported to the Executive for decision making. The meeting was advertised in the local newspaper, schools and neighbourhood.
- 3.3.4 The Governing body completed the first consultative stage of the statutory process on 25 October 2010 for its proposal to provide two forms of entry (420 primary receptions to Year 6 places) at the north end of the school site with its own dedicated access from Carlton Avenue East. All applicable statutory requirements to consult in relation to these proposals have been complied with.
- 3.3.5 The Governing body received 71 on time responses to the consultation. 37 (52%) consultees support the proposal and 29 (40%) consultees have expressed concerns, whilst 5 (7%) remain undecided.
- 3.3.6 Responses on behalf of the school and Brent Council to the various concerns and objections were provided individually where relevant and were included as an appendix to the published statutory proposals.
- 3.3.7 Following the close of consultation, the school's governing body voted on the next step. Majority voted in favour of publishing the statutory notice and proposals.

# **Publication of Statutory Notice and Representation Period**

- 3.3.8 The governing body of Preston Manor High School with Brent Council support published the Statutory Notice in two local newspapers on 4 November 2010 for altering the school by creating a new two form of entry permanent primary provision from 05 September 2011. Following the progression of the reception pupils through the primary classes up to Year 6 and moving onto Year 7, the admission number (external intake by the school) for Year 7 would change from 252 to 192 from September 2016.
- 3.3.9 The planning application for the expansion of Newfield Primary School is due to be considered by the Council's Planning Committee at their meeting in February 2011. Hence, the Executive is requested to approve the expansion of Preston Manor High School to provide 2FE primary provision from 05 September 2011, conditional upon the granting of planning permission and in accordance with Regulation 38 (1) (a) of the School Organisation Regulations.
- 3.3.10 A copy of the statutory proposals is attached in Appendix C, which includes a copy of the statutory notice.
- 3.3.11 The statutory notice was followed by a 6 week statutory period (Representation stage) ending on 16 December 2010, during which representations (i.e. objections or comments) could be made. The representation period is the final opportunity for

residents and organisations to express their views about the proposal and ensures that they will be taken into account by the Brent Executive when the proposal is determined.

# Response received during the Representation Stage:

- 3.3.12 The complete list of representations received during the 6 week statutory period is listed in Appendix D along with the Council's view on the issues raised. A summary of the key concerns are presented below (where possible the wording from the representation has been used):
- 3.3.13 **Traffic congestion:** the residents are concerned that the permanent expansion scheme would create increased traffic which would lead to congestion, parking problems and disruption to the locals living in the area. Increased traffic adding to the gridlock that already occurs during school times. Cars parked across drives by parents waiting to be picked up children after school.

# Council's view:

- 3.3.14 Traffic surveys are mandatory for planning applications that include an increase of traffic whether it be pedestrian, or vehicular to a site. Transportation assessment has been requested and included in the planning application.
- 3.3.15 The transport assessment noted that Preston Manor High school has reduced car journeys and continues to do so with its green travel plan.
- 3.3.16 The primary school at Preston Manor will be closer to the underground station, and since it has a separate entrance will mitigate any congestion that may occur.
- 3.3.17 The Transport assessment has for example also taken into account the possibility of children from the same family going to both the primary school and the high school which might reduce the numbers of cars.
- 3.3.18 At present, parking is not oversubscribed, meaning that currently cars find a parking space when dropping off children for the High School, and at the time of the survey there was no double parking or abnormal congestion.
- 3.3.19 Parking during peak times, if it coincides with the High School, may cause slight congestion at this time, however it is expected that with implementation of the travel plan, this will be reduced. The travel plan provides detail of schemes that the school can implement to push people on to modes of transport other than car: such as highlighting the nearness of public transport; organising walking escorts; cycle training; providing showers at the school for cyclists; etc.
- 3.3.20 **Delay in planning for school places by the Local Authority**: primary schools were not built when they should have been.

### Council's view:

3.3.21 The Council is under immense pressure to provide primary school places, especially in the lower age groups – Reception and Year 1 classes. According to GLA's projection, the demand for Reception places will continue to steeply rise in the borough over the next three years.

- 3.3.22 The Local Authority has a statutory duty to provide sufficient school places in the borough.
- 3.3.23 According to the government data, the birth rate in England reversed a long period of decline in 2001, and has shown growth in every year since. This growth is not uniform, and in addition to local variation, some areas are seeing changes in demographic and other factors which have resulted in a sharp increase in reception age pupil numbers in 2008, and projections that there will be further cumulative increases for at least the next few years.
- 3.3.24 Most London authorities are facing increased demand for Reception school places and are resorting to provide temporary accommodation where possible. As an example, London Borough of Lewisham has opened 18 Reception classes this year and is still receiving more applications. Similarly, Hounslow has added 345 Reception places of which 6 form of entries are on a temporary basis. Enfield Council has provided 7 additional Reception classes and is planning to deliver 4 additional classes during the current academic year.
- 3.3.25 Like other London Authorities, both land and capital resources are limited in Brent and it is a challenge to find premises for a new primary school within the timeline required to provide the school places in the vicinity of the demand.
- 3.3.26 **Funding**: Under the current Comprehensive Review Programme (CSR) period (2008 2011) Brent Council was allocated £11.687 million for the Primary Capital Programme. Assuming that none of this money has been used, which is hard to believe, some £3 million pounds has to be found from the Councils coffers. Since Brent Council is always pleading poverty, it would be interesting to know where this money is coming from. There is also the question of ongoing costs such as teachers and administration staffs salaries and general running costs, which for a school must be enormous. Again, in the current economic situation, where Councils are having to cut services, staff etc., where will the money come from. Not by increasing Council Tax we hope.

# Council's view:

- 3.3.27 The funding for the proposed scheme is from a special government grant Basic Need Safety Valve Fund. 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
- 3.3.28 Letter dated 30 November 2009 from DCSF: "I am writing to inform you that we are allocating you £14,766,000 of capital grant in response to your application for funding to support the provision of additional permanent primary places by 2011. We have allocated a total of £271 million to 34 authorities. Full details of the allocations are included at the end of this letter."
  - This scheme is not being funded from the £11.6m Primary Capital Programme grant received previously, which is being spent on other schemes.
- 3.3.29 The expansion of pupil numbers at the school will result in increased revenue costs for staffing and associated teaching costs. These increased costs will be met from the school's budget which will increase proportionately based on the formulaic allocation from the DFE.

3.3.30 Lack of Local Demand: It has been established that the shortage of primary school places is not in the immediate vicinity of Preston Manor High School, where there are already newly built primary schools such as Wembley Primary and The Ark, and established schools such as Preston Park Primary and Mount Stewart Primary, but in the Wembley Central and south of the Borough. Surely it makes sense to build a new school where there is most need or to extend existing schools in those areas. Perhaps the libraries, which Brent intends closing, could be used as satellite class rooms.

# Council's view:

- 3.3.31 Local authorities have a statutory duty to ensure sufficient school places are available to meet local needs.
- 3.3.32 In the local area (HA9 and HA0) of Preston Manor High School (as on 06 October 2010) 72 Reception aged children and 29 Y1 aged children remained without a school place. The number of unplaced children is constantly fluctuating but this situation is worsened by the fact that schools in this area around 6 October 2010 were working to full capacity:
  - Wembley Primary which had expanded in 2008 to 4FE had no Reception vacancies.
  - Ark Academy opened its door to primary pupils in September 2008 was full in Reception, Year 1 and Year 2 classes.
  - Wykham Primary School was full and operating a 'Bulge' Reception class consisting of 30 places in the current academic year.
  - Preston Park School took in a 'bulge' Reception class in 2007-08 and 2008-09;
     however their Governing Body declined to expand the school permanently in 2009-10.
  - Chalkhill Primary School had only 2 vacancies in the Reception class. It is operating at full capacity in Year 1, Year 2, Year 3 and Year 6. The school had 3 vacancies in Year 4 and 18 Vacancies in Year 5. However, the vacancies in the later years are not correlated to the annual increase in demand for Reception places over the last three years.
- 3.3.33 The waiting list as on 20 October 2010 for primary places in nearby schools were as follows:

| <b>School</b><br>Preston Park | <b>Reception</b> 61 | <b>Year 1</b><br>11 | <b>Year 2</b><br>1 |
|-------------------------------|---------------------|---------------------|--------------------|
| Wembley Primary               | 57                  | 15                  | 7                  |
| Chalkhill                     | 2                   | 8                   | 4                  |
| Ark Academy                   | 96                  | 16                  | 4                  |

- 3.3.34 As at 26 October 2010, 634 primary aged pupils remained without a school place, of which, 150 pupils were Reception aged children. The number of unplaced children and vacancies in the system are constantly fluctuating but overall demand is exceeding supply in the lower year groups (reception to Year 2), which is correlated to the pattern of rising demand in the borough, and indeed across London, over the last three years.
- 3.3.35 According to GLA's projection, the demand for Reception places will continue to steeply rise in the borough over the next three years.

- 3.3.36 Both land and capital resources are limited and it is a challenge to find premises for a new primary school within the timeline required to provide the school places in the vicinity of the demand.
- 3.3.37 Strategy for School Expansion and the impact on standalone primary schools: Nowhere in the consultation has there been a thorough discussion of the benefits and drawbacks of such all-though schools which will each have a total pupil population of 1,600-2,000 or more. Nor has there been proper consideration of the impact of such provision on nearby 'stand alone' primary schools (in particular, Chalkhill Primary School).

#### Council's view:

A priority list for expansion of school has been drawn based on the following criteria:

- shortage of school places in a local area;
- physical expansion of a school deemed to be feasible;
- availability of funding to expand the school in accordance with the initial feasibility study;
- risk associated with the expansion of the specific schools, likelihood of planning consent:
- expression of interest and/or agreement by the school to expand its capacity on a permanent basis.
- 3.3.38 All applicable statutory requirements to consult in relation to the proposal have been complied with.
- 3.3.39 Authorities are under a duty to provide every school age child with a place, but they are not obliged to provide a place in a particular or nearest school. In the case of pupils aged up to 8 years, 2 miles is the statutory maximum walking distance (3 miles for over 8s). The recommended journey time for primary age pupils is up to 45 minutes, but this is at the local authority's discretion.
- 3.3.40 Primary schools in the borough were specifically requested by the Director of Children and Families to submit expression of interests to expand provision immediately even where this involved providing places in temporary accommodation and for the 2010 and 2011 admissions rounds vide Circular 3782: Reception places needed invitation to Expand on 28 May 2009. A similar request was made in 2007 vide Circular 2614: Strategy to Develop School Places Invitation to Expand Primary Schools on 06 June 2007. The requirement for primary school places has also been discussed at various meetings and forums. One such meeting was held by the Director of C&F with the Primary Heads on 18 May 2010.
- 3.3.41 In Brent community schools, the distance is measured in a straight line or by the shortest walking route from the front door of the child's home address (including flats) to the main entrance of the school, (using the local authority's computerised measuring system) with those living closer to the school receiving the higher priority.
- 3.3.42 Demand for school places is not restricted to one or two wards. It is spread across Brent. There are many factors which are required to be reviewed e.g. site feasibility, demand for school places, school's willingness to expand.

- 3.3.43 Preston Manor High School is within the demand area for primary places and is deemed suitable for expansion in time for next year's intake, subject to the outcome of the proposal. In many instances parents living near to Preston Manor have to accept places further away due to the mismatch in demand and supply. Preston Manor High School's governing body would be responsible for deciding the admission and oversubscription criteria for the primary provision in accordance with the national recommendation.
- 3.3.44 The authority would like to provide parental choice where ever possible. This would include admissions to Chalkhill primary school and the proposed intake at Preston Manor High School. However, due the significant number of children without a school place, it is essential that sufficient amount of places are provided within the borough in areas of demand and within acceptable travel distances.
- 3.3.45 In the near to medium term, the forecast and applications for admission suggest that the demand for primary school places will continue to increase. The Council will monitor the demand and supply of school places and it will review the forecast periodically to achieve a balance. The growth in demand in turn would even out the risk of standalone primary schools experiencing pupil turnover.
- 3.3.46 It is widely recognised that in terms of very limited funding and lack of new land, Authorities are still required to meet their statutory duty to provide sufficient school places.
- 3.3.47 **Proposed Entrance**: There are a number of other options for the entrances. Ashley Gardens is currently the entrance to Brent Adult & Community Centre and this could be utilised for the parents, or alternatively the parents could use the current school entrance and a footpath be built from the high school to the primary school without giving locals anymore parking headache.

#### Council's view:

3.3.48 An analysis of all the locations around the school site was undertaken and the location off Carlton Ave East was deemed to be the most effective in terms of location when considering a number of factors including impact on playing fields, parking and other traffic issues, sustainability etc. The primary school at Preston Manor will be closer to the underground station, and since it has a separate entrance will mitigate any congestion that may occur. At present, parking is not oversubscribed, meaning that currently cars find a parking space when dropping off children for the High School, and at the time of the survey there was no double parking or abnormal congestion.

# 3.4 Next Steps

3.4.1 The milestones following a decision by the Executive to determine this proposal to alter Preston Manor High School are set out in the timetable below:

| Milestone  | Date |
|--|------|
| Decision on Preston Manor High School expansion from 5 September 2011 through the provision of 420 permanent places (Reception to Year 6), conditional upon planning consent |      |

| Planning Application submitted by           | 13 December 2010  |
|---|-------------------|
| Planning Committee Approval anticipated by  | 14 March 2011     |
| Award of contract for building works by     | 14 March 2011     |
| Reception class with 60 new places          | 05 September 2011 |
| commences on                                |                   |
| Year 1 class taking in 60 pupils from the   | 05 September 2011 |
| temporary provision at Ashley Gardens Early |                   |
| Learning Centre commences on                |                   |

#### 4 Procurement

- 4.1 The Planning Application has been submitted in advance of the Executive approval to this proposal to ensure that the statutory proposal can be implemented on time. However, if the statutory proposal is rejected then the planning application would be withdrawn.
- 4.2 Consultants have been appointed for this project under both delegated authority and under decision of the Executive on 15<sup>th</sup> November 2010.
- 4.3 On 15 November 2010, the Executive also agreed to delegate the decision to award contracts from appropriate frameworks to building contractors to the Director of Regeneration and Major Projects in order to minimise further delay in the delivery of this project. The report informed the members that it is not usual for award decisions to be delegated however it is considered justified in these circumstances where the implementation time is short.
- 4.4 Subsequently, the Council has undertaken a procurement process. The procurement of the contractors has been carried out using The Improvement Efficiency South East Framework (IESE) framework. This framework uses a two stage process for design and build projects. Under this two stage process, those bidding submit bids including indicative costs. The successful contractor under the bidding process is then awarded a pre-construction services contract under which they work on the costs in more detail and carryout some design work. If this work is satisfactory then the provider of the preconstruction services will be awarded the main works contract. The three schools proposed for expansion were put into two lots, lot one Preston Manor High School, and Lot two Brentfield and Newfield Primary Schools. The evaluation for both lots was split into quality 70% and cost plan 30%. The qualitative submission was evaluated by a panel consisting of officers from London Borough of Brent, external technical advisers and representatives from the individual schools. The cost plan submission was evaluated by the technical adviser's quantity surveyor. The whole process was overseen by a senior category manager from London Borough of Brent. The preconstruction services contract for lot one has been awarded to Kier Construction who are now working on the costs for the main works contract. A works contract will then be awarded under the delegation described in paragraph 4.3 above. The new primary school will be handed over to the school in completion.

# 5.0 Financial Implications

- 5.1 The capital costs of the expansion of Preston Manor High School are currently estimated at approximately £8.57m.
- On 15 November 2010, the Executive agreed the sum of £7m to this project from Basic Needs Safety Valve funding totalling £14.76m allocated to the Council in November 2009 to support the provision of additional permanent primary places by 2011. This funding allocation is dependent on pupil numbers in the January 2012 census meeting those forecast for September 2011 and the Department for Education (DFE) 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.
- 5.3 If there is any subsequent reduction in the grant allocation any shortfall on this scheme's funding will have to be met from elsewhere within the schools capital programme.

The forecast shortfall of £1.57m arising from the difference between the approved Executive allocation of £7.0m and the current estimated cost of the project at £8.57m is proposed to be allocated from the schools capital programme. In the November 2010 Executive report, the sum of £4.34m was identified under the Capital programme for 2011/12 for further investment in other priority school expansion schemes in conjunction with future years capital programme allocations. The forecast shortfall identified for Preston Manor School will be met from this allocation which will reduce the funding available for subsequent priority expansion schemes. The currently forecast additional requirements for the three ongoing proposed expansion projects at Preston Manor High School, Brentfield and Newfield Primary Schools totals £2.68m and will have to be met from the 2011/12 allocation detailed above. There will be a further report to Executive to give full details of the impact of this on the provision of other forecast expansion schemes and further proposed programmes of work.

5.4 The expansion of pupil numbers at the school will result in increased revenue costs for staffing and associated teaching costs. These increased costs will be met from the school's budget which will increase proportionately based on the formulaic allocation from the DFE.

# 6.0 Legal implications

- As Preston Manor High School is not a community school, it owns the land making up the school site. The Council is working with the school and seeking legal advice on the pre-existing covenants on Preston Manor High School's playing field. Further information is provided on this matter in Appendix E, which is not for publication.
- Two proposals published by the Governing Body of Preston Manor High School are being considered: 1) lowering the age limit of the school and as a result, 2) enlargement of the premises of the school which would increase the physical capacity of the school to provide 2FE primary provision. Both proposals are related to each other and consequently would need to be approved at the same time in accordance with paragraph 35 of Schedule 3 School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 as amended. If either proposal is rejected then the other proposal will not proceed.

- The procedure for the alteration of Preston Manor High School is as required by The Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 as amended. The Governing Body is entitled to make prescribed alterations to Preston Manor High School pursuant to powers granted by The Education and Inspections Act 2006, section 19 and in accordance with Schedule 2 Parts 1 and 4 and Schedule 3 of the Regulations.
- 6.4 The Local Authority has the power to consider and determine proposals published under Section 19 of The Education and Inspections Act 2006, pursuant to Section 21 (2) (f) of the Act and in accordance with Regulation 30 of The School Organisation Regulations 2007 as amended. The Authority has the power under section 21 (2) (e) of the 2006 Act to consider proposals made under section 19 together with related proposals published under section 19 or any other enactment.
- 6.5 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.
- 6.6 The Council's legal officer advises on a) to d) that:
  - a) Executive should decide this
  - b) The published notice meet the requirements
  - c) The required statutory consultations have been carried out
  - d) The proposals published in the Statutory Notice on 04 November 2010 are related.
- The Brent Executive acting on behalf of the Brent Local Authority is the Decision Maker in accordance with Education and Inspections Act 2006 Section 21 (2) (f) and Schedule 3 paragraph 30 of the Regulations.
- The Executive would need to have regard to Guidance issued by the Secretary of State before making a decision upon this proposal. Paragraphs 4.1 to 4.69 of the Guidance Making Changes to a Maintained Mainstream School (Other than Expansion, Foundation, Discontinuance & Establishment Proposals) (Excerpt attached in Appendix A), and b) with paragraphs 4.1 to 4.80 of the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (Excerpt attached in Appendix B) are applicable. A full set of the Guidance forms part of the background papers and is available from the Council's Major Projects and Regeneration Department or at www.dcsf.gov.uk/schoolorg.
- 6.9 If the LA fail to decide proposals within 2 months of the end of the representation period the LA must forward proposals, and any received representations (i.e. not withdrawn in writing), to the schools adjudicator for decision. They must forward the proposals within one week from the end of the 2 month period.
- 6.10 **Decision Making**:

- 6.11 There are 4 key issues which the Decision Maker should consider before judging the respective factors and merits of the statutory proposals:
  - Is any information missing? If so, the Decision Maker should write immediately to the proposer specifying a date by which the information should be provided;

All necessary information has been provided.

Does the published notice comply with statutory requirements?

The statutory notice and the addendum comply with the statutory requirements. The six week statutory representation period closed on 16 December 2010.

 Has the statutory consultation been carried out prior to the publication of the notice?

The consultation has been conducted by the governing body of Preston Manor High School. All applicable statutory requirements to consult in relation to the proposal have been complied with.

Are the proposals "related" to other published proposals?

Two proposals have been published by the Governing Body of Preston Manor High School: 1) lowering the age limit of the school and as a result, 2) enlargement of the premises of the school which would increase the physical capacity of the school. Both proposals would need to be approved simultaneously. If either proposal is rejected then the other proposal will not proceed.

# 6.12 Types of Decision

- 6.13 All decisions must give reasons for the decision, irrespective of whether the proposals were rejected or approved, indicating the main factors/criteria for the decision.
- 6.14 In considering prescribed alteration proposals, the Decision Maker can decide to:
  - reject the proposals:
  - approve the proposals;
  - approve the proposals with a modification (e.g. the implementation date); or
  - approve the proposals subject to them meeting a specific condition.
- 6.15 The following bodies may appeal against an LA decision:
  - The local Church of England diocese;
  - The Bishop of the local Roman Catholic diocese;
  - the Young People's Learning Agency (previously the LSC) where the school provides education for pupils aged 14 and over; and

- The governing body of the Community School that is proposed for expansion.
- 6.16 Any appeals must be submitted to the LA within 4 weeks of the notification of the LA decision. On receipt of an appeal the LA must then send the proposals and the comments and objections received, to the schools adjudicator within 1 week of receipt of the appeal. The LA should also send a copy of the minutes of the LA's meeting or other record of the decision and any relevant papers. Where the proposals are "related" to other proposals, all the "related" proposals must also be sent to the schools adjudicator.
- 6.17 Legal Services has also been involved in the procurement described in section 4 above and will be involved in formalising the works contract to ensure that it complies with standing orders and allocates risk to the contractor as appropriate to protect the Council's interest. A Works contract of the value outlined in section 4 is a High Value contract under the Council's Contract Standing Orders and needs to be tendered under the EU public procurement regime. Here the use of an IESE framework means that a further EU tender is not required, and furthermore the delegation by the November Executive means that the Executive is not required to award the works contract.

# 7 Diversity Implications

- 7.1 In 2008, the Council consulted widely on schools strategy in Brent, receiving over 800 responses. Brent residents were in favour of the Council's strategy for school places and believed that the LA should play a major role in managing and running schools (89% agree). Parent groups were the next most frequently identified (73% agree). Only around four in ten participants felt that charities (38%), faith groups (37%) or private sponsors (36%) should have such involvement in Brent schools.
- 7.2 Ensuring equal access to school places in Brent over two thirds of participants did not feel they were disadvantaged in obtaining a school place for their children due to any of the main diversity strands. Over, 90% did not feel they were disadvantaged due to their gender. This was also true for 85% of participants in relation to disability; 77% in relation to ethnicity; and 66% in relation to their faith.
- 7.3 The school proposed for expansion has a diverse ethnic representation of children. Expanding Preston Manor High School would enable the Council to provide additional new places required for Brent's growing pupil population.
- 7.4 The expansion will improve choice and diversity. The impact on Equalities will be kept under review and reported to the members on a regular basis.
- 7.5 An Equalities Impact Assessment has been completed and is currently being reviewed by the Council's Diversity Team. The Executive will be informed of any concerns raised by the team at the meeting.

# 8 Staffing Issues

- 8.1 With the expansion of pupil numbers there is likely to be an expansion of posts rather than a reduction. The costs relating to the need to provide for additional pupils will be covered by the schools' budgets.
- 8.2 There are no implications for the immediate purpose of this report.

# 9 Background Papers

Guidance Making Changes to a Maintained Mainstream School (Other than Expansion, Foundation, Discontinuance & Establishment Proposals)
Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form

Statutory Proposal Files

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

# 10 Appendices

Appendix A – Excerpt from the Guidance Making Changes to a Maintained Mainstream School (Other than Expansion, Foundation, Discontinuance & Establishment Proposals) (complete guidance document available from Property & Asset Management Service or at www.dcsf.gov.uk/schoolorg).

Appendix B – Excerpt from the Guidance Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form (complete guidance document available from Property & Asset Management Service or at www.dcsf.gov.uk/schoolorg).

Appendix C – Complete statutory proposals document

Appendix D – List of Representations

Appendix E – Not for Publication

Appendix F - Location Map

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KRUTIKA PAU DIRECTOR OF CHILDREN AND FAMILIES



# Executive 15 February 2011

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

Wards Affected: ALL

Housing Revenue Account (HRA) Budget 2011/12 and Rent Increase Proposals for Council Dwellings for 2011/12

# 1.0 Summary

- 1.1 This report presents to Members the revised (probable) HRA budget for 2010/11 and the draft HRA budget for 2011/12 as required by the Local Government and Housing Act 1989. Members are required to consider these budget estimates and the associated options, taking account of the requirement to set a Housing Revenue Account (HRA) budget that does not show a deficit and in particular Members need to consider and agree the level of HRA dwelling rents and service charges for 2011/12.
- 1.2 The report also includes proposals for setting the rent and service charge levels for 2011/12 for the non HRA Brent Stonebridge dwellings.

# 2.0 Recommendations

It is recommended that members:-

- 2.1 Approve the revised (probable) budget for 2010/11 (Appendix 1 Table 1).
- 2.2 Approve the draft budget for 2011/12 (Appendix 1 Table 1).
- 2.3 Consider and agree the revised growth of £138k in 2011/12, and the proposal for funding that growth, as set out in paragraph 3.41.
- 2.4 Consider and agree the growth proposal of £977k for the ALMO Round 2 interest rate adjustment as set out in paragraph 3.42.

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- 2.5 Consider and agree the savings/budget reductions as set out in paragraph 3.39.3.
- 2.6 Approve an average overall rent increase (excluding service charges) of £5.50 per week, which is an average overall increase of 6.14%, as set out in further detail in paragraphs 3.21 to 3.25.
- 2.7 Agree to increase HRA Council Dwelling service charges by 4.6%.
- 2.8 Agree an average overall rent increase of £5.63p per dwelling per week on the Brent Stonebridge Dwellings, which is an average overall rent increase of 5.3% as set out in paragraph 3.59.
- 2.9 Agree to increase the service charges on the Brent Stonebridge Dwellings by an average of 5.3% or an average of £2.66 per dwelling per week as set out in paragraph 3.64.
- 2.10 That the Director of Housing and Community Care is delegated to agree in consultation with the Director of Finance and Corporate Services the Brent Housing Partnership (BHP) management fee for the financial year 2011/12.
- 2.11 That, following the decision of the Executive, an electronic copy of the report be circulated to all Members.

#### 3.0 **Detail**

- 3.1 This report addresses the budgets associated with the Council's Housing Revenue Account (HRA). It contains the income and expenditure relating to the Council's Landlord duties in respect of approximately 9,113 dwellings. These dwellings are statutorily accounted for separately from the Council's other services / activities which generally form part of the Council's General Revenue Fund. The HRA has regulations that differentiate it from the General Revenue Fund and receives Central Government financial support through the Housing Revenue Account Subsidy (HRAS) regime. The current basis of regulations and subsidy was introduced in April 1990 (as a result of the Local Government and Housing Act 1989). The system relies on the Secretary of State publishing annual 'Determinations' which set out the basis of HRA Subsidy. It also determines the way debt charges are calculated.
- 3.2 The account should receive no subsidy from the Council's General Fund nor subsidise the General Fund it is what is commonly referred to as a 'ring-fenced account'. Whilst the subsidy position is clear, this does not mean that there are no financial transactions between the HRA and General Fund (or vice versa). Transactions between the accounts include for example:
  - Debt Charges (associated with historic capital expenditure)

- Central Costs (representing the proportion of activities undertaken by non-HRA staff that can be attributed to the HRA).
- 3.3 The Council's average rent for 2010/11 is approximately £89.52 (excluding service charges). This takes account of the 1.09% average increase that was previously agreed in setting the 2010/11 rent levels. The Council's rent setting policy has been to adopt the Government's rent restructuring policy (that is the government's policy of influencing rent setting principles so that rents both in the council and 'Registered Social Landlords' (RSLs) sectors converge).
- In considering the rent policy for 2011/12, Members need to take into account the impact of the Government's rent restructuring regime and the rent convergence date. In recent years, the Government has moved the convergence date within the rent restructuring regime in order to influence rent levels, and for 2011/12 the convergence target date has been moved back to 2015/16 (for 2010/11 it was set at 2012/13). A consequence of moving convergence back from 2012/13 to 2015/16 is that guideline actual rent increases in 2011/12 will increase at a lower rate than if the convergence date had not been moved.
- 3.5 The Council's housing stock continues to reduce and in 2011/12 it is estimated that it will reduce by 31 dwellings, comprising 5 'Right to Buy (RTB) Sales' and 26 dwellings as part of the Barham Park proposed demolition. The Council's total housing stock is expected to be 9,082 by March 2012.
- The council's Housing Strategy 2009-14 will be reviewed in early 2011 to take account of a range of changes either proposed or already put in place by the government, which will impact significantly on the way housing and housing services are delivered in the future. The abolition of the Tenant Services Authority (TSA) and the transfer of its regulatory functions to the Homes and Communities Agency (HCA) has already been announced and confirmed in the recent Localism Bill. The HCA will itself be a smaller organisation and in London most of its functions will be controlled effectively by the Mayor. Last year, this report noted that distribution of resources will tie in with the priorities identified in the Mayor's Housing Strategy and that a key priority would be the agreement of a Local Investment Plan with the Mayor and the HCA, which will set out how the council, the HCA and other partners will work together to deliver agreed priorities in line with the local and regional strategies. Work in this area is now close to completion.
- 3.7 In November, the government published *Local Decisions: a fairer future for social housing.* This consultation paper sets out the most significant proposals for change in social housing for many years. In particular, it proposes the introduction of a flexible tenancy regime, through which local authorities would be able to offer fixed-term tenancies rather than secure tenancies to new tenants, with a similar model available to housing associations, who will also be able to provide homes at up to 80% of private sector rents through a new funding model for new housing delivery. In addition, there are proposals for changes to the allocations regime and

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homelessness, with council's given the option to discharge a homelessness duty through an offer in the private rented sector without the consent of the household that is required under current legislation. Local authorities will also be required to publish a strategic tenancy policy, setting out how they intend to use the proposed flexibilities. The council's approach to this will be the subject of a future report or reports to the Executive, which will need to agree the policy. These proposals are set out in the Localism Bill which was published and passed its First Reading Stage in the House of Commons in December 2010.

This report also contains rent increase proposals for the 332 dwellings that transferred, following a ballot, from the Stonebridge Housing Action Trust (HRA) to Brent Council in August 2007. These dwellings are maintained outside the HRA, in the General Fund, and the rent increase proposals for these dwelling are separate from the consideration of the main HRA budget, and are set out from paragraph 3.51 below.

# **Reform of Council Housing Finance**

- 3.9 The review of Council Housing Finance was launched by the Minister for Housing in March 2008. The current (and now discredited) national Housing Finance system is a major factor leading to the negative position on the Council's HRA business plan. The perceived problems with the current system include:-
  - 3.9.1 The requirement for authorities to contribute their rent income (and annual rent increases) back to the Government for distribution to other areas;
  - 3.9.2 Local responsibility and accountability is weak;
  - 3.9.3 The fairness of the system depends on the accuracy of assumptions made about spending in over 200 councils, which is difficult to manage nationally;
  - 3.9.4 The system is broadly in balance nationally (some say it is positive), with around two-thirds of Councils paying notional surpluses into the system, with only a third (including Brent) receiving subsidy. Furthermore, the system is predicted in the medium/long term to go significantly positive nationally;
  - 3.9.5 The annual nature of the process, with the volatility that it brings, makes it difficult for Councils to plan long term. There are currently annual changes in the system at short notice; and
  - 3.9.6 The system is not transparent and is complex. It is hard to understand and often its outcomes are difficult to predict.
- 3.10 The then Government published a consultation on the reform of Council Housing Finance in July 2009. The Coalition Government has since confirmed

the proposal to implement reform of the HRA subsidy System and this is now included in the Localism Bill, which was published in December 2010. It is now anticipated that the new system will be implemented for April 2012, and a policy paper from CLG is expected in January/February 2011 setting out the detailed proposals.

3.11 The HRA subsidy reform will include a new self financing system, in which rents are retained by Councils to spend on their own stock, in exchange for a one-off reallocation of debt. This change will have significant implications for the 2012/13 HRA budget and beyond - see also "HRA Business Plan" below.

# **HRA Business Plan**

- 3.12 The Council's HRA Business plan 2002 received an excellent 4\* rating, was deemed "fit for purpose" by the Government and led to the establishment of Brent Housing Partnership (BHP) Ltd, the council's Arms Length Management Organisation (ALMO). BHP was given the responsibility for the management and maintenance of the Council's housing stock, including the delivery of the housing stock investment programme to meet the Government's decent homes standard. BHP completed its decent homes standard investment programme in 2006, well ahead of the Government's target date of 2010, using £68m of capital resources provided through the Government's ALMO programme.
- 3.13 A report to the Council's Executive on 16 February 2009 briefed members on the key issues arising out of an updated 30 year HRA Business Plan 2009. The key issues identified were:-
  - 3.13.1 The initial projection of the investment needs of the housing stock over a 30 year period, will be a net shortfall of the region of £518m including south Kilburn stock and £414m excluding South Kilburn Stock; and
  - 3.13.2 The initial projection for the Operational HRA (both including and excluding South Kilburn housing stock) is that the account is likely to be running into a net deficit from year 5. Remedial actions will be required to prevent this happening, as Local Authorities are legally required to set a balanced HRA budget each financial year.
- 3.14 The report discussed the following key options for addressing the HRA business plan:-
  - Stock retention (PFI and/or self-financing (dependent upon Housing Finance Reform);
  - Stock transfer; and
  - Future role of BHP (again dependent upon Housing Finance reform).

- 3.15 The Executive noted the report and agreed that a further report be submitted to members once the stock condition data had been updated and the outcome of the Government's review of council housing finance is known.
- 3.16 The stock condition survey has now been completed, and the HRA business plan is currently being updated to reflect this. It will also be necessary to update the HRA Business Plan to reflect:-
  - The agreed HRA Budget 2011/12
  - The final HRA subsidy Determinations 2011/12
  - HRA Reform proposals (likely to be issued January/February 2011).
- 3.17 Once this work is complete, the updated HRA Business Plan will be reported to the Executive. Officers anticipate that the overall position on the 30 year HRA Business Plan, both for revenue and capital, to have improved significantly when compared to the position as reported to the Executive in 2009. This is because an initial assessment on the financial aspects of the HRA reform proposals show that the adoption of a devolved self financing system would bring about considerable additional resources in future years, building up over time (arising out of the ability to keep annual rent income).

# Review of the Management of the Council's Housing Stock

- 3.18 The Council's Housing stock is currently managed by Brent Housing Partnership (BHP), which is an Arms length management Organisation and was established in 2002. The current management agreement between the Council and BHP is due to expire in September 2012, and the Council has engaged consultants to conduct a review of future options for the management of the stock. The review, will:
  - Include an assessment of the strengths and weaknesses of the current Housing Management arrangements; and
  - Set out a full range of options for the ongoing delivery of housing management across the borough.

The outcome of the review will be reported to the Executive for a decision in Spring 2011.

# **Housing Revenue Account Subsidy (HRAS)**

3.19 A key element in budgeting for the HRA is Housing Revenue Account Subsidy (HRAS) which is forecast to be £8.553m in 2011/12. HRAS is updated each year through the annual HRA Subsidy Determinations. These determinations set out the changes to the level of Government support for Councils' HRA's. The Final HRAS Determinations for 2011/12 were issued on 10 January 2011 and their impact has been included in this report.

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3.20 The following table sets out the Housing Subsidy due for 2011/12 and compares this to the Housing Subsidy due for 2010/11, and also sets out the key variances.

|                         |         |         |          | Gov't    |          |          |
|-------------------------|---------|---------|----------|----------|----------|----------|
|                         | Subsidy | Subsidy | Stock    | Support  | Other    | Total    |
|                         | 2010-11 | 2011-12 | Variance | Variance | Variance | Variance |
| Item                    | £000    | £000    | £000     | £000     | £000     | £000     |
| Management and          |         |         |          |          |          |          |
| Maintenance             | 19,670  | 20,766  | -251     | 1,347    |          | 1,096    |
| ALMO Allowance          | 4,320   | 0       |          | -4,320   |          | -4,320   |
| Capital Charges         | 21,265  | 23,369  |          | 2,484    | -380     | 2,104    |
| Major Repairs Allowance | 2,363   | 8,078   | -99      | 5,814    |          | 5,715    |
| Reckonable Expenditure  | 119     | 119     | 0        | 0        | 0        | 0        |
| Interest on Receipts    | -10     | -8      |          | 2        |          | 2        |
| Notional Income         | -41,542 | -43,771 | 529      | -2,758   |          | -2,229   |
| Total                   | 6,185   | 8,553   | 179      | 2,569    | -380     | 2,368    |

An explanation of the key variances is set out below:-

- 3.20.1 Stock variance Subsidy will be increased in 2011/12 by £179k to reflect a reduction in stock numbers.
- 3.20.2 Government Support Variance:-
  - 1. Management and maintenance Allowances will increase by £1.347m. Nationally, management allowances have increased by 2.25%.Brent will receive an additional £477k thorough this increase and through adjustments to the formula (in particular the national scaling factor). Nationally, Maintenance Allowances have increased by 2.25%. Brent will receive an additional £870k through this increase and through adjustments to the formula which includes updated data for crime and flats, and an updated geographical adjustment.
  - 2. Almo Allowance this allowance of £4.32m will be discontinued from 2011/12 onwards. The Almo allowance was a subsidy element to support the agreed capital borrowing for round 1 and 2 ALMOs. Brent borrowed £54m, and the subsidy was agreed at 8% interest, so our subsidy support was £4.32m. When this was agreed, around 2002, the Government stated that this favourable arrangement would only continue to 2010/11, after which, the interest rate would convert to the Council's consolidated rate of interest (CRI). Our CRI is currently estimated to be 4.6%, and therefore we will receive £2.484m via capital charges subsidy to replace the Almo allowance. There is a gap between what was subsidised through the ALMO allowance and what will be subsidised through Capital Financing subsidy of £1.836m, and this will fall to be met by the HRA budget from 2011/12.

- 3. Capital charges see ALMO allowance in paragraph above.
- 4. Major Repairs Allowance (MRA) MRA will increase in 2010/11 to reflect that national increase in allowances of 2.25% which is an increase of £414k, and the MRA is increased by a further £5.4m to reinstate the £5.4m MRA that was brought forward from 2010/11 into 2009/10.
- 5. Notional income (also known as guideline rents) , representing a withdrawal of subsidy, this subsidy element has been increased nationally by 6.8%, which means a reduction in subsidy for 2011/12 of £2.758m.
- 3.20.3 Other variance of £380k reflects a reduction in subsidy due to lower interest rates. This reduction in subsidy will be offset by a reduction in the capital charges that will fall to the HRA, and will therefore be broadly neutral.

# **Rent Restructuring**

- 3.21 The Communities and Local Government Department (CLG) continues to implement rent restructuring which, as in previous years, has a substantial impact on the overall income attributable to the HRA. Whilst it remains the responsibility of the Council to set rents, there is strong encouragement to set these in accordance with the 'national formula' through the operation of the HRAS system and the performance regime applicable to 'Housing'. For 2011/12 rent setting purposes, the date for convergence under rent restructuring has been dropped back to 2015/16 (in 2010/11 it was 2012/13). Otherwise, the methodology is the same as used in 2010/11 but with factors rolled forward one further year.
- 3.22 For 2011/12, under the national formula, rents will increase at an individual level by 4.6% (RPI *plus* 0.5% real increase *plus* 1/5th towards the target rent. At an individual level, rent increases will be limited to an increase of no greater than 4.6% plus 0.5% plus £2, and will also be subject to the following rent level caps by bed size:

#### Bed Size Caps 2011/12

| Size    | Cap<br>£ |
|---------|----------|
| Bedsits | 119.66   |
| 1 Bed   | 119.66   |
| 2 Bed   | 126.70   |
| 3 Bed   | 133.74   |
| 4 Bed   | 140.78   |
| 5 Bed   | 147.81   |
| 6 Bed   | 154.86   |

3.23 By following the Rent Restructuring formula at individual dwelling level, Brent's overall average rent for 2011/12 should increase by 6.14%.

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

| Banding              | No    |
|----------------------|-------|
| Between £1.50 and £2 | 1     |
| Between £2 and £3    | 65    |
| Between £3 and £4    | 941   |
| Between £4 and £5    | 1,186 |
| Between £5 and £6    | 4,149 |
| Between £6 and £7    | 2,890 |
| Between £7 and £8    | 8     |
| Total                | 9,240 |

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

|            | Average<br>% |
|------------|--------------|
| No of Beds | increase     |
| 0          | 7.83%        |
| 1          | 7.19%        |
| 2          | 6.41%        |
| 3          | 5.33%        |
| 4          | 4.38%        |
| 5          | 3.96%        |
| 6          | 4.59%        |

3.25 The table below is an analysis of the rents, (using rent restructuring policy) by percentage band, showing the number of properties and the average weekly increase/(decrease) in cash terms. The average overall rent rise is 6.14%.

|            | No of      | Ave increase in £ per | Rental<br>Increase<br>over |
|------------|------------|-----------------------|----------------------------|
| Band       | Properties | property              | Previous Yr                |
| 1% to 2%   | 4          | 2.03                  | 423                        |
| 2% to 2.5% | 13         | 2.58                  | 1,741                      |
| 2.5% to 3% | 252        | 3.19                  | 41,863                     |
| 3% to 4%   | 973        | 3.79                  | 191,869                    |
| 4% to 5%   | 882        | 4.67                  | 214,171                    |
| 5% to 6%   | 979        | 5.42                  | 275,874                    |
| 6% to 7%   | 1664       | 5.93                  | 513,292                    |
| 7% to 8%   | 4418       | 6.04                  | 1,388,388                  |
| 8% to 9%   | 50         | 4.93                  | 12,811                     |
| 9% to 10%  | 1          | 2.60                  | 135                        |
| Over 10%   | 4          | 2.83                  | 588                        |
| Total      | 9,240      | 5.50                  | 2,641,156                  |

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

- 3.26 The agreement between the Council and BHP require each year that a management agreement fee is negotiated and agreed. The fee will be consistent with delivery plan requirements and the general requirement to reduce operating costs on a year by year basis. In general terms the management fee negotiations are based upon 2/3% efficiency savings plus pro rata reductions based upon loss of stock under management. This formula has facilitated continuous reductions in the management fee and thus enables BHP to manage future risk in a coherent manner. The risk for changes to employer pension contributions remains with the Council. Therefore the HRA will benefit from the anticipated reduction in contribution rates for 2011/12 through an adjustment to the management fee. The affect on BHP's financial resources will need to be assessed, in particular with regard to pension liabilities and Financial Reporting Standard 17 (FRS17) however the cash impact on BHP will be neutral. BHP's accounts are published in accordance with the United Kingdom General Accepted Accounting Practice (UK GAAP). The accounts to 31<sup>st</sup> March 2010 were unqualified.
- 3.27 BHP has achieved operating surpluses derived from a combination of the activities of its Direct Labour Organisation (DLO), the management of Brent Council's direct leasing scheme (for homeless households) and the management fee itself. These surpluses are negated through accounting requirements concerning pension liabilities (FRS17) and depreciation on acquired properties. Surplus cash, with the consent of the Council, has been invested, on a temporary basis, in support of BHP's acquisition strategy (that materially assists the Council with its housing priorities).
- 3.28 The purpose of cash surpluses is to enable BHP to manage its affairs on a prudent basis. This cash surplus enabled BHP to successfully manage a voluntary redundancy programme in 2010/11 i.e. to fund the redundancy payments and additional contributions to the pension fund. As at 31<sup>st</sup> March 2010, BHP's reserves were a negative £11.6M.
- 3.29 BHP has sought to plan for budget reductions and saving to reflect stock loss and efficiency savings on an annual basis and to be in a position to anticipate the financial climate rather than respond to changes on an ad hoc uncoordinated basis.
- 3.30 BHP has achieved savings through a combination of reductions in posts, undertaking some functions direct that were formerly carried out by external companies and taking on additional services with no increase in the management fee (e.g. Disabled Facilities Grants (DFGs)). BHP continues to review its services through the assistance of Vanguard Consulting. BHP's Value for Money strategy (that has board approval) has confirmed that BHP's preferred approach is to use the systems thinking to drive out waste and improve service delivery. The improvement in the repairs service via systems

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thinking has confirmed the validity of the methodology and thus it is being rolled out in the whole of the company. Currently Housing Management, Estate Services and Leasehold Services are subject to review.

- 3.31 In 2006/07 BHP offered a voluntary redundancy scheme that enabled 16 staff to be managed out of the organisation, in September 2010 a further voluntary redundancy scheme was approved by the board which was integral to a general review of the company's structure. In total a further 16 posts were removed from the establishment which represents approximately 10% reduction in staffing costs. The total annual savings is over £700K per annum.
- 3.32 BHP will be further reviewing its operations in the light of the service reviews; moreover consideration will need to be given to the impending HRA review which will have considerable impact on council housing finances. Whilst BHP is currently subject to a review concerning the continuation of its management agreement beyond its expiry in September 2012, the view of the board is that the business remains a 'going concern'.
- 3.33 It is recommended that the Director of Housing and Community Care in consultation with the Director of Finance & Corporate Services is delegated authority to agree the management fee (subject to Member instructions/directions) for 2011/12. These negotiations are important not only for establishing the appropriate fee but also in establishing the Arms Length nature of BHP within a partnering framework. The BHP board will also consider the fee arrangements.

# <u>Risks</u>

- 3.34 BHP has a risk management strategy that identifies the 'top ten' risks and is regularly reported to its board. As part of the development of the budget, officers have sought to consider the main associated risks. These risks are set out below:-
- 3.34.1 Performance on rent collection remains generally good. As indicated in last year's report the current economic environment creates a challenge for BHP and the income management officers in particular. Whilst most of the changes in Housing Benefit regulations in the main do not affect council (social) housing tenants, nevertheless there are changes which could materially affect collection performance e.g. reduced HB for those on job seekers allowance.
- 3.34.2 The recovery of Leaseholder Service Charges (Major Works) remains a challenge for officers and compliance with legislation is often difficult. In addition there are often differences between tenants and leaseholders in respect for works undertaken. For instance work to a communal area may well be considered favourably whilst a leaseholder may view such expenditure as not strictly necessary under the lease and thus not recoverable.
- 3.34.3 The main risk to the Council's stock, in the medium term is the sufficiency of the proposals, due out shortly concerning the HRA review

3.35 At this stage the overall operational risks needs to be analysed in the context of the HRA review which is understood to be due shortly. This will establish the overall viability of the Council's stock of dwellings.

# Revised Budget 2010/11

- 3.36 A summary for the forecast outturn for the HRA for 2010/11 is contained on Table 1 on Appendix 1. It can be seen that net expenditure is predicted to be £708k in 2010/11, which when compared to the budget of £500k, represents a forecast overspend of £208k. Additionally the surplus balances brought forward from 2009-10 exceeded the budget by £208k. Taking account of this, the 'surplus carried forward' to 2011/12 is forecast to be £466k which is in line with the original budget.
- 3.37 Table 2 on Appendix 1 sets out the detailed virements associated with this forecast outturn. The major adjustments that affect the overall net expenditure are included in column 3, and are as follows:-
  - Housing Subsidy this reflects an additional £8k income for management and Maintenance allowance.
  - Rental Income Following a detailed review of income from Council tenanted dwellings, officers now forecast that rent income in 2010/11 will be £122k less than budgeted. This reduction is mainly due to loss of rental income from the properties being decanted and prepared for demolition as part of regeneration programme work in the South Kilburn and Barham Park areas. This projection also includes the sale of dwellings to BHP as part of the Granville New Homes sale agreement.
  - Non Dwelling Rent This reflects the reduction of £6k income from garages, due to stock loss.
  - Other Income HRA Notional Interest Income is forecast to reduce by £345k. The HRA determinations require the Council's General Fund Account to pay the HRA an notional interest charge based on HRA balances. Officers are currently reviewing this budgeted; and it is expected that the income will be reduced by £345k, due to a significant reduction in the applicable interest rate.
  - General Management Officers currently forecast an overall underspend of £137k. The service units operational cost within the HRA are forecast to underspend by £239k, which is mainly due to efficiency savings and unfilled vacant posts. This underspend is offset by a forecast shortfall of £103k in service charge income from Right to Buy (RTB) Leaseholders.

- Special Management Officers currently forecast an under-spend of £120k which relates to communal lighting expenditure, and follows a review and detailed reconciliation of the spending on communal billing.
- HRA surplus brought forward the final audited HRA for 2009/10 showed a surplus of £2,174k, which exceeded the budget of £1,966k by £208k. The main reasons for this were favourable variances on rent income, and the bad debt provision budget.

# **Draft Budget 2011/12**

- 3.38 In considering the budget estimates for 2011/12, Members need to consider the policy and legislative framework within which the estimates have been formulated.
- 3.39 Estimates have been compiled on the basis of guidance for budget preparation (issued by the Director of Finance and Corporate Services) and the 'budget envelope' as agreed by the former Housing Committee that is the spending budgets should be adjusted in relation to the stock numbers. The advantage of this approach (which ignores fixed costs) is that managers are able to reduce their expenditure on a planned basis. The budget as set out on table 1 on appendix 1 has specifically been prepared on the following basis:-
  - 3.39.1 Growth No growth is included in the draft budget see section from paragraph 3.41 below on growth proposals for 2011/12.
  - 3.39.2 Allowance for inflation Budgets have been prepared on an outturn basis and include an allowance of 0% for pay, and a 1% increase for employers' national insurance contributions. For non pay price rises, a general increase of 0% has been used, except for repairs, cleaning, and Grounds maintenance, which in line with their contracts, an inflation factor of 2.71% has been included. The Employer's Superannuation Contributions for BHP staff has been reduced from 14.1 to 12.6%, and for Council Staff remains at 23.1%.
  - 3.39.3 Stock Loss/Efficiency Savings Applicable budgets have been reduced by 0.34% to reflect the estimated stock loss in 2011/12, plus a further efficiency savings arising from one Council and other (BHP reviews). Expenditure has been decreased by a net £924k to reflect these savings.
  - 3.39.4 Subsidy See paragraph 3.19 above.
  - 3.39.5 No rent increase for 2011/12 has been assumed within the draft budget.

3.40 The draft budget for 2011/12 is set out on table 1 on appendix 1. The draft budget (excluding balances) shows a deficit of £3.695m. The table below shows how this deficit has been compiled:-

| Description                         | £000  |
|-------------------------------------|-------|
| Housing Subsidy excl Almo Allce     | 1,410 |
| Almo Allowance (net)                | 1,836 |
| Inflation                           | 545   |
| Technical                           | 30    |
| Stock Loss/Efficiency Savings (net) | -924  |
| Funded from balances in 09-10       | 708   |
| One off savings in 2010-11          | 90    |
| Total                               | 3,695 |

# **Growth 2011/12**

- 3.41 Members agreed an additional Capital Programme of £6m for 2010/11 for Health and Safety Works (£3m) and Council dwelling window replacement/ building envelope/decorations works (£3m). Members also agreed that the additional debt charges of £300k arising from this (£150k in 2010/11 and a further £150k each year from 2011/12 onwards) should be met by a reduction in the HRA Direct Revenue Financing Budget. As interest rates have reduced slightly, the growth now needed for 2011/12 is £138k, to be funded by a reduction in the HRA Direct Revenue Financing Budget. Members are asked to agree this revised growth/funding for 2011/12.
- 3.42 ALMO Interest Rate Adjustment – The Government have confirmed that the Almo Allowance (£4.32m income for Brent) will be discontinued from 2011/12 onwards. The Almo Allowance was a subsidy element to support the agreed capital borrowing for round 1 and 2 ALMOs. Brent borrowed £54m, and the subsidy was agreed at 8% interest, hence the subsidy support or Almo Allowance was £4.32m. When this was agreed, around 2002, the Government stated that this favourable arrangement would only continue to 2010/11, after which, the interest rate would convert to the Council's consolidated rate of interest (CRI). Brent's CRI is currently estimated to be 4.6% but this will rise significantly following the comprehensive spending review. Therefore we will receive £2.484m via capital charges subsidy to replace the Almo allowance. There is a gap been what was subsidised through the ALMO allowance and what will be subsidised through Capital Financing subsidy of £1.836m, and this will need to be met by the HRA budget from 2011/12. This change has been anticipated and Members have, in the previous two years budget reports, agreed to establish some resources to try and smooth out the impact of the change. In particular, £2.2m has been set a side in earmarked reserves to fund a transition, and a budget of £183k has previously been established. It is now proposed that Members agree to growth of £977k in the 2011/12 budget for this, and that it is noted that further growth of £169k will need to be agreed each year from 2012/13 to 2015/16.

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# **Balancing the Budget**

- 3.43 Clearly Members need to be mindful of their obligations to approve a budget that is balanced and is based upon reasonable estimates. It is for Members to consider whether they agree the items below and/or to put forward other options.
- 3.44 It is officer's advice that the Council should continue to comply with the Government's Rent Restructuring Regime. However the report clearly demonstrates below other rent options including the indication of what level of rents activates rent limitation whereby HRAS is withdrawn from the Council (thus the HRA would not receive the full product of rises above limitation levels).
- 3.45 If Members agree to adopt officers' advice regarding rent restructuring (that is agreeing to the Government's rent restructuring formula on the basis that it maximises subsidy) then the focus can be upon how to fund the gap between anticipated resources (including the additional income arising from an overall average rent rise).
- 3.46 By taking account of rent restructuring, the following budget position emerges (this assumes convergence increase and increases in service charges).

| Description                        | £000's |
|------------------------------------|--------|
| Deficit (per appendix 1, table 1)  | 3,695  |
| Growth                             | 138    |
| Growth Funding Proposal            | -138   |
| Growth Round 2 Interest            | 977    |
| From Earmarked Reserve             | -1836  |
| Subtotal                           | 2,836  |
| Product of Service Charge Increase | -128   |
| Product of Rent Increase           | -2,641 |
| Revised Deficit                    | 67     |

3.44 This revised deficit could be mitigated through the following measures:-

| Description     | £000's |
|-----------------|--------|
| Use of Balances | 67     |
| Revised Deficit | 0      |

Use of balances – Members have historically budgeted to maintain HRA balances at £400k. The proposals set out above maintain that policy and at the same time provides for a balanced HRA budget.

# **Other Budget Strategy Options**

3.47 Clearly, it is open to Members to consider other options. Officers have produced a strategy that in their view is prudent, realistic and in line with Council policy. The basis of the report is structured as in previous years, that is officers give advice as to the resources available for next year based upon

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current policies and give indications as to the income required for a 'balanced budget' based on those policies. It is for Members to determine the appropriate level of rents/growth/reductions within the law. Any budget proposals must be achievable in both financial and housing operational terms.

- 3.48 Members could consider raising rents above convergence levels however account will need to be taken of the impact of rent rebate subsidy limitation, whereby increasing actual rents above the rent limit would trigger the 'rent limitation rule' whereby only approximately 40% of the product of a rent rise above this threshold would be available to fund HRA expenditure. The rent rebate limit for 2011/12 has been increased by 6.3%.
- 3.49 Alternatively, Members could raise rents at a rate below convergence levels (i.e. less than 6.14% on average), or indeed freeze or reduce average rents. This would mean that the Council would not be following rent restructuring policy, and members would need to agree additional specific savings over and above those savings already included in this report. Any additional savings would need to come from operational or service related costs (such as repairs).

The following table sets out the income generated by various percentage rent increases ranging from 0% to 6.14%, and the table sets out the additional savings that would need to be identified in order to achieve a balanced budget:-

| Percentage Increase                 | 0%    | 1%    | 2%    | 3%    | 4%    | 5%    | 6.14% |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|
|                                     | £m    |
| Income Generated                    | 0     | 0.433 | 0.867 | 1.265 | 1.738 | 2.125 | 2.641 |
| Additional Savings to be Identified | 2.641 | 2.208 | 1.774 | 1.376 | 0.903 | 0.516 | 0     |

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

- 3.50 On 26<sup>th</sup> January 2011 BHP's Finance and Audit Sub Committee met to receive a briefing from the Director of Housing and Community Care and the Assistant Director Strategic Finance Housing and Community Care on the draft HRA budget proposals for 2011-12. BHP board members received an open invitation to attend. Those members present represented all the constituent elements of the board i.e. councillors, 'independents' and residents, the Chair of the board was in attendance. The BHP Sub Committee agreed the following resolution:-
  - BHP welcomes the opportunity to discuss, each year, the HRA Budget with senior council officers.
  - Members received a full briefing from council officers on the technical financial issues concerning the HRA for next year and the policy context.

They also had the opportunity to question those officers on matters of detail in addition to policy.

- Board Members were particularly pleased at the financial stability of the HRA which materially assists in the delivery of quality services to residents. They consider that this financial stability has been achieved through the continual good working relationship between the parties over a number of years. Members were impressed with the forward financial planning which has successfully enabled the HRA to accommodate material reductions in resources over a number of years. The committee was particularly pleased with the means by which substantial reductions in subsidy arising from the technicalities associated with the Decent Homes programme have been anticipated and reductions managed with BHP's full engagement. This approach material assists BHP in the planning for delivery of services.
- Given the HRA Budget for 2011/12 is possibly the last under the current subsidy regime, BHP considers that the HRA review is vital for the future viability of the stock. Members are very encouraged by the collaborative work between BHP and the Council concerning the commissioning of stock condition surveys and wish for this collaboration to continue throughout the HRA review. In addition, given the review commissioned by the Council into the future of the ALMO and other stock management options, BHP also wishes to participate collaboratively with the Council during the decision making process. In BHP's view, the material issues arising on the HRA and the management arrangements are far more pertinent than what is possibly the final year of the current HRA financing regime.
- On the basis of the Draft Budget as presented, BHP is fully satisfied with this report's recommendations.

# Non HRA Stonebridge Dwellings

- 3.51 In addition to the Council's dwellings contained within the HRA, the Council also continues to hold dwellings outside the HRA i.e. in the General Fund. These dwellings were formerly held by the Stonebridge Housing Action Trust (HAT) and they were transferred to Brent Council in August 2007 when the HAT was wound up.
- 3.52 The Council currently owns 346 properties under this scheme. 320 of these are tenanted properties, 12 properties are currently void, and 14 properties are let on a leasehold basis. One property was purchased by its tenant under right to buy during the year and its purchaser is now one of the leaseholders.
- 3.53 Hillside Housing Trust manages these properties on the Council's behalf through a PFI contract.

- 3.54 Council dwellings are normally held in the HRA. However in order to avoid any negative impact of these dwellings on the Council's HRA, the Secretary of State issued a direction under section 74(3)(d) of the 1985 Housing Act, for the properties in this scheme to be held outside the HRA i.e. in the General Fund.
- 3.55 The income and expenditure associated with these Stonebridge dwellings (which will be broadly neutral in 2011/12) will be included in the Council's General Fund budget.
- 3.56 Last year, for 2010/11, the Council agreed an average rent decrease of 0.5% and an average service charges decrease of 37.8%. The overall average reduction in 2010/11 was 3.2%.
- 3.57 The Council has the responsibility for setting rents and service charges for these Brent Stonebridge Dwellings (in consultation with Hillside Housing Trust, and in line with the terms of the PFI contract).
- 3.58 The framework for the annual rent setting for the Brent Stonebridge dwellings is contained in the 30 year PFI contract between Hyde Housing (Hillside Housing Trust) and the Council. The PFI contract sets out that rent increase/decrease for next year should be based on the following formula (note that for 2011/12, the RPI is the Retail Price Index at September 2010, which was 4.6%):-
  - Where rents are below target rent level they should be increased by 4.6% (RPI) + 2%. This means that they should increase by 6.6%.

However, this is subject to a limit on the lower of:-

- o the target rent at an individual level; or
- 4.6% (RPI) + 0.5% + £2;
- Where rents are at target level they should be increased by 4.6% (RPI) plus 0.5%. This means that they should increase by 5.1%.
- 3.59 Taking account of the framework set out in the PFI contract, the following table sets out the 2010/11 actual rent and the proposed rent levels for 2011/12.

|                  | Rent<br>2010-11<br>£ | Rent<br>2011-12<br>£ | Increase/<br>(Decrease)<br>£'s | Increase/<br>(Decrease)<br>% | No  | Total<br>Increase/<br>(Decrease)<br>£ |
|------------------|----------------------|----------------------|--------------------------------|------------------------------|-----|---------------------------------------|
| 1 Bed Flat       | 84.87                | 89.20                | 4.33                           | 5.1%                         | 85  | 19,139                                |
| 2 Bed Flat       | 97.78                | 104.23               | 6.45                           | 6.6%                         | 45  | 15,093                                |
| 1 S/croft Elders | 84.87                | 89.20                | 4.33                           | 5.1%                         | 15  | 3,377                                 |
| 2 S/croft Elders | 97.78                | 104.23               | 6.45                           | 6.6%                         | 3   | 1,006                                 |
| 2 Bed House      | 109.14               | 114.71               | 5.57                           | 5.1%                         | 36  | 10,427                                |
| 3 Bed House      | 119.61               | 125.71               | 6.10                           | 5.1%                         | 77  | 24,424                                |
| 4+ Bed House     | 125.92               | 132.34               | 6.42                           | 5.1%                         | 71  | 23,703                                |
| Total            | 1,833,508            | 1,930,677            | 5.63                           | 5.3%                         | 332 | 97,169                                |

This table shows that the range of the rent change is from an increase of £4.33 to £6.45, and that the average overall rent change (excluding Service Charges) for 2011/12 will be an increase of £5.63 per week, which is an average increase of 5.3%. Members are asked to agree this.

This will increase the average rent (excluding service charges) from £106.20 to £111.83 and will result in an increase of £97k in rent income per annum (when comparing the full year effect of 332 dwellings), which will, in line with the PFI contract, be offset by a reduction in the unitary charge in 2011/12. The overall impact of this will therefore be broadly neutral on the Council's budget.

- 3.60 For service charges, service contracts were tendered out in 2008/09. Those contracts contained annual price uplifts linked to the Retail Prices Index (RPI). RPI for the relevant period (Sept 09) for calculating the service contract fee for 2010/11 was negative, which led to a reduction in costs for 2009/10. However, the relevant RPI for the coming year (Sept 10) was an increase of 4.6%. The costs are therefore higher than they were in 2010/11 but, with the exception of Service charges for Southcroft Elders block, the charges for 2011/12 remain lower than they were in 2009/10. The costs at Southcroft, an Elders block, remain high in comparison with other homes because they receive additional services. For example, their communal areas are cleaned daily whilst general needs properties only have their communal areas cleaned once a week.
- 3.61 All of the costs used in calculating the Hillside Service Charges are based on the estimated actual costs of providing those services. Because of the negative RPI used for 2010/11, Hillside absorbed costs for Service Charges in 2010/11 that were more expensive than the amount charges to residents. More realistic assumptions, including projections based on actual costs in the preceding year and predictable price rises, have had to be made for the coming year. It is necessary to factor in the increase of VAT to 20% and an allowance of 7% for increases in charges for communal water and electricity in addition to the uplift of 4.1% in the service contract costs. The collection of bulk refuse continues to be an expense to Hillside Housing Trust and an amount based on the costs incurred for it last year is included in this year's charges.

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- The service charge for houses on Hillside, (and a few of the flats with their own entrance but no entryphone) has increased to £1.05 per week for 2011/12. The additional charge of 63p is to meet the costs of the Communal Aerial service which is supplied to all of the houses. This was accidentally omitted in previous years and has been picked up in this year's figures. This rise, plus 28p contribution towards grounds maintenance and 14p administration charge, brings the cost for houses up to £1.05 (equalling an increase 262.10% over 2010/11), which is still lower than the average of £1.76 charged in Service charges to Houses in 2009/10.
- 3.63 Hillside does not divide the service Charges up according to bed size of the units but the Service charges are directly worked out by the costs of providing the services that every block receives.
- 3.64 As a result of this process, Hillside Housing Trust have notified us that they propose to increase service charges in 2011/12. The following table sets out the average proposed Service charges in 2011/12 and the compares this to the Service Charges for 2010/11:-

|                  | Average<br>Service<br>Charges<br>2010-11 | Average<br>Service<br>Charges<br>2011-12 | Increase | Increase |     | Total  |
|------------------|--|--|----------|----------|-----|--------|
|                  | £  | £  | £'s      | %        | No  | £      |
| 1 Bed Flat       | 8.82                                     | 13.72                                    | 4.90     | 55.6%    | 85  | 21,658 |
| 2 Bed Flat       | 8.69                                     | 13.95                                    | 5.26     | 60.5%    | 45  | 12,308 |
| 1 S/croft Elders | 31.32                                    | 36.35                                    | 5.03     | 16.1%    | 15  | 3,923  |
| 2 S/croft Elders | 31.32                                    | 36.35                                    | 5.03     | 16.1%    | 3   | 785    |
| 2 Bed House      | 0.29                                     | 1.05                                     | 0.76     | 262.1%   | 36  | 1,423  |
| 3 Bed House      | 0.29                                     | 1.05                                     | 0.76     | 262.1%   | 77  | 3,043  |
| 4+ Bed House     | 0.29                                     | 1.05                                     | 0.76     | 262.1%   | 71  | 2,806  |
| Total            | 91,409                                   | 137,355                                  | 2.66     | 50.3%    | 332 | 45,946 |

This table shows that the overall proposed average Service Charge increase for 2011/12 will be £2.66 per week, being an average increase of 50.3% over 2010/11 charges (but it is important to note that with this increase, the service charges on average remain lower than the 2009/10 charges). The impact at individual level will depend upon the specific dwelling type and the service charges allocated to that dwelling. This proposal will increase the average service charge from £5.29 to £7.96 and will result in £46k more service charges income per annum (when comparing the full year effect of 332 dwellings), which will, in line with the PFI contract, be used to pay an increased unitary charge in 2011/12. The overall impact of this will therefore be broadly neutral on the Council's budget.

3.65 The combined effect of the proposals for rents and service charges changes at Stonebridge for 2011/12 are set out in the following table:-

|                  | Average<br>Rents &<br>Svce<br>Chge<br>2010-11 | Average<br>Rents &<br>Svce<br>Chge<br>2011-12 | (Increase)<br>£'s | (Increase)<br>% | No  | Total<br>Increase<br>£ |
|------------------|---|---|-------------------|-----------------|-----|------------------------|
| 1 Bed Flat       | 93.69   | 102.92  | 9.23              | 9.9%            | 85  | 40,797                 |
| 2 Bed Flat       | 106.47  | 118.18  | 11.71             | 11.0%           | 45  | 27,401                 |
| 1 S/croft Elders | 116.19  | 125.55  | 9.36              | 8.1%            | 15  | 7,301                  |
| 2 S/croft Elders | 129.10  | 140.58  | 11.48             | 8.9%            | 3   | 1,791                  |
| 2 Bed House      | 109.43  | 115.76  | 6.33              | 5.8%            | 36  | 11,850                 |
| 3 Bed House      | 119.90  | 126.76  | 6.86              | 5.7%            | 77  | 27,467                 |
| 4+ Bed House     | 126.21  | 133.39  | 7.18              | 5.7%            | 71  | 26,509                 |
| Total            | 1,924,917                                     | 2,068,033                                     | 8.29              | 7.4%            | 332 | 143,115                |

This table shows the combined impact of the proposed average rent and Service Charge increase at Stonebridge for 2011/12. The net impact on tenants will on average be an increase of £8.29 or 7.4%, although the actual impact will depend upon the dwelling type and the specific service charges that are being incurred by that dwelling.

# Conclusion

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

# 4.0 Financial Implications

- 4.1 This report is wholly concerned with financial issues associated with setting the HRA budget for 2011/12 and the level of rents for Council dwellings in 2011/12.
- 4.2 Members are advised of their duty to approve a budget that meets the statutory requirements as contained in Part VI of the Local Government and Housing Act 1989. Sections 76 (2) and (3) of that Act requires Members to ensure that their proposals are realistic and that the Council's Housing Revenue Account does not show a debit balance.

# 5.0 Legal Implications

5.1 Under section 74 of the Local Government and Housing Act 1989 ("the 1989 Act"), the Council is required to keep a separate Housing Revenue Account of sums falling to be credited or debited in respect of its housing stock. Sections 75 and 76 of the 1989 Act set out the rules for establishing and maintaining that account. Under section 76 of the 1989 Act, the Council is required to formulate in January and February of each year proposals for the HRA for the following year which satisfy the requirements of that section and which relate

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to income, expenditure and any other matters which the Secretary of state has directed shall be included.

- In formulating these proposals the Council must secure that upon their implementation the HRA will not show a debit balance assuming that the best assumptions and best estimates it can make at the time prove to be correct. Put simply, the legislation requires the Council to prevent a debit balance, to act reasonable in making assumptions and estimates and to act prudently.
- 5.3 The Act also requires the authority to review the proposals from time to time and make such adjustments as are necessary to ensure that the requirements, as set out above, continue to be met. This report sets out the revised estimates for the current financial year and also the proposals for the coming year.
- The Council may make such *reasonable* charges as it so determines for the tenancy or occupation of their dwellings and shall review those rents and charges from time to time. In so doing the Council shall have regard to the principle that the rents for different types of houses should bear broadly the same proportion to private sector rents for those different types of houses. This means that the difference between the Local Authority rent for, say, a bedsit and a two bed house with a garden should be broadly comparable to the difference between the rents for those types of dwellings in the private sector. In making such reasonable charges officers have given consideration to the Government's policy aims of introducing social housing rents that will ultimately produce rents being set (both in the council and RSL sectors) on a nationally determined basis (whilst taking into account local factors such as the value of dwellings). This aim is not prescriptive in so much it remains the responsibility of the local housing authority to set rents.
- 5.5 The rent income estimates included for 2011/12 are based upon the Governments Rent Restructuring formula and adjusted for RTB etc.
- 5.6 The decisions recommended in this report are an exercise of the Executive's rent-setting function and must take into account the implications of the Council's overall budget.
- 5.7 Under section 76(8) of the Local Government and Housing Act 1989, the Council is required to prepare a statement of the revised estimates and new proposals within one month of the proposals and this requirement will be satisfied by Council approval of the overall budgets for 2011/12 on 28 February 2011, when the Full Council will meet.
- The Secretary of State issued a Direction (under section 74(3)(d) of the Local Government and Housing Act 1989) in March 2008 which allows the Council to hold outside the Housing Revenue Account the rent accounts of the Council owned properties on the Stonebridge estate that were transferred from the Stonebridge HAT to the Council in 2007.

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- 5.9 Section 313 of the Housing and Regeneration Act 2008, which adds section 80B to the Local Government and Housing Act 1989, makes it possible for councils and specified properties belonging to Councils to be excluded from the subsidy system subject to agreement with the Secretary of State and it allows the Secretary of State to make directions in relation to such agreements. Further changes to the subsidy and Housing Revenue Account system are proposed in the Localism Bill.
- 5.10 The Housing and Regeneration Act 2008 ("the 2008 Act") enabled the creation of the Homes and Communities Agency (HCA), which has the power to provide funding to ALMOs and local authorities, and the Tenant Services Authority (TSA). At present, the TSA regulates registered social landlords (now known as "Registered Providers") but at present, the TSA does not regulate ALMOs or Councils as they are excluded from being classed as Registered Providers under section 113 of the 2008 Act. However, under section 114 of the 2008 Act, there is provision in the 2008 Act which allows the Secretary of State to lay regulations by way of Statutory Instrument in Parliament to repeal section 113 of the 2008 Act and require the TSA to regulate ALMOs (under section 113(5) of the 2008 Act) and Councils' housing management departments. However, the provisions of the Localism Bill propose to abolish the TSA and transfer the regulatory functions of the TSA to the HCA.
- 5.11 The Localism Bill, which was published in December 2010 and passed its Second Reading Stage in the Housing of Commons on 17 January 2011, includes proposals to reform the Housing Revenue Account Subsidy System by replacing the current system with a self financing system from April 2012. The bill includes powers for the Secretary of State to set the figure at which Councils buy themselves out of or are paid, to exit the subsidy system (essentially the level of debt individual Councils are required to take on, or have repaid, to put the self financing system in place). This is likely to have important implications for the Council's HRA from 2012/13 onwards and may impact on the future role of BHP.

# 6.0 Diversity Implications

- 6.1 This report, in the main deals with the rent setting and budget proposals for the Council's HRA. Officers are not proposing any major changes to the operation of this account. In particular this report deals with a number of strategic issues and does not in itself deal with specific operational ones. Operational housing management issues are, in the main, the responsibility of Brent Housing Partnership (BHP) and this service is monitored by the Housing Service by reference to the agreements between Brent Council and its wholly owned subsidiary BHP.
- 6.2 Compliance with equalities objectives is monitored by BHP's Service Delivery Sub-Committee. This sub-committee meets quarterly. Equalities and Diversity initiatives during 2010/11 included the following:-

- 6.2.1 In the last report (2009/10), it was noted that the Trusted Assessor scheme was re-evaluated following the loss of the Supporting People Grant; BHPP now has a devolved budget from Brent to further improve the management and processing of adaptations. This has led to the training of 6 BHP Officers and now actively supports the referral and assessment for adaptations for vulnerable tenants.
- 6.2.2 A new Equality & Diversity Strategy has been developed, to encompass the Equality Act 2010. A pilot Equality Impact Assessment (EIA) tool kit has been developed and tried, with a view to apply this from April 2011. However, these tool kits are being reviewed and evaluated to reflect the new changes in current legislation regarding public sector compliance. Further review is planned for the applicability of the new EIA toolkit. The pilot tests carried out with the EIA showed a positive outcome with 'low risk'. The service areas looked at included Neighbourhood Services, Tenancy and Antisocial Behaviour. The added value of the EIA is the enhanced diversity data that is now available.

A programme of equality awareness training has been rolled out and this has had a very positive impact on awareness and customer satisfaction, particularly vulnerable residents.

- 6.2.3 The Gardening Scheme for vulnerable residents has been fully reviewed and the access and eligibility criteria have been revised to ensure that we are able to assist vulnerable residents who meet the eligibility criteria. The primary objective of the scheme was to offer a one-off crisis support for garden and environmental clearance for vulnerable residents that meet eligibility criteria. We have now extended the criteria to consider routine maintenance for the most vulnerable who meet the eligibility criteria. The service continues to help with resolving complaints from neighbours resulting from unkept gardens which often pose significant health and safety risks to the residents and the general public.
- 6.2.4 Diversity Data Profile: BHP now have a much enhanced (about 90%) equality data for tenants. They attempted to obtain same from leaseholders but faced significant challenges as the responses were very low due to respondents declining to provide the relevant data. Presently, there is on-going evaluation of this data to be able to utilise it to improve service delivery. One of the feedbacks obtained from tenants was that they (tenants) wanted to know what we would do with these data, including the confidential strands i.e. sexuality and faith. We have therefore controlled who has access to the information we collected and collated. Only authorised officers would have access to individual records to ensure that confidentiality obligations are maintained.

# 7.0 Staffing/Accommodation Implications

7.1 Decisions made by the Executive on expenditure and rent levels can materially affect staffing numbers. There are no direct Council staffing

implications arising directly from this report, however the HRA budget does partly fund some staff that are effected by the Council's ongoing One-Council reviews". The impact on these staff will be reported separately, under the specific reviews.

# 8.0 Background Information

2011/12 Housing Revenue Account Subsidy Determination 2011/12 Housing Revenue Account Determinations 2011/12 Housing Revenue Account Budget Working Papers

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

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Director of Housing and Community Care

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| HRA Probable Budget 2010-11 and Draft Budget 2011-12   |  |   |  |   |  |
|--|--|---|--|---|--|
| Description  | ( <u>1)</u><br>Original<br>Budget<br>2010-11<br>£000's | ( <u>2)</u><br>Revised<br>Budget<br>2010-11<br>£000's | (3)<br>Probable<br>Budget<br>2010-11<br>£000's | (4)<br>Draft<br>Budget<br>2011-12<br>£000's |  |
| Provision For Bad Debts                                | 200  | 200   | 200  | 200   |  |
| Rent & Rates   | 622  | 573   | 573  | 572   |  |
| Services   | 589  | 589   | 589  | 589   |  |
| Capital Financing                                      | 21,512   | 21,512  | 21,029   | 20,706                                      |  |
| Depreciation<br>(Major Repairs Allowance (MRA))        | 2,363  | 2,363   | 2,363  | 8,078                                       |  |
| HRA Subsidy (incl MRA)                                 | -6,660   | -6,660  | -6,185   | -8,553                                      |  |
| Rent Income  | -44,552  | -44,552   | -44,430  | -44,166                                     |  |
| Non Dwelling Rent                                      | -385   | -385  | -379   | -379  |  |
| Other Income   | -600   | -600  | -255   | -281  |  |
| General Management                                     | 10,313   | 10,568  | 10,431   | 10,073                                      |  |
| Special Management                                     | 5,352  | 4,934   | 4,814  | 4,952                                       |  |
| Housing Repairs  | 11,746   | 11,958  | 11,958   | 11,904                                      |  |
| Net Expenditure =                                      | 500  | 500   | 708  | 3,695                                       |  |
| Surplus B/Fwd To Earmarked Reserve Surplus C/Fwd Total | -1,966<br>1,000<br>466<br><b>0</b>                     | -1,966<br>1,000<br>466<br><b>0</b>                    | -2,174<br>1,000<br>466<br><b>0</b>             | -466<br>0<br>466<br><b>3,695</b>            |  |

Nb. The revised budget 2010-11 results from a reclassification exercise and is neutral on the HRA

| <u>ات</u>                                    | HRA Budget Summary - Revised Budget Vs Probable | evised Bud                  | get Vs Prob                   |                              | Budget 2010-11 Variance     | ariance   |
|--|---|-----------------------------|-------------------------------|------------------------------|-----------------------------|---|
|  |   | (1)<br>Revised              | (2)                           | (3)                          | (4)<br>Probable             |   |
|  | Description                                     | Budget<br>2001-11<br>£000's | Contra<br>Virements<br>£000's | Other<br>Virements<br>£000's | Budget<br>2010-11<br>£000's | Virements Explanation   |
| <u>,                                    </u> | Provision For Bad Debts                         | 200                         | 0                             | 0                            | 200                         |   |
|  | Rent & Rates                                    | 573                         | 0                             | 0                            | 573                         |   |
| 3,   | Services  | 589                         | 0                             | 0                            | 589                         |   |
|  | Capital Financing                               | 21,512                      | -483                          | 0                            | 21,029                      | Interest Rate Reduction £-601k and increase in Premia £117k, and other Capital Financing<br>£1k(contra Housing Subsidy)                                     |
| <u> </u>                                     | Depreciation (MRA)                              | 2,363                       | 0                             | 0                            | 2,363                       |   |
|  | HRA Subsidy (incl MRA)                          | -6,660                      | 483                           | φ                            | -6,185                      | Contra Virements - see Capital Financing £483k<br>Other Virement - Additional management and Maintenanc Allowance £-8k                                      |
|  | Rent Income                                     | -44,552                     | 0                             | 122                          | -44,430                     | Forecast reduction in rent income for Council Dwellings arising through regeneration at South Kilburn (including Granville New Homes) and Barham Park £122k |
|  | Non Dwelling Rent                               | -385                        | 0                             | 9                            | -379                        | Forecast £6k loss of income from garages  |
| <u> </u>                                     | Other Income                                    | -600                        | 0                             | 345                          | -255                        | Interest on balances reduction due to lower interest rate   |
|  | General Management                              | 10,568                      | 0                             | -137                         | 10,431                      | Forecast underspend on operational costs £-240k offset by shortfall in leaseholder service charges of £103k   |
| 3,   | Special Management                              | 4,934                       | 0                             | -120                         | 4,814                       | Forecast underspend on Communal lighting costs  |
|  | Housing Repairs                                 | 11,958                      | 0                             | 0                            | 11,958                      |   |
| _  | Net Expenditure                                 | 200                         | 0                             | 208                          | 708                         |   |
| 37 F   | Surplus B/Fwd<br>To Earmarked Reserve           | -1,966                      | 0 0                           | -208                         | -2,174                      | Audited additional suplus from 2009-10  |
|  | Surplus C/Fwd                                   | 466                         | 0                             | 0                            | 466                         |   |
|  | Total   | 0                           | 0                             | 0                            | 0                           |   |
|  |   |                             |                               |                              |                             |   |

| HPA Budget Summary - Probable Budget 2010-11 Vs Original Budget 2011-1 | shable Bude                       | 10+ 2010-111               | /c Original E             | Sudget 2011                       | 19 Variance   |
|--|-----------------------------------|----------------------------|---------------------------|-----------------------------------|---|
| Description  | (1) Draft Probable Budget 2010-11 | (2) Contra Variance £000's | (3) Other Variance £000's | (4) Draft Original Budget 2011-12 | Variance Explanation  |
| Provision For Bad Debts  | 200                               | 0                          | 0                         | 200                               |   |
| Rent & Rates   | 573                               | 0                          | 7                         | 572                               | Inflation £8k, Efficiency/Stock Loss £-9k   |
| Services   | 589                               | 0                          | 0                         | 589                               | Inflation £16, Efficiency/Stock Loss £-16k  |
| Capital Financing  | 21,029                            | -353                       | 30                        | 20,706                            | Contra Variance - Amortised premium £-69k, reduction in interest rate £-343k and debt management expenses £31k(contra Housing Subsidy), and Interest on Disabled Facilities Grant Capital Programme £28k (contra Other Income).  Other Variance - Technical adjustments including interest rate £10k and Interest £20k. |
| Depreciation<br>(Major Repairs Allowance<br>(MRA))                     | 2,363                             | 5,715                      | 0                         | 8,078                             | Adjustment re MRA b/fwd from 2010-11 to 2009-10 £5,400k, plus £315k additional MRA increases for 2011-12 per subsidy determinations (contra Housing Subsidy).   |
| HRA Subsidy  | -6,185                            | -5,336                     | 2,968                     | -8,553                            | Contra Variance - see capital financing (£381k), depreciation (£-5,715k), and other income £-2k).  Other Variance - Management allowance £-477k, Maintenance Allowance £-871k, Notional Income £2,758k, stock loss £-278k and net impact of ALMO Interest Rate Adjustment £1,836k.                                      |
| Rent Income  | -44,430                           | 0                          | 264                       | -44,166                           | Stock reduction through right to buy sales and regeneration at Stk Kilburn and Barham Pk £264k.   |
| Non Dwelling Rent  | -379                              | 0                          | 0                         | -379                              |   |
| Other Income   | -255                              | -26                        | 0                         | -281                              | Reduction in mortgage interest £2k (contra Housing Subsidy), and additional £28k income from BHP regarding the capital charges on Disabled Facilities Grants (contra capital Financing)   |
| General Management   | 10,431                            | 0                          | -358                      | 10,073                            | Add back one off overspend of £-48k from 2010-11, Inflation £14k and stock reduction/efficiency savings £-324k.   |
| Special Management   | 4,814                             | 0                          | 138                       | 4,952                             | Add back one off underspend of £138k from 2010-11, Inflation £140k and stock reduction/efficiency savings £-140k.   |
| Housing Repairs  | 11,958                            | 0                          | -54                       | 11,904                            | Inflation £367k, and stock loss/efficiency savings £-421k.  |
| Net Expenditure  | 708                               | 0                          | 2,987                     | 3,695                             |   |
| Surplus B/Fwd  | -2,174                            | 1,000                      | 708                       | -466                              | Contra Variance - use of balances one-off in 2010-11 (agreed by Members) £1m<br>Other Variance - use of balances in 2010-11 agreed by members £500k and overspend in 2010-11 £208k  |
| Transfer to Earmarked Res<br>Surplus C/Fwd                             | 1,000                             | -1,000                     | 0                         | 466                               | Use of balances one off in 2010-11 as agreed by members   |
| Total  | 0                                 | 0                          | 3,695                     | 3,695                             |   |



# Executive 15 February 2011

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

Ward Affected:

Kilburn, Tokyngton, Preston, Northwick Park

Transfer of Freehold of 54 Beechcroft Gardens HA9 8EP, 7 Kinch Grove HA9 9TF, 63 Manor Drive HA9 8EB, 1-5 Peel Road HA9 7ZY, Legal Charge – Albert Road Day Centre, Albert Road, South Kilburn

# 1.0 SUMMARY

- 1.1 To agree the freehold transfer of four residential properties from Brent Primary Care Trust.
- 1.2 That legal charges are placed on each of the four properties and the Albert Road Day Centre.

# 2.0 RECOMMENDATIONS

- 2.1 That the Executive delegate authority to the Director of Housing and Community Care and Assistant Head of Property and Asset Management in consultation with the Director of Housing and Community Care to finalise terms and complete a transfer to Brent Council
- 2.2 The Executive delegate authority to undertake an auction and complete a sale of Peel Road or if appropriate a letting.
- 2.3 To approve the attachment of a legal charge against the 4 residential properties and the Albert Road Day Centre replacement

# 3.0 DETAIL

3.1 The Department of Health issued a circular in August 2008<sup>1</sup> that required all PCTs in England and Wales to transfer budgets and

<sup>&</sup>lt;sup>1</sup> Department of Health. August 2008. Valuing People Now: Transfer of Learning Disability Social Care funding and Commissioning from the NHS to Local Government and Transfer of Page 83

commissioning responsibilities for the social care needs of clients with learning disabilities from the Primary Care Trust (PCT) to the local authority.

- 3.2 Further Guidance was issued by the Department of Health in June 2009 (Gateway Reference: 12088) which provides a central government framework for handling the transfer of the capital element of commissioning and funding of social care for adults with learning disabilities from the NHS to Local Authorities
- 3.3 NHS Brent and Brent Council have agreed and submitted returns confirming the revenue funding transfer for 2009/10 and 2010/11. The capital interest in properties used to provide social care services, needs to transfer to local authorities by 1<sup>st</sup> April 2011.
- 3.4 Before any agreement for property transfers is finalised it is crucially important that it has been established that they are fit for purpose in the medium and longer term, and do not expose the Council to considerable capital investment and legal restrictions that may apply to the future use of the buildings. For all 4 properties listed in this report, the service users resident there also receive services from a service provider to help them live independently.
- 3.5 There are 4 properties listed below:

# 3.6 Property 1-54 Beechcroft Gardens HA9 8EP

A single storey brick built bungalow with a pitched tiled roof. This property accommodates three residents and comprises three bedrooms, a lounge/dining area, office, bathroom/WC, two separate WCs, kitchen and utility room. There is a garden to the rear which has a disabled access ramp. It is generally in good condition with part carpeted floors and part laminate coverings. The windows are mostly uPVC double glazed.

# **Property 2-7 Kinch Grove HA9**

A two storey brick built house with a pitched tiled roof. The property accommodates four residents and comprises four bedrooms, three upstairs and one downstairs, office, kitchen/Diner, lounge, two bathrooms and two separate WCs. There is a private garden to the rear which is accessible via a disabled access ramp. It is in good decorative condition except for some minor exterior works such as missing tiles and cracked paintwork.

# **Property 3-63 Manor Drive HA9**

A two storey brick built house with a pitched tiled roof. The property accommodates four residents and comprises four bedrooms, three upstairs and one downstairs, an upstairs office, kitchen, lounge/diner, small utility room and two bathroom/WCs. It is in reasonable decorative order both internally and externally.

the Appropriate Funding. Dear colleague letter. Gateway Reference 9906.

<a href="http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/D">http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/D</a>

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# Property 4- 1-5 Peel Road HA9

A two storey part Victorian with a modern two storey addition about 15 years old. The property was refurbished and totally remodelled about 15 years ago to form a single residential home providing eight fully accessible residential rooms with lift hoists and a lift serving the upper floor. The property is in generally reasonable order and has been maintained by the PCT. The property is located on a plot of about 1000 sq m (0.25 acres) very close to North Wembley Station and adjacent to a former pub now converted to a Tesco Metro. The property has a long running structural problem that has on two occasions been tendered for repair. It is estimated that the current costs of repair would be about £220,000.

Interest has been expressed Care Management Group the operator at 167 Willesden Lane who currently provides residential care facilities for people with physical difficulties. The opportunities for a sale to this sector will be explored.

The property is currently being maintained on behalf of the PCT by Kensington and Chelsea PCT for Brent PCT. They have agreed to leave all contracts in place until the clients all move to 167 Willesden Lane.

The property is likely to be more suited to the redevelopment of a private residential development and therefore a capacity exercise will be undertaken to establish the value. The base value is in the region of £500,000.

- 3.7 Each of the properties has been inspected. They are all in good condition (except for 1-5 Peel Road) located within medium density suburban locations. The properties were originally acquired by the Health Service and were refurbished and adapted to provide supported living accommodation for learning difficulties clients. All except Peel Road and have been wholly managed and maintained by the service providers. From inspection they have been well maintained and on initial inspection all items such as registration documents, asbestos registers, electrical wiring test certificates were all present site. Copies of these documents have all been requested from service providers.
- 3.8 The PCT are currently putting in place short term leases with the operators which will impose full repairing and insuring obligations on the tenant. The detailed terms of these leases will need to be approved by Brent before it accepts a transfer.
- 3.9 The finalisation of the transfer of the properties from the PCT to the Council will be also be dependent upon reviewing and updating the terms of contract currently in place with the providers to ensure that they are fit for purpose and do not commit the Council to undue contractual obligations or financial risk. This requirement does not apply to Peel Road as the Council has recently put a new contract in

- place with the provider which meets current requirements and the service will re locating to 167, Willesden Lane.
- 3.10 A condition required by the PCT in the transfer is that all the properties will have a legal charge attached to them such that in the event that the Council sold the properties any sale proceeds would have to be reinvested in the Learning Difficulties service. This is a requirement that all PCT's have to impose under the legislation that facilitates the transfer of the services to Local Authorities.
- 3.11 It should be noted that if in future the costs paid by Brent for the services is reduced the operators might either fail to maintain the premises adequately hence resulting in a potential breach of a maintenance obligation for which the council would have a legal remedy. There is no specific maintenance budget being passed to Brent Council.
- 3.12 The properties are generally relatively accessible to the existing client group although as they age and potential disabilities increase they might require further adaptation.
- 3.13 In the case of Peel Road it is intended that the occupiers from this property will be relocated to 167 Willesden Lane on February 28<sup>th</sup>. Although there is some uncertainty that the building will be ready in time the move could be delayed by up to a month.
- 3.14 The future use of this property will therefore be reviewed in the context of the legal charge that will be placed on the property.
- 3.15 The four properties if sold on the open market with vacant possession are likely to have a total value in the order of £1.1- £1.3 million.
- 3.16 In order to achieve payment of £450,000 from Brent PCT for the investment in services for Learning Difficulties clients. It is proposed that this money will be spent on the Albert Road Day centre replacement at the John Bilham site. Therefore the Council will need to agree to the imposition of a legal charge on this site.
- 3.17 It is intended that when the current Albert Road Day Centre site is sold the legal charge will be transferred to the John Bilham site. The documentation would allow Brent Council to substitute another property if for some reason we did not wish to see a charge placed on this site.

# 4.0 FINANCIAL IMPLICATIONS

4.1 The revenue cost for the services provided from these premises has already been transferred from NHS Brent to the Council. It is not anticipated that the transfer of the properties to the Council will result in increased ongoing revenue costs associated with maintenance of the buildings as the new leases being put in place put this responsibility with the tenant.

4.2 If the council sought to dispose of these properties the capital receipt would either need to be repaid to the PCT or their successors in title of reinvested in alternative service provision.

### 5.0 LEGAL IMPLICATIONS

- When the properties are transferred to Brent, Brent will step into the PCT's shoes in relation to the leases mentioned in paragraph 3.8 and will assume all obligations and liabilities under the lease.
- 5.2 When the properties are transferred to Brent, by virtue of the legal charge attached to properties, a restriction will be entered against the title of the properties which will prevent Brent from making any registrable dispositions without the consent of the proprietor for the time being of the legal charge.
- 5.3 Consent to the registrable disposition will only be provided on certain terms which will need to be approved by the Assistant Director of Regeneration and Major Projects before Brent accepts the transfer.
- 5.4 A registrable disposition is defined under s27 Land Registration Act 2002 as being a transfer, a lease for a term of more than seven years or the grant of a legal charge and would also include the grant of an easement.

# 6.0 DIVERSITY IMPLICATIONS

6.1 The proposals represent a transfer of a statutory function and will not mean any changes to the service of clients at 3 of the properties. At Peel Road the clients will transfer to a newly constructed building at 167 Willesden Lane.

# 7.0 STAFFING/ACCOMMODATION IMPLICATIONS

7.1 There are no direct staffing implications for the Council in this property transfer and the accommodation implications have been dealt with in this report.

# 8.0 BACKGROUND PAPERS

Contact Officers

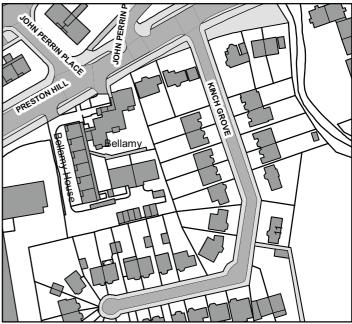
James Young Deputy Head of Property and Asset Management

Linda Martin, Head of Service Development and Commissioning 020 8937 4061

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# EXECUTIVE COMMITTEE 54 Beechcroft Gardens HA9 8EP, ?7 Kinch Grove HA9 9TF, 63 Manor Drive HA9 8EB, 1-5 Peel Road HA9 7ZY











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# **Executive**15 February 2011

# Report from the Director of Housing and Community Care

Wards Affected:

ALL

# **Development of Contracts with Voluntary Organisations (Carer Services)**

# 1.0 Summary

- 1.1 This report asks the Executive for approval to extend its partnership arrangements (& its contribution to the pooled budget detailed in paragraph 4.3 of this report) with NHS Brent to deliver seamless, effective, good quality and value for money services for carers in Brent for the period 2011-2013.
- 1.2 This report sets out proposals for changes to funding arrangements for organisations providing support to carers in Brent, moving from grant funding mainstream services to provision under contractual arrangements.
- 1.3 This report asks the Executive for approval to award contracts to incumbent providers of carer services from 1<sup>st</sup> April 2011 to 31 March 2012 and to agree that they need not be tendered in accordance with usual Contract Standing order requirements for reasons set out in paragraphs 3.15-3.21 of this report.

# 2.0 Recommendations

- 2.1 The Executive give approval to a two year extension of the s75 partnership agreement (& its contribution to the pooled budget detailed in paragraph 4.3 of this report) with NHS Brent approved on 26 May 2009 for the establishment of a pooled budget, such extension to take effect from 1 April 2011 to 31 March 2013.
- 2.2 The Executive give approval to an exemption in accordance with Contract Standing Order 84(a) from the usual tendering and quotation requirements of Standing Orders to permit negotiations leading to the award of one year contracts on the basis of good operational and financial reasons as set out in paragraph 3.15-3.21 of this report.

# 3.0 DETAIL

# Background

- 3.1 There are over 23,000 unpaid carers in Brent, some providing substantial levels of care per week. These carers provide care and support to older people, adults with disabilities, those with mental ill health, learning disabilities and substance misuse issues and children with disabilities. The Council has duties under legislation (Carers Recognition and Services) Act 1995, Carers and Disabled Children Act 2000 & Carers (Equal Opportunities) Act 2004) to assess the needs of carers providing substantial and regular care and has powers to provide support and services to meet eligible needs.
- 3.2 The Carers' Grant, which is an annual Department of Health grant provided to all local authorities, enables the Council to provide additional support to carers and commission carer services through the voluntary sector. The Carers Grant now forms part of the Council's area based grant.
- 3.3 The Council entered into a pooled budget arrangement for the period 2009 to 2011, under a partnership arrangement (the "s.75 Agreement") with NHS Brent established pursuant to s.75 National Health Service Act 2006. The Executive agreed to this arrangement on 26 May 2009.
- 3.4 Under this s.75 agreement, the Council acts as lead commissioner of services, taking into account joint priorities for Bent Council, NHS Brent and the Carers Strategy.
- 3.5 Brent Carers Strategy 2010-2014 has been agreed by NHS Brent and Brent Council following wide consultation with carers and partners. It sets out Brent's strategic vision and priorities for supporting carers over the next four years.
- 3.6 NHS Brent also supports carers of adults and children who meet the NHS continuing care criteria, providing breaks to carers in order for them to continue in their caring role. It also provides core support to Brent Carers Centre.
- 3.7 The Government announced on 16<sup>th</sup> November 2010 that it was making £400 million available through the NHS over the next four years. The purpose of this funding is to develop and improve support for carers' breaks in partnership with local authorities, voluntary and third sector agencies and carers' themselves. Further details of this funding are to be confirmed.
- 3.8 On 15 December 2010 the Government published a White Paper *Equity and Excellence: Liberating the NHS*, which sets out proposals for groups of GPs to commission NHS services for their local communities. As a result, in the future, it is expected that GPs consortia will work with Local Authorities to support commissioning of carers services.
- 3.9 A vision for adult social care; Capable Communities and Active Citizens sets out the Government's commitment to breaking down barriers between health and social care funding; and encouraging care and support to be delivered in a partnership between individuals, communities, the voluntary sector, the NHS and Councils.

# S.75 Agreement

- 3.10 The partnership agreement negotiated with NHS Brent has resulted in a commitment from the PCT to contribute £200k pa for 3 years, subject to finance being available to increase the amount of purchased carers' services available in Brent.
- 3.11 Officers have reviewed the partnership agreement and agree that it has enabled NHS Brent and the Council to improve capacity and deliver good quality and value for money services for carers in Brent based on agreed priorities.
- 3.12 From April 2010-11 a range of services that address carers practical and emotional and physical well being have been jointly commissioned following an extensive open bidding process. A detailed breakdown of the services and support currently funded is detailed in annex A of this report.
- 3.13 Following discussions between the Council and NHS Brent, Officers agree that the partnership agreement has been effective in improving support for carers in Brent and want the agreement to continue for a further two years from 1<sup>st</sup> April 2011 to 31 March 2013.
- 3.14 Officers also wish to commission services from 2011 by way of formal contract (rather than by awarding grants with related service level agreements as has traditionally occurred). As detailed at paragraph 3.15 and 3.18 below, this will see a move away from grant funding towards the development of more formal contractual purchasing arrangements that will provide a more effective and efficient way of commissioning services, ensuring that the allocation of resources is based on our strategic priorities and which provides greater stability for organisations providing social care services which are essential element of local provision.

# Awarding contracts to the incumbent providers of services – "Good Operational and Financial Reasons"

- 3.15 Officers have considered whether to tender for contracts for carer services but concluded that it would be preferable to negotiate a formal contractual arrangement direct with the incumbent organisations (Asian People Disability Alliance (Carers Befriending Project); Brent Carers Centre; Crossroads Care West London, Friends of African Caribbean Carers & Sufferers of Dementia, National Autistic Society (Brent Short Breaks Scheme), & St Luke's Hospice) for one year, thereafter to carry out a competitive tendering exercise for 2012/13 and beyond. This would tie into national changes planned within health and be in line with the planned review of Brent Carers Strategy.
- 3.16 Approval is being sought to conclude the arrangements referred to at paragraph 3.15 above without recourse to tendering on the basis that:
- 3.17 An open bidding exercise undertaken in January 2010 awarded allocation of resources by way of ongoing grant to successful organisations based on priorities for carers outlined in the Brent Carers Strategy.
- 3.18 Awarding contracts to the incumbent providers of services for the next financial year will ensure consistency of service, maintain the range of services currently being

- delivered to support carers and ensure that the services provided continue to be in line with Council priorities.
- 3.19 There is a very limited market in the type of specific carer services, and a tender process at this stage is very unlikely to bring in new providers to Brent, while at the same time causing both the Council and the small voluntary sector providers to incur the costs of the tender. Through a jointly agreed pre-qualification questionnaire agreed with NHS Brent and Bent Council, current organisations have satisfied officers that they have the expertise to deliver these services and are regularly monitored. All organisations providing respite care are registered with the Care Quality Commission, and where organisations are providing information and advice they have the Commission for Legal Service quality marks.
- 3.20 There is an intention to offer one year contracts and to carry out market testing after six months of the contract year. This would allow sufficient time for full consultation with service users and service providers to explain the impact and implications of tendering in order to minimise disruption and distress of any future tendering exercise. It would also assist with capacity building for the market to ensure that there would be genuine competition for any re-tender.
- 3.21 In this period Officers will also undertake a commissioning review to determine if services should be re-commissioned. If a decision is made to re-commission the services Officers would then undertake a competitive procurement process in accordance with the Council's Standing Orders.

# 4.0 Financial Implications

- 4.1 A pooled budget has been established between the partners and the minimum financial contributions, was agreed subject to finances being available from 1 April 2011-31 March 2013.
- 4.2 The Local Government Financial settlement announced last year, has resulted in the Council needing to save between £90 to £100 million by 2014/15 and reduce spending by £37 million next financial year (2011-2012).
- 4.3 Following internal discussions Officers' recommend that the Council's contribution to the pooled budget is reduced by 5% year on year as highlighted in the table below:

| Financial year | LA contribution £ | NHS Brent<br>Contribution £ | Pooled Budget £ |
|----------------|-------------------|-----------------------------|-----------------|
| 2011/2012      | 566,913           | 200,000                     | 766,913         |
| 2012/2013      | 538,567           | 200,000                     | 738,567         |

4.4 The value of funding allocated to voluntary organisations to deliver carer services in 2010/11 is detailed below:

| Organisation                     | Grant Funding 2010-2011 £ |
|----------------------------------|---------------------------|
| Asian People Disability Alliance | 90,343                    |
| Brent Carers Centre              | 170,365                   |
| Crossroads Care West London      | 149,943                   |

| *Elders Voice                         | 39,196 |
|---------------------------------------|--------|
| Friends of African Caribbean Carers & | 78,168 |
| Sufferers of Dementia                 |        |
| National Autistic Society             | 61,095 |
| St Luke's Hospice                     | 38,000 |

- 4.5 Elders Voice currently holds a contract with the Council to deliver day care for older people as well as respite for carers until 2012.
- 4.6 Resources from the pooled budget for this period 2010/11 have also been allocated as listed below:
  - £35K to Harrow Helpline) to provide a carers emergency support service under a service level agreement;
  - £36K to take forward personalisation and direct payments for carers
  - £98K to commission additional specific carers' services for the period January 2011-December 2011 has been advertised through an open bidding process deadline for receipt of applications 4 February 2011.
- 4.4 The proposed exemptions to the Contract Standing Orders for developing contracts with Asian People Disability Alliance (Carers Befriending Project); Brent Carers Centre; Crossroads Care West London, Friends of African Caribbean Carers & Sufferers of Dementia, National Autistic Society (Brent Short Breaks Scheme), & St Luke's Hospice do not have any specific financial implications as the new contractual arrangements will be negotiated within the current financial resources. Funding for 2011-2012 will be negotiated in line with the principles of Best Value. Council expenditure to the pooled budget is currently incurred from the Adult Social Care (Carer Services) budget.

# 5.0 Legal Implications

- 5.1 The National Health Services Act 2006 ("NHS Act") requires local authorities and NHS bodies to work together to improve health and social care and Section 75 of NHS Act provides for flexible funding and working arrangements to be established by agreement to facilitate this. This includes the establishment of pooled budgets and lead commissioning arrangements. Under the current s.75 Agreement established on 26 May 2009, the Council and NHS Brent may extend this agreement on an annual basis for a maximum period of two (2) years. Any such Section 75 agreement in relation to commissioning services for carers would form a schedule to the main overarching framework agreement entered into between NHS Brent and the Council in 2004 to facilitate such partnership arrangements.
- 5.2 The Council, being a public authority, has to comply with legislation which includes the Public Contract Regulations 2006 ("the Regulations"); the Council's published Financial Regulations and Contract Standing Orders in terms of letting contracts.
- 5.3 Only the value of one out of the six proposed contracts namely, Brent Carers Centre is, over the one-year lifetime, approximately £170,365 and therefore higher than the EU threshold for Services currently at £156,442 under the Regulations. However, services provided for carers are deemed Part B services under the Regulations and as such are not subject to the full application of the Regulations with regard to competitive tendering. Although in accordance with an Interpretative Communication issued by the European Commission in July 2006 indicates that the

EU general requirements for transparency, non-discrimination and equal treatment will normally require advertising and some form of competitive process before contract award, even for Part B services, especially if the contract is likely to be of interest to overseas EU providers. Given the current very limited market in the type of services provided by the incumbent providers as identified at paragraph 3.19 above, the limited duration of an interim contract and the intention to expose the contracts to competition in due course, it is considered that the award of interim contracts would pose a low risk of challenge under the Regulations.

- 5.4 The value of each of the proposed contracts with the other five providers is such that they are classed as Low Value Contracts for the purposes of the Council's Contract Standing Orders. The Council's Contract Standing Orders provide that Low Value Contracts should be let by inviting at least three written quotes. The value of the Brent Carers Centre contract means that it is classed as Medium Value Contract under the Council's Standing Orders and so ordinarily should have been the subject of a formal tender. However Contract Standing Order 84(a) states the Executive may agree not to follow these quotation and tendering procedures where there are "good operational and/or financial reasons". Officers consider that there are good operational and / or financial reasons for negotiating contracts with the six providers referred to at paragraph 4.4 rather than carrying out a formal quotation and tender process at this stage.
- 5.5 Award can be by authority of the Chief Officer.

### 6.0 **Diversity Implications**

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications because the same services will continue. Services will be available to all eligible carers following an assessment of need under Fair Access to Care Services criteria at critical and substantial levels. There are also a number of organisations providing cultural specific services.

### 7.0 **Staffing Implications**

7.1 These services are currently provided by voluntary organisations and there are no implications for Council staff arising from this report.

# **Background Papers**

Carers Strategy 2010-2014

White Paper Equity & Excellence: Liberating NHS

# **Contact Officers**

Linda Martin, Head of Service Development and Commissioning, 020 8937 4061 Fay Austin, User and Carer Development Worker, 020 8937 4051

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

| Organisation                        | Carers Support Services Provided   |
|-------------------------------------|--|
| Asian People Disability Alliance    | Befriending Service/sitting service in the home                              |
|                                     | for children and adults with a disability from the                           |
|                                     | Asian community. Sessions can be 2/3 hours                                   |
|                                     | each. Cared for are engaged in activities,                                   |
|                                     | assisted with their English language, reading,                               |
|                                     | speech therapy or taken for walks. The                                       |
|                                     | Befriender does not provide home care,                                       |
|                                     | personal care or administer medication.                                      |
|                                     | Additional services include training for carers,                             |
|                                     | annual cultural and social events organised.                                 |
| Brent Carers Centre                 | Carers one stop service for information & advice                             |
|                                     | – provides   |
|                                     | Advocacy/Emotional Support /support  |
|                                     | groups/benefit   |
|                                     | checks/casework/signposting/undertakes                                       |
|                                     | consultation and provides training for carers and                            |
| Crossroads Care West London         | professionals in supporting carers  Domiciliary Care service for adults with |
| (formally) Brent Crossroads         | disabilities, enabling carers to have a break.                               |
| (tornally) brent Crossidads         | Service provided Mon-Sun from 6.30am to                                      |
|                                     | midnight. Carers are accommodated if service is                              |
|                                     | required outside of these hours.   |
| Friends of African Caribbean Carers | Home respite care service for carers caring for                              |
| & Sufferers of Dementia             | people with dementia from the African  |
|                                     | Caribbean community. Service is tailored to                                  |
|                                     | meet needs of carer and cared for. Also                                      |
|                                     | provides support/advice over the telephone as                                |
|                                     | well as sign posting, advocacy, carers support                               |
|                                     | meetings, annual conference on dementia.                                     |
| National Autistic Society           | A respite care service for the cared for (adults &                           |
| (Brent Short Breaks Scheme)         | children), who have an autistic spectrum                                     |
|                                     | disorder, thereby providing a respite break for                              |
|                                     | their carers. Service tailored to individual                                 |
|                                     | needs. Service is provided evenings and                                      |
| Ot Luba's Hanning                   | weekends.  |
| St Luke's Hospice                   | End of life  |

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# Project Schedule Commissioning Carers' Services

# NHS Brent And London Borough of Brent

# 1.0 Background and purpose of Project Schedule

- develop flexible funding and working arrangements to improve health and well-being. The framework agreement enables the two agencies to establish a number of section 75 agreements (including pooled funds) under the Health in November 2004 the Council Executive & NHS Board agreed that NHS Brent and Brent Council establish a framework partnership agreement to
- 12 management by Brent Council. finances being available, and under these arrangements delegate lead fund The partners now wish to set up a pooled fund to jointly commission carer services in the London borough of Brent from 2010 to 2013, subject to
- ι ω adequately covered by the clauses of the framework partnership agreement. that has been undertaken and includes any matters that are not already agreement a Project Schedule is required, which sets out the consultation To establish additional S75 agreements under the framework partnership
- 1.4 The project schedule for commissioning carers services is detailed below

# 2.0 PROJECT SCHEDULE

# 2.1 Aims & outcomes of the arrangements in the Project

- 23 The partners have a strong commitment to support carers and recognise the need to work together to deliver better outcomes for carers. The partners believe entering into this agreement will deliver the following benefits:
- Facilitate more seamless, integrated service delivery
- Carers will have timely access to services
- Carers will have more control and access to a range of services
- Make best use of available resources
- Less duplication of services
- More strategic approach to commissioning services to deliver joint priorities
- longer term contractual arrangements Provide greater stability for organisations who will be supported through
- More room for creative and innovative approaches as more funding becomes
- Make room for newer service providers to come into and have a market share
- Help tackle cross cutting issues in a co-ordinated and planned way
- Promote carer involvement
- Improve user/carer experience of using health and social care services

-

- 2.4 of finances through longer term planning and joint allocation of resources. The partners believe using this mechanism will provide the opportunity for the partners to contribute to a shared strategic vision, improve the management
- 2.5 appendix 1. The Partners have carried out the consultation with stakeholders described in
- 2.6 Approval to enter into this agreement has been given by the Council Executive meeting on 26 May 2009 and Joint Executive Team in June 2010

# 3.0 The Partnership Arrangements

- <u>ω</u>. health and well-being. jointly commission a range of Carers' Services aimed at improving Carers Partners hereby agree to establish the Partnership Arrangements to
- 3.2 jointly commission a range of Carers' Services to achieve the aims and desired outcomes set out in Appendix 2. From 1 April 2010 until the termination of this Agreement the Partnership shall
- 3 2 of NHS Brent, Carers' Services will be jointly commissioned following consultation with key stakeholders and as part of the Brent Carers Strategy, which identifies key priorities for supporting carers in Brent; and the Commissioning Strategy Plan
- 3.3 The joint priorities are detailed in Appendix 2
- 3.4 contributed Agreement and they will only be used only for the purposes for which they are The Partners will contribute financial and other resources set out in this
- 3.5 Pooled Fund Manager. The Partners have established the Pooled Fund to be managed by the
- 3.6 local authority as the lead commissioning body. The manager will be funded jointly by the Partners and be managed by the
- 3.7 The Partners have established the governance arrangements described in

# 4.0 Financial arrangements4.1 The minimum financial co

2013. below and are subject to finances being available from 1 April 2011- 31 March The minimum financial contributions by the partners are detailed in the table

| Financial year | LA contribution | NHS Brent      | Pooled   |
|----------------|-----------------|----------------|----------|
|                | £               | Contribution £ | Budget £ |
| 2010/2011      | 596,750         | 200,000        | 796,750  |
| 2011/2012      | 608,685         | 200,000        | 808,685  |
| 2012/2013      | 620,858         | 200,000        | 820,858  |
|                |                 |                |          |

42 This Agreement gives effect to the establishment of a Pooled Fund that will be managed by the Council which is the host authority for the Pooled Fund for

Partnership Arrangements Regulations 2000. the purposes of Regulation 6(4) of the NHS Bodies and Local Authorities

- 4.3 October in each Financial Year as a direct bank credit transfer. The Partners agree to pay their agreed annual contribution to the Council and shall pay their contribution in two equal instalments on from 1st April and 1st
- 4.4 Additional financial contributions from the partners will be accepted into the Pooled Fund to be utilised for funding provision of Carers' Services.

# 5.0 Duration and termination of the agreement

- <u>ე</u> annually as at 31st March on a rolling basis. This Agreement may be extended by agreement between the Partners This Agreement shall be effective from 1st April 2010 until 31 March 2011.
- 5.2 letters taking place before this Agreement or any extension terminates Any extension of this Agreement must be evidenced in writing by exchange of
- S one of the following events occurs: terminate this Agreement as from the date of serving of such notice whenever Either Partner may at any time by notice in writing to the other Partner
- A change in legislation preventing a Partner from fulfilling its obligations under this Agreement;
- Fulfilment of a Partner's obligations would contravene any guidance from the Secretary of State;
- For budgetary reasons, the Partner is no longer able to contribute sufficient resources to the Partnership Arrangements.
- 5.4 This Agreement may be terminated by either Partner with at least 6 months has decided to serve it. written notice to terminate; such notice shall state the reason why the Partner

### 6.0 Governance

- 6.1 partnership group, the Carers Partnership Board (Partnership Board) and a Senior Officer Group, the Joint Executive Team (JET). The Partnership Arrangement and Service are supported by a borough-wide
- 6.2 basis and JET on a monthly basis. The Carers' Partnership Board will be scheduled to meet on a bi monthly The governance structure for the Partnership Arrangements set out in Appendix 3 contains the terms of reference of the Partnership Board and JET.
- ტ ა to NHS Brent Strategic Commissioning. The Pooled Fund Manager will be managed by the local authority's Head of Service Development and Commissioning Unit and will also be accountable
- 6.4 report. spend. The JET will receive the same information in a quarterly summary and/or as and when requested to review spend and outcomes from that the Agreement and will report to the Partnership Board on a regular basis The Manager will monitor the day-to-day management and performance of

## 7.0

(Carers providing regular and substantial care) Eligibility Criteria
The Eligibility Criteria set out in Appendix 4 will govern access to the Service.

### . 0. 0 Method of Delivery

Services will be commissioned from a range of organisations primarily within the voluntary sector to deliver support to meet the holistic needs of carers.

8.2 The framework for commissioning services and allocation of resources will be agreed by the Partnership Board and JET.

### 9.0 Service Management and monitoring

- 9.4 Pooled Fund Manager in accordance with the Service Specification. on performance and quality aspects of their services to the Council and the Providers. The service providers will in turn will internally monitor and report The Council will assume day to day responsibility for monitoring the Service
- 9.2 performance of Service Providers and the operation of the Pooled Fund. sufficiently qualified and competent staff to oversee and monitor the The Council shall provide and employ an adequate number of properly and
- ပ္သ operation). A standing agenda will be agreed by the Carers Partnership Board & JET and will include: meeting by the Monitoring Officer (to be held no later than the third quarter of Service Providers commissioned will be subject to an annual monitoring
- Quality standards (including complaints and compliments)
- Carers' feedback & outcomes
- Performance standards
- Financial position
- 9.2 outcomes for carers quarterly basis relating to their level of activity (e.g. the numbers of carers accessing their services broken down by ethnicity age and gender, and Organisations commissioned will also be required to submit information on a
- 9.3 Brent Council will also report summary information on the financial position of pooled budget and organisation performance and outcomes for carers to the Carers Partnership Board and JET at least twice a year.
- 9.4 NHS Brent and Brent Council may call meetings over and above the regular meetings to discuss particular issues.

### 5 **Pooled Fund Management**

The Fund manager for the Pooled Fund for the purposes of Regulation 12(4) of the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 is the Pooled Fund Manager. The Pooled Fund Manager will be responsible for:

Managing the Pooled Fund in accordance with the arrangements set out in this Clause; and

- the Partners in order to monitor the Pooled Fund. Pooled Fund, an annual return and all other information required by Submitting to the Partners monthly management reports on the
- 10.1 contributed to the Pooled Fund. without regard to the proportions in which the Council and the PCT shall have The monies in the Pooled Fund may be expended on goods and services
- 10.2 on actual usage alerting JET & the Partnership Board to potential under and The Pooled Fund management reports shall include annual projections based

# 11. Overspends and Underspends

- 11.1 endeavours to ensure that Joint Functions are carried out within the financial resource contributions of the Partners in each Financial Year. The Council, PCT, and Commissioned Services shall use all reasonable
- 11.2 Whenever overspend is projected the Pooled Fund Manager shall provide initially look at reducing costs but may include securing additional funds. of the partners available in the current Financial Year. This plan should will ensure that the overspend is met from the financial resource contributions being projected, with proposals for the management of the overspend. Which JET & the Partnership Board within a reasonable period of such overspend
- 11.3 end of any Financial Year the overspend shall be met as follows: If in spite of the provisions of Clauses 11.1 -11.2 there is overspends at the
- but in the event that agreement cannot be reached the additional funding to be contributed by each Partner shall be in proportion to JET will seek to agree the proportion to be met by each Partner their actual contribution.
- 11.4 Year underspends shall be returned to the partners unless the Partners agree that underspends shall be retained and /or carried over into the Pooled Fund In event that there are any under-spends on the Pooled Fund in any Financial for the next Financial Year.
- 11.5 alternative proportions shall be agreed between the Partners the Pooled Fund, in the Financial Year in which underspend occurred, unless Partners this shall be in the proportions in which the Partners contributed to In the event that it is agreed that underspends shall be returned to the
- 11.6 standing financial instructions or other probity requirements of the Partners This clause is subject to any limitations imposed by law or guidance or the

### 12. Annual Review

out with reference to the performance indicator for carers The Partners shall formally review this Agreement on an annual basis. This review should take place no later than 31st March each year and be carried

## 14. Annual Statements

14.1 By 31 October each year the Council shall supply the Partners with an audited statement of the full cost of the service. If the statement shows any under or over payment this shall be taken into account in the next payment due from each Partner to which the under or over payment refers.

### 15. VAT

- 15.1 As the Council will be the host organisation for the Pooled Fund, this Agreement will be subject to the VAT rules and regulations which apply to the Council.
- 16.0 Signatures

Martin Cheeseman
Director of Housing & Community Care
Brent Council

Mark Easton Chief Executive NHS Brent

Φ

# Consultation with stakeholders

As part of the consultation of Brent Carers Strategy, carers say they want a

- a system that is on their side
- a system that responds in a timely and responsive way when it is most
- understand their specific needs, as well as value their knowledge and a system that treats them with respect and where professionals expertise about the person they care for
- "Real help" in financing carers support needs.

### Carers specifically want:

- access to breaks and respite in an emergency
- better information and advice, not only from social services, but from their doctor's surgeries
- information about benefits and where to go to get help
- training (First aid courses for example), particularly for new carers
- information about the person they care for at both primary and acute
- health checks for over 60s and prioritised appointments
- better understand the needs of the person they care for information about health conditions, illness and treatment, so they can
- Access to bereavement services.

Carers value the benefits of support groups and they want them to be available in the weekend and evenings for working carers. Parent carers want holiday schemes for disabled children to be available during all school

after people with mental health issues particularly valued support in an they felt looked after their specific needs as carers but would appreciate more ongoing support for the person they care for who level. Carers value the emotional and practical support they receive from the opportunity for work to be undertaken in the borough to address this at some experience as carers of a person with mental health issues and there is an of crisis. Many carers do not access services because of the stigma that they coordinated working, which place extra burden on carers especially at times also be affected by a lack of continuity in terms of staffing and a lack of they experience as a result of confidentiality and consent issues. Carers are particularly concerned by a lack of information and the exclusion emergency, whether it is the first episode of someone's illness or a relapse. The Mental Health Carer Development Group highlighted that carers looking Carers Assessors within the mental health service and Brent Carers Centre This can

available for carers in the borough. Carers said they also want concessionary travel and a parking scheme

of issues that affect their lives or the lives of the people they care for. Carers particularly valued by carers, it provided an opportunity to hear about a range Events such as Carers' Rights Day and Parent Carers' Rights Day where officers to hear about and influence service developments and improvements. Carers said they want more opportunities to meet with health and council

said they also needed a website to provide a place where they can exchange information, and newsletters to keep them up to date on new developments.

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# Brent's definition of a carer

A carer is someone who supports a relative, partner or friend who cannot manage without this support because of illness, frailty or disability.

# Our vision for carers in Brent

Our vision is for carers to be recognised as key partners and seeks to create and sustain an environment that enables carers to be supported in their caring role for as long as is practically possible; and as individuals access to the same opportunities to take part in society.

# **Brent Council and NHS Brent strategic priorities**

including dementia, stroke and cancer To support carers caring for people with a range of disabilities including physical /sensory impairments/ learning disabilities, drug and alcohol misusers, mental health and other long term health conditions and illness

To support the delivery of care closer to home

To support carers caring for people at End of Life / palliative care

To prevent people going into residential care and support people coming out residential care

To prevent hospital admissions

To promote carers physical & mental wellbeing

Provide carers breaks so that services are provided in a personalised way; and enable carers to combine their caring role with work or other commitments

To improve Primary Care's ability to support carers more consistently

Ensure comprehensive information and advice to carers is available

agencies Improve commissioning of services for carers and partnership working across

### Joint Executive Team

### Terms of Reference

### Introduction

The Joint Executive team (JET) is a Joint Senior Officers group and as such is responsible for the planning and strategy recommendations to the Adults Strategic Partnership Board

### Purpose of the Group

The purpose of the group is to provide a forum in which the Council and NHS Brent can work together to plan, deliver, commission and monitor services in relation to adults.

### Aims of the JET

The Brent JET will work together to:

- for adults within Brent Agree joint strategy across the Council and NHS Brent to improve outcomes
- commissioning arrangements Maximise Value for Money by ensuring appropriate planning and
- . service provision for adults across Brent to develop improved and modernised Plan for joint service provision and develop harmonised approaches to
- information, including, but not restricted to, financial and performance Provide a regular forum in which the Council and NHS Brent can share monitoring information
- Maintain oversight of the relevant work streams across the council and the
- Partnership Board, and to ensure relevant reports are presented to the ASPB Ensure that there is appropriate facilitation available to the Adults Strategic
- ۰ Maintain financial and performance oversight of all joint agreements

### **Delivering outcomes**

The JET will be responsible for the delivery of good outcomes for adults in service delivery, purchasing and commissioning and will maintain an overview of performance in relation to those outcomes. It will work with other officers and partners where required to deliver outcomes.

### Membership

Council and from NHS Brent. The JET will be chaired by the Director of Housing and Community Services, Brent Council. Membership will consist of senior officers from Adult Social Care in the

responsibilities for the organisation they represent. Each member must be at a level of seniority to have delegated decision-making

Members of the group are to nominate substitutes where they are not able to attend future meetings of the group in order to prevent non-attendance. Any substitutes must be at a sufficiently senior level to hold delegated decision-making responsibilities for the organisation they represent

The group's membership will be formally reviewed every 12 months

The membership for the year 2009-10 will consist of:

- The Chief Executive of NHS Brent
- The Director of Housing and Community Services, Brent Council
- Assistant Director, Community Care, Brent Council
- Assistant Director, Quality and Support, Brent Council
- Assistant Director, Finance and Resources, Brent Council I
- Director of Commissioning, Brent Primary Care Trust
- Director of Finance, Brent Primary Care Trust

### Quorum

time, there is not a quorum present, the meeting shall not proceed. The quorum at all meetings of the JET shall be 50% of the full membership. If, at any

### Frequency of meetings

Meetings will be held monthly

### Accountability

In addition to individual accountability to the employing organisation of each representative the group as a whole will be accountable to Partners For Brent.

maintained via current and future performance management frameworks for statutory Accountability for aspects of the group's function outside the LAA will continue to be

### Communications

that: carers, are effective and in particular that there are arrangements in place to ensure will ensure that communications with stakeholders, including service users and In taking the lead in relation to adults as the Joint Senior Officers Group the group

The agreed joint priorities are understood by staff

- The agreed joint priorities are appropriately consulted on
- where appropriate The JET will utilise existing consultation and communication mechanisms

# **Administration Arrangements**

The JET will be administered by Brent Council, who will provide administrative support for meetings such as agenda preparation, circulation and minute taking.

Agendas and all associated papers will be distributed (in hard copy if required) to all group members and nominated substitutes 7 days in advance of a forthcoming meeting. Formal minutes will be produced after each meeting and will be distributed (in hard copy if required) to all group members and nominated substitutes within 10 days of the meeting taking place.

### Brent Carers Partnership Board TERMS OF REFERENCE

### Purpose

Care Board and is one of the 5 themed sub groups that lead the joint commissioning agenda on behalf of Brent Council, NHS Brent, other NHS Trusts, the voluntary sector, independent sector and most importantly, service users and carers The Brent Carers Partnership Board (CPB) reports to the Strategic Adults Social

### Aims

improve health and well being of carers in the borough by developing and monitoring the strategic direction, service development and performance of health and social The aim of the Carers Partnership Board is to work with carers, and partners to ensure carers are recognised and valued, that their needs are identified and met; developing support and services for carers. care services. The partnership will also provide the overall strategic direction for

### Terms of Reference

- To ensure that a local Carers Strategy is developed and produced
- Monitor and review the Carers Strategy Action plan
- Monitor the work of organisations which provide services to carers
- To report to senior managers and relevant Boards on a regular basis to secure agreement to the strategic priorities identified in the Carers Strategy
- To provide a progress report to the Strategic Adults Social Care Board
- Keep other Boards informed of the work of the Carers Partnership Board
- Ensure young people in a caring role and parent carers are supported particularly through transition
- partnership working and consultation Ensure that services are commissioned and delivered through effective
- Raise the profile of carers and carers needs in Brent
- value and meet agreed local, regional and national targets, and plan for new Monitor and evaluate local services to ensure that they are delivering best developments
- wider community Ensure information about local services is up to date and disseminated to the
- the wider community Share information about needs, activity and plans within the Board and with
- Jointly identify projects which may fill gaps in services and consider innovative ways of meeting those gaps
- Oversee the co-ordination and quality of carer consultation, carer involvement Be involved in the formulation of partnership bids and the setting of priorities and evaluation of services
- for the commissioning of services which have an impact on carers
- Contribute to decisions on the efficient and effective use of grant funding

### **Delivering Outcomes**

ensure they improve the lives of carers systems are in place to monitor progress on developments and performance to The partnership will reflect the views of Brent's diverse communities and ensure

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| A range of provider organisations Asian F Supporting carers including Voice, Carers  | <ul> <li>(2) Carers of people with mental health issues</li> <li>(2) Carers of older people</li> <li>(2) Carer of people with learning disabilities</li> <li>(2) Carer of people with physical disabilities</li> <li>(2) Parent Carers</li> </ul> | Carers | Aiming High Co-coordinator LB Brei | Assistant Director Partnerships, NHS Brent | Chief Officer Brent C | Assistant Director of Transformation LB Brent | Post noider Urganisation |
|--|---|--------|------------------------------------|--|-----------------------|---|--------------------------|
| Asian People Disability Alliance; Brent Carers Centre; Brent Crossroads; Elders Voice, Friends of African Caribbean Carers & Sufferers of Dementia |   |        | LB Brent Children & Families       | rent                                       | Brent Carers Centre   | nt  | sauon                    |

### Chairing arrangements

The chairing of this meeting will be shared between the Assistant Director Quality & Support and Brent Carers Centre in the first year.

After this time, the co-chair will fall to a carer who will co chair the meeting with the Assistant Director of Quality & Support Brent Council.

# Role of the chair & co-chair

- To report back progress to JET/Strategic Adult Social Care Board
- To co-ordinate the planning and administration of the Board Meetings

  To promote carers issues are given prominence on corporate agendas at the
- To ensure relevant, accurate and timely data and information

### Operation of the group

- The group will meet every two months
- strategy implementation and action plan The agenda for each meeting will be split in two - the first half will care for; the second half will concentrate on performance management of the concentrate on key strategic issues relating to carers and or the people they
- carers and the voluntary sector organisations There will be standing agenda items that address issues specifically raised by
- specific actions are addressed Sub groups may be appointed on a task and finish basis to ensure that
- through training, and one to one support, respite provided to the person they Carers will be supported to take part in the Board as necessary for example care for and expenses covered for attending meetings.

## Decision making process

Decisions will be reached by consensus wherever possible. Voting and decision making procedure will be used as a last resort, if there is no consensus.

### Quorum

time, there is not a quorum present, the meeting shall not proceed. The quorum at all meetings of the CPB shall be 25% of the full membership. If at any

### Accountability

The Brent Carers Partnership Board will report to the Adult Strategic Partnership Board & the Carers Grant & Commissioning Decision Panel.

# **Administration Arrangements**

The Carers Partnership Board will be administered by NHS Brent, who will provide administrative support for meetings such as agenda preparation, circulation.

members and nominated substitutes 7 days in advance of a forthcoming meeting. Formal minutes will be produced after each meeting and will be distributed in hard copy to all group members and nominated substitutes within 10 days of the meeting taking place. Within 48 hours of the meeting an action sheet will be circulated to group members outlining the actions agreed at the meeting. Agendas and all associated papers will be distributed in hard copy to all group

REVIEW OF TERMS OF REFERENCE

These terms of reference will be reviewed every 2 years January 2010

assessment the One Stop Service can refer carers for a carers opportunity for carers to discuss their specific needs Getting help from adult social care
To receive help carers need to be assessed. This is an

Young carers over the age of 16 providing support to an adult or older person can also have their needs

The persons for whom they care for is over 18 and is eligible for, or has had, a community needs assessment.

E. T provide or intend to provide "regular and The carer must be aged 16 years and over and substantial" amount of care.

[and] C.

The carer is not providing personal assistance for payment in cash or kind.

[and]

Ö The carer is not a volunteer working on behalf of a voluntary organisation.

assessment. Carers can request a separate assessment and receive services in his or her own right even if the person they care for refuses support. The council has a duty to inform carers of their rights to an

# Eligibility criteria for services provided by Brent Council

demonstrate that: Carers eligible for services from adult social care must Brent Council has the power to provide services to carers.

- care on a regular basis" they are providing "a substantial amount of
- there is a critical or substantial risk to the sustainability of the caring role.

to the sustainability of the caring role" into four categories Critical, Substantial, Moderate and Low. The practice guidance of the Carers 2000 Act requires Adult Social Care departments to grade the "extent of risk

role breaking down now or in the future without support being provided. (see appendix ) Carers with moderate to In Brent carers can be eligible for services in their own right if there is a Critical or Substantial risk to their caring

> the council. services not provided by also signpost to other council services. They is the gateway to Brent One Stop Service Appendix 4

by telephone. through the internet or service in person; People can access the

nt.gov.uk customer.services@bre 4300 or email care service 020 8937 phone number for Brent Council's adult social Now there's just one

level of need into four service. It grades the governing access to eligibility criteria Services is the national Fair Access to Care Substantial, Moderate categories. Critical Adult Social Care

under the community are being assessed when disabled people with those that apply care legislation. carers' need are aligned These four categories of

action is not taken risks that threaten life if The critical ban covers

being severely result in independence covers risks that will compromised if action is The substantial band

low needs will be provided with information and maybe signposted to other agencies.

not taken.

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### Executive 15 February 2011

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

Wards Affected:

Re-adoption of the Local Government (Miscellaneous Provisions) Act 1982 Schedule 3 (as amended by The Policing and Crime Act 2009)

Licensing of Sexual Entertainment Venues.

### 1.0 Summary

- 1.1 Section 27 of the Policing and Crime Act 2009 requires the Council to either adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of The Police and Crime Act 2009, or to hold full community consultations to decide whether to adopt.
- 1.2 On 14<sup>th</sup> September 2010 the Executive Committee agreed to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of The Police and Crime Act 2009.
- 1.3 Notice of the adoption failed to appear in a local newspaper two weeks in succession and therefore Members are asked to re-adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of The Police and Crime Act 2009.

### 2.0 Recommendations

2.1 This report recommends Members re-adopt Schedule 3 of The Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Police and Crime Act 2009.

### 3.0 Detail

3.1 On 14<sup>th</sup> September 2010 the Executive Committee agreed to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 and appoint 12<sup>th</sup> October as the first appointed day.

Meeting Date Version noV3 Date 1/2/11

- 3.2 When a Council agrees to adopt Schedule 3 of The Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Police and Crime Act 2009, the Authority must place a notice in a local newspaper two weeks running confirming the adoption. The first notice must appear within 28 days of the adoption.
- 3.3 Notice of the adoption failed to appear in a local newspaper two weeks in succession and therefore Members are asked to re-adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982.
- Following the original decision to adopt Schedule 3, a notice was drafted and an order placed with the local "Times" newspaper group.
- 3.5 Due to an administrative error within the Council the order was placed for the notice to appear for one week rather than for two weeks. The notice was, therefore, printed in the newspaper the next week but the second notice did not appear the following week.
- 3.6 Re-adoption will allow a further two notices to be published and will mean the new appointed day will be 15<sup>th</sup> March 2011.
- 3.7 The second appointed day will automatically become 15<sup>th</sup> September 2011. This is the date that applications for existing licences and any new applications are determined and granted where appropriate
- 3.8 The third appointed day will be 15<sup>th</sup> February 2012. Until this date any person currently using or undertaking preparatory work to use a premise as a sexual entertainment venue may continue to do so or until any appeal against the refusal of a licence has been determined.
- Re-adoption of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Policing and Crime Act 2009 will take pole dancing, lap dancing, striptease and similar sexual entertainments away from the Licensing Act 2003 and allow the Council to licence them separately.
- 3.10 Currently there are no sexual entertainment venues in Brent.

### 3.11 Failure to Re-adopt

- 3.11.1 The legislation requires Councils that fail to adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Policing and Crime Act 2009 to hold a full consultation exercise with residents and businesses on whether to adopt the Schedule.
- 3.11.2 Consultations on whether to adopt must start one year after the commencement of the Act and would therefore begin in April 2011.
- 3.11.3 It is very likely that any consultation would result in the Council being asked to adopt the legislation as this is an emotive subject and would almost certainly attract strong lobbying from residents.

### 4.0 Financial Implications

- 4.1 If the Schedule is re-adopted licence fees will be set and reviewed using the Council's existing regime for setting fees.
- 4.2 Fees will be the same as those for other sex establishments and are currently set at £11,204 for the application of a new licence and £9,532 for the renewal of an existing licence.
- 4.3 Fees are set to take account of the cost of consulting and holding a hearing for opposed applications. They also take account of the possible need for appeals though the Courts and for the more intensive inspection regime.
- 4.4 The net forecast annual revenue from such a fee in 2011/12 is nil.

### 5.0 Legal Implications

5.1 None specific other than those covered in the body of the report.

### 6.0 Diversity Implications

Although there are no sexual entertainment venues in Brent at present, adoption of the Act will allow greater and more effective control of such premises should they be proposed in future. Such premises clearly have the potential to be exploitative of performers working in them, predominantly women, and greater and more effective control is to be welcomed.

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

7.1 None specific to this report.

### **Background Papers**

FILE LOCATION
Sexual Entertainment Venue File HSL Offices

Adoption of the Local Government (Miscellaneous Provisions)
Act 1982 Schedule 3 (as amended by The Policing and Crime Act 2009)
Licensing of Sexual Entertainment Venues V4 – 14<sup>th</sup> September 2010

### **Contact Officers**

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SUE HARPER

Director of Environment and Neighbourhood Services

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### Executive 15 February 2011

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

Wards Affected: ALL

### The Brent Placemaking Guide

### 1.0 Summary

- 1.1 The Brent Placemaking Guide has been developed in order to support and advise all those whose work impacts on the design of the public realm. In advocating a greater focus on good urban design, it responds to recent government advice and best practice guidance on how to create successful places. In time, its use will improve the quality of the Public Realm in Brent.
- 1.2 This report briefly summarises the content of the Brent Placemaking Guide and seeks the Committees approval to formally adopt the Guide as design guidance to be used by officers across the Council.
- 1.2 The Guide is shown at Appendix A.

### 2.0 Recommendations

- 2.1 That the Executive approves the Brent Placemaking Guide.
- 2.2 Note that the Director of Environment & Neighborhood Services, in consultation with the Director of Regeneration & Major Projects will arrange a series of design workshops across council departments to ensure that the advice and guidance given in the guide is adopted and understood by all council staff whose work impacts on the design of Brent's public realm.

### 3.0 Details

3.1 The Brent Placemaking Guide provides a means to deliver excellence in the borough's public realm through good urban design. It aims to achieve a safe, attractive, accessible and inclusive environment by setting out public realm policy and design guidelines and specifications for materials, street furniture and the layout of streets and spaces that fall within the control of the council.

- 3.2 It also seeks to develop civic pride and foster a sense of public ownership in the streetscene and looks at ways of encouraging the use of streets and spaces for community activities.
- 3.3 The Guide is intended to deliver a base level of good quality and a stylistically consistent public realm throughout the borough. In this respect, it details a limited palette of good quality materials and street furniture which can be used in all streets in Brent.
- 3.4 While the Guide recognises that a more individual and bespoke approach may be appropriate in specific locations for example town centres, the overarching design principles, objectives and approach outlined in the Guide are applicable universally within Brent.

### Who is the Guide For?

3.5 The Guide has been produced for all those whose work impacts on the public realm. This embraces officers in the Directorate of Neighbourhood Services particularly Transportation and Streetcare Services and in the Directorate of Regeneration & Major Projects, but would also include other officers across the Council involved in shaping public spaces in the Borough. Successful public realm design depends on different professional disciplines working together and in collaboration with a wide range of other people whose views and decisions matter. The Guide will therefore also be relevant to contractors, developers, statutory authorities, local groups, residents and businesses.

### Content of the Guide

- 3.6 A summary of the content of the Guide is provided at Appendix B. The Guide is shown at Appendix A.
- 3.7 The Guide advocates good urban design. Urban design is about places, how they function and evolve sustainably, how to make them vibrant and vital, how to look after them, how to make them successful. It is also about people and communities and improving the quality of life by providing an attractive and safe street environment and enhancing people's experience of their local neighbourhoods.
- 3.8 The Guide responds to a growing professional and public awareness that a new approach to the design and management of our streets is necessary in order to create better places; places with identity and character, places that are not dominated by motor traffic.
- 3.9 This new approach has formed the basis of a number of recent government publications including:
  - By Design: Urban Design in the Planning System, Towards Better Practice, DETR;
  - Manual for Streets 2, Department for Transport, 2010;

- Traffic Management and Streetscape, Department for Transport, March 2008.
- 3.10 Much of the Council's funding for public realm works is provided by Transport for London via the LIP (Local Implementation Plan) process. It is desirable that there is consistency between the Council's and TfL's approach to public realm design.
- 3.11 London-wide guidance on the design of major traffic arteries is given in Transport for London's Streetscape Guidance which has recently been revised. In addition, November 2009 saw the publication of London's Great Outdoors A Manifesto for Public Space where the Mayor sets out his ambition to work with the boroughs "to revitalize public space to make a big difference to London's quality of life." Its sister publication: Better Streets Practical Steps provides design guidance and is intended to "help make the vision for great spaces a reality".
- 3.12 Both of these documents provide an important recognition of the way in which thinking about the design of our streets and spaces is radically changing. They also recognize that the design and the use of our streets can achieve important social objectives, knit together disparate communities and "make for more humane interaction in our cities".
- 3.13 Better Streets recognizes that improvements in street design can be achieved at a range of different spatial scales "from internationally significant projects such as Trafalgar Square at one end, to the improvement of a local parade of shops at the other. Indeed it is often these local schemes that will have the greatest impact on the quality of life of people living and working in London."
- 3.14 The design approach advocated in the Brent Placemaking Guide is consistent with that being promoted by the Mayor and TfL.
- 3.15 Within the context of the overall design goal of achieving excellence in the public realm, together with the new design approach and 'thinking' outlined above, a series of related objectives in the design of the public realm are included in the Guide. These are grouped under the three headings of Design, Style and Community:

### Design

- Coherent and consistent approach;
- Base level of quality;
- Sustainable:
- Easily maintained.

### **Style**

- Simple, uncluttered, functional, aesthetic;
- 'Less is more' (limited palette of good quality materials and street furniture);

- Co-ordinated elements and reduced street clutter;
- Local character (protect and enhance Brent's identity and branding);
- Celebrate the borough's diverse cultural heritage.

### Community

- Inclusive, safe and accessible environment for all;
- Improve civic pride and ownership of the public realm;
- Public spaces as focuses for activity;
- Enhance users experience and interaction with the public realm.
- 3.16 The Guide does make reference to "shared spaces". Members may be aware that the aspiration of this concept in high profile schemes in other boroughs, has generated significant discussion and interest.
- 3.17 One method of balancing the community and movement functions is through the use of shared space. In contrast to previously accepted design practice which has promoted the segregation of uses, the shared space approach strives to combine, rather than separate street functions, in a way which provides a more equitable balance between motorists and other street users. It looks to improve the quality and experience of streets and spaces without needing to restrict or banish motorized traffic, a practice which has resulted in pedestrianised town centres being deserted and edgy places after dark.
- 3.18 The shared space approach uses the principle of ambiguity to change driver behaviour; drivers need to respond, not to a set of predetermined traffic rules and signs but to local conditions "as they find them", so behaviour is largely determined by the physical environment and the behaviour of others, in this respect eye contact and mutual signalling is very important. Many shared space designs have dispensed with the use of traditional kerbs and level changes, however there is no 'one size fits all' template for shared space and any design needs to consider the specific nature of the location including predominant street functions, the volumes of people and traffic, the proportions of heavy goods vehicles and the speed of traffic.
- 3.19 While there are many benefits associated with shared surfaces their design should not disadvantage key groups of users such as the blind and partially sighted. This particular topic is the subject of much current debate and research and designers should refer to the latest advice and examples of good practice when preparing shared surface proposals. The Guide makes it clear that the shared approach needs to be considered on its merits in each particular case, and will not be universally appropriate.
- 3.20 Risk is often cited as a reason not to pursue a "place" led approach to street design which may be considered at odds with more 'traditional' methods adopted in the past.

- 3.21 There may be concern that the Council could be liable to litigation claims if officers divert from the well worn path of for example erecting the maximum number of traffic signs in order to 'cover all' eventualities. Likewise the widespread use of guard railing can be seen, at least in part, to have arisen from a risk-averse approach to pedestrian planning. In both of these cases the outcome is likely to be a cluttered and defensive environment which provides too much information for the average road user to clearly comprehend, and which erects barriers to pedestrian movement under the guise of protection.
- 3.22 Recent government advice challenges this risk-averse approach. The Manual for Streets suggests that an over cautious approach is not 'conducive to creating distinctive that help support thriving communities' places'. It also states that 'design that does not rely on conventional standards can achieve high levels of safety'.

### Consultation

- 3.23 The Guide has been developed and agreed by a panel of officers in the (former) Directorate of Environment and Culture and hence is considered appropriate in relation to planning, transport policy and street management considerations.
- 3.24 A draft of the Guide has been available on the council's website for a number of months together with an email address for comments. A copy of the draft guide was also sent for comments to the following organisations:
  - Design for London
  - Transport for London
  - The London Boroughs of Barnet, Camden, Harrow, Ealing, Hammersmith & Fulham, City of Westminster
  - Urban Design London
  - Radar
  - Living Streets
  - Royal National Institute for the Blind
  - Royal National Institute for the Deaf
  - Guide Dogs for the Blind Association
  - Greater London Authority
- 3.25 Officers also intended to give presentations on the Guide to the Local Area Consultative Forums. Agenda pressures precluded this at a number of ACfs and so it has only been possible to give full presentations on the Guide to the Kingsbury/Kenton and Willesden area forums. Notwithstanding this, residents and other stakeholders have had the opportunity to comment on the draft Guide through the Council's website.
- 3.26 No comments have been received as part of the consultation outlined above. However, the Guide is intended to be a 'living document' and subject to periodic review. It will therefore be possible, subject to resource considerations, to make changes and additions to the Guide in response to any future feedback and as new information on best practice emerges.

### 4.0 Financial Implications

- 4.1 There are no direct financial implications arising from this report. The cost of developing the report has been met from 2010/11 and 2009/10 E & NS Revenue budget (Transportation budget centre). The estimated cost of producing limited number of hard copies of the Placemaking Guide, facilitating electronic access to the Guide, and undertaking associated publicity and awareness raising is £5,000. Provision for this work exists within the 2010/11 Revenue budget (Transportation budget centre).
- 4.2 There will be indirect financial implications for organisations implementing scheme/works within the public realm flowing from using the approach set out in the Guide. It is not possible to quantify those implications with certainty. However, the materials and principles recommended in the Guide are already used in most public realm schemes, particularly those funded through the TfL LIP settlement and within the Capital (Roads) Programme. Consequently therefore the adoption of the Guide is unlikely to increase scheme costs. Similarly, the "less is more" approach to design advocated in the guide is likely to result in lower 'whole-life' costs for the majority of public realm works.

### 5.0 Legal Implications

5.1 The Council has the power under section 62 of the Highways Act 1980 to carry out improvements to a highway. However, if the Council does carry out improvement schemes, it has a duty to ensure they are reasonably safe in reasonable circumstances. A relevant point in considering this will be whether the Council's design accords with relevant guidance from Government and other appropriate bodies, which the Guide seeks to do. There is no requirement to place any particular signs or markings on the highway, save as set out in relevant regulations.

### 6.0 Diversity Implications

- 6.1 A full Impact Needs/Requirement Assessment of the Placemaking guide has been carried undertaken. The assessment concluded that the aims of the Guide are consistent with the council's Comprehensive Equality Policy and that the content of the Guide would not have a differential impact on any particular group. The assessment did however highlight the current debate relating to the use of shared surface treatments and concerns expressed by particular groups/organisations, in particular the Guide Dogs for the blind Association.
- The conclusion of the assessment is consistent with a review of similar guides undertaken elsewhere which shows that there are no significant diversity implications other than those in regard to people with mobility or visual impairment. In this respect the Impact Needs/Requirement Assessment identifies a requirement (included in the Guide) to: "continue to monitor the latest research regarding public realm design and in particular shared space

design and incorporate any new findings and guidance into the Brent Placemaking Guide", when the document is reviewed.

The principles of inclusive design need to be followed to create streets which are accessible and used by as wide a range of people, including people with mobility or visual impairments, people with learning difficulties, children and the elderly. However, as CABE has pointed out in their publication Civilised Streets (2008):

"even with good design and resources it may often be the case that what is welcomed by one group of public space users will be disliked, or avoided by others, For those designing or commissioning streets in most public places, a judgement will need to be made that balances the needs of all users."

The key words here are *judgement* and *balance*. the designer needs to use professional judgement and adopt an holistic approach to deliver a public realm the design of which is balanced with respect to all users in relation to the hierarchy of users promoted in the Guide, which is:

### **Primary Consideration:**

- Pedestrians:
- Cyclists:
- Public transport users;
- Specialist service vehicles (emergency services, refuge vehicles etc.)

### **Secondary Consideration:**

Other motor traffic.

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

7.1 There are no staffing/accommodation implications arising from this report.

### 8.0 Environmental Implications

- 8.1 The fundamental objective of the Guide is, over time, to make a positive impact on the environment, locally and in general, within Brent.
- 8.2 Section 4 of the Guide discusses how good urban design supports sustainability and can make a significant contribution to tackling climate change and supporting the Council's environmental initiatives such as the Carbon Management Plan.
- 8.3 The Guide specifies the use of sustainable materials, where possible to be sourced locally to cut down on carbon emissions arising from transportation.
- 8.4 Section 4 of the Guide also covers Whole Life Planning and the need to Reduce/Re-Use and Recycle public realm materials wherever possible.

### **Background Papers**

None

### **Appendices**

Appendix A – (Draft for approval) Brent Placemaking Guide Appendix B – Summary of (Brent Placemaking Guide) contents.

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### **APPENDIX B**

### **BRENT PLACEMAKING GUIDE CONTENTS**

### 1 Introduction

Purpose of the Guide

**Town Centres** 

**Conservation Areas** 

**New Development** 

**Red Routes** 

Who is the Guide For?

How the Guide is Organised

**Design Checklist** 

### 2 Achieving Excellence

What is Urban Design?

**Benefits of Urban Design** 

**Urban Design Principles** 

A New Approach

The Mayor and Transport for London

The Place Function

**A Shared Vision** 

Striking A Balance

A Philosophy of Care

Risk and Cost – Barriers to Good Design?

Less is More and the Role of Ambiguity

### 3 Streets and Community

**Public Realm Objectives** 

Streets for All

**Shared Space** 

**Open Space** 

**Move and Rest** 

**Active Streets** 

Play

**Public Art** 

**Designing Out Crime** 

**Designing Out Fear of Crime** 

### 4 Sustainability and Street Management

Sustainability

**Managing Climate Change** 

Sustainable Landscape Design

Whole life planning

Reduce/re-use/recycle

**Repair and Replacement** 

Highway Asset Management Plan

**Street Cleaning** 

### 5 Materials and Construction

Footways

Dropped Kerbs

**Footway Strengthening** 

Footway Crossovers

**Utility Inspection Covers** 

**Private Forecourts** 

**Shared Surfaces** 

**Footway Materials** 

**Carriageway Materials** 

### 6 Street Furniture

**General Principles** 

Bollards

Traffic Bollards

Guardrailing

Seating

**Street Lighting** 

**Feature and Decorative Lighting** 

**Bicycle Parking** 

CCTV

Litter Bins/ Salt Containers/Cigarette and Gum Disposal

Recycling Facilities Utility Cabinets Advertising Public Toilets

### 7 Traffic Management and Calming

Ambiguity
Street Scale and Design
Junctions
Pedestrian Facilities
Traffic Calming
Lateral Speed Reduction Measures
Vertical Speed Reduction Measures
Road Closures
20mph Zones
Cycling

### 8 Signs and Markings

Reducing Street Clutter TfL Approach New Schemes Carriageway Markings Pedestrian Signage Information Boards Vehicular Traffic Signs Street Nameplates Self- Adhesive signs Mounting Signs

### 9 Parking

Parking Demand
Controlled Parking Zones
Restricted Parking Zones
On Street Parking Layouts
Footway Parking
Motorcycle Parking
Bicycle Parking
Hardstandings and Crossovers

### 10 Trees and Soft Landscape

The Benefits of Trees
Tree Species and Location
Tree Planting
Tree Pits and Surrounds
Tree Grilles
Carriageway Planting
Tree Removal
Private Land
Green Verges
Incidental Shrub Planting
Planters
Hanging Baskets
Highway Marginal Land and Pocket Parks

### 11 Putting It Into Practice

**Design Examples** 



### Executive 15 February 2011

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

Wards affected: ALL

### **Brent Regeneration Strategy 2010-2030**

### 1.0 Summary

1.1 This report introduces a proposed new twenty year Regeneration Strategy for the Borough, to replace the current Strategy, first published in 2001. It sets out the rationale for the new strategy and gives details of the proposed new priorities that will be used to maximise investment into the Borough in order to deliver the ambitious twenty year vision.

### 2.0 Recommendations

2.1 That Members approve and endorse the new Regeneration Strategy 2010 - 2030, as set out in Appendix 1.

### 3.0 Detail

### 3.1 Background

- 3.1.1 The Council's current Regeneration Strategy was launched back in 2001, since which time it has prioritised and guided the Council's regeneration activity.
- 3.1.2 The document laid out an ambitious twenty year vision to transform the Borough with a specific focus on those people and places most in need. It also provided a strong strategic focus for the delivery of regeneration activity in Wembley to ensure the benefits to local people were maximised.
- 3.1.3 Delivery of the vision centred on the six strategic priorities outlined below:
  - To reduce the gaps between the most deprived communities and the rest of London, and in particular to focus on the neighbourhoods of South Kilburn, St Raphaels/Brentfield/Roundwood, Church End, Stonebridge and Harlesden;

- To reduce unemployment levels across Brent to below the London average, concentrating efforts on those people most in need;
- To increase income levels across Brent to above the London average and promote measures to retain this wealth within the Brent economy;
- To promote a landmark development of regional and national significance at Wembley creating an identity for the Borough and ensuring substantial local benefit;
- To ensure a consistently high quality of life for all Brent residents incorporating the provision of decent homes for all, high quality facilities, low levels of crime, healthy living and town centres that meet the needs of local people;
- To take positive preventative action in those areas most at risk of decline in the future.
- 3.1.4 These priorities set the direction for a clear programme of activity based on evidenced local need and instigated a new approach to ensure resources were focused within priority neighbourhoods (outlined above), identified through their deprivation levels.
- 3.1.5 This in turn paved the way for the New Deal for Communities, Neighbourhood Renewal, Brent in Work and London Development Agency Area programmes and ensured funding through national and regional government channels was appropriately targeted to address Brent specific issues rather than be imposed from the centre. Using the Regeneration Strategy, the Council has been able to demonstrate added value to funders and long term sustainability to their investment. External funding from these sources has equated to well over £100 million over the past 10 years. The document also set a clear rationale for the negotiations of the Wembley regeneration area to help secure a comprehensive Section 106 Agreement to support the Borough's plans and ambitions.
- 3.1.6 The Strategy provided a clear rationale for developing specific partnerships to meet our delivery needs and ensured all partners were clear from the onset about their roles and responsibilities and that they fully understood the long term outcomes of their contributions.
- 3.1.7 An overview of some of the regeneration achievements since 2001 is listed within the new strategy in appendix 1 but includes:
  - Over £2 billion of commercial investment into Wembley;
  - Supported on average 1000 Brent residents a year into work through Brent in 2 Work, which is hailed as best practice across the country:
  - Worked in partnership with over 50 employment providers from the public, private and voluntary and third sector organisation to help support Brent's hard to reach communities living in Brent's most deprived neighbourhoods;
  - Developed strong relationships with local businesses through the Employer Partnership;
  - Launched a 'vision' for the North Circular Road:
  - Secured planning consent for 500 new homes and work is underway on site in South Kilburn. A new sports centre has already been completed;

- Worked with local residents through the Neighbourhood Renewal Funded (NRF) programme in two of Brent deprived neighbourhoods; Harlesden &Stonebridge and St Raphael's, Brentfield and Mitchell Brook to help address a range of issues including; crime reduction, community engagement and improving access to employment and skills opportunities. This led to a significant increase in resident satisfaction.
- 3.1.8 Critical to these successes has been a rigorous approach to performance management. Both performance indicators and targets have been specified and measured through three yearly action plans to ensure the activities undertaken have contributed to the achievement of each strategic priority listed earlier. These have been reviewed quarterly through a management scrutiny process.

### 3.2 Responding to the Changing Context

- 3.2.1 The political and economic context under which the previous strategy was developed is almost unrecognisable today and the evidence shows there is still significant work to be undertaken, particularly in the priority neighbourhoods to tackle deep rooted levels of poverty. Unless addressed, the combined pressures of the economic downturn and budget cuts to local services will only serve to widen the socio-economic gap in the Borough.
- 3.2.2 Underlying this concern is the instability of the economy. Unemployment levels are rising with the most deprived neighbourhoods of Stonebridge, Harlesden, St Raphaels, Church End, Chalkhill and South Kilburn being most greatly affected. In these areas, benefit claimant levels are at their highest with a particular dependency amongst families. This, coupled with the proposed cuts to welfare spending and Council budgets, means levels of need are likely to rise significantly. While the concentration of need is likely to be in the communities outlined, there is a high probability that poverty levels will rise in other areas of the Borough.
- 3.2.3 The new coalition Government is introducing a whole new policy agenda. Further changes to the political landscape since the Regeneration Strategy was first written, has been the introduction of the London Mayor and the GLA with now, an ever increasing emphasis to work sub regionally to achieve economies of scale.
- 3.2.4 Within the Council, there has been the introduction of the Local Strategic Partnership, the Borough Plan and more recently through the restructure, the establishment of the Regeneration and Major Projects department. Alongside this is the drive to achieve greater efficiencies through the One Council programme and a need to more effectively manage risk.
- 3.2.5 Under this context, it was acknowledged that the existing Regeneration Strategy needed to be refreshed to ensure the Council's ambitious vision and Major Projects programme continue to be delivered through these challenging times. The Council needs to explore and develop new ways of working to secure future resource and proactively respond to the fast changing political and economic climate. It was also felt that the Strategy also needed to

respond to the challenges as outlined in the new Borough Plan and ensure it is fit for purpose to deliver that agenda.

### 3.3 The Regeneration Strategy 2010-2030

- 3.3.1 The proposed new Regeneration Strategy is attached as appendix 1. It is very much a refresh of the current Strategy, reaffirming and updating a core set of principles for delivery. It includes a vision for Brent in 2030 that is complimentary to both the Borough Plan and the Local Development Framework (LDF).
- 3.3.2 The previous six strategic priorities have been reduced to a more focused three and are in alignment with the main areas of work for the Regeneration and Major Projects department and the new Borough Plan. They are:

### One Borough

 To deliver transformational change across the Borough, focusing primarily on the identified priority areas for investment

### One Community

 To increase employment and income levels of Brent residents concentrating on those most in need

### One Council

- To maximise investment in Brent from the private, public and community sectors in line with our regeneration priorities and ambitions
- 3.3.3 While the number of priorities has reduced, the ambitions for each (outlined under each strategic priority in the strategy) demonstrate a continued commitment to addressing deprivation and maximising the benefits from new developments for local residents.
- 3.3.4 Strategic priority one continues to focus on improving the priority (most deprived) neighbourhoods but now incorporates the borough's growth areas as set out in the LDF. To simplify the terminology, these have both been termed "priority areas for investment". The driver is to ensure any physical development is appropriate to the needs of local people, communities and business and that any economic and social benefits grow sustainable, well functioning communities that address all aspects of quality of life (including health, crime, education and wealth). Wembley is now included as one of these areas for investment and the regeneration programme here will continue to be developed with recognition of developments in other growth areas and to the same principles.
- 3.3.5 Strategic priority two reiterates the Council's longstanding regeneration principle that the best route out of poverty is through employment. It again focuses primarily on those people and places most in need but stresses the importance of finding creative solutions to ensure welfare to work initiatives are targeted to these groups. This will mean working closely with private sector prime contractors to share intelligence and assets to direct delivery to

meet this objective. With so many low income households in the borough that are already in work, our efforts must also ensure that residents have access to jobs that have opportunities to progress and raise incomes. This places a greater emphasis on creating the right conditions to attract and grow appropriate businesses in Brent. Ensuring residents can easily access employment in the wider London economy is also essential as are wider interventions to overcome barriers to work that are specific to the borough, including English language provision and affordable childcare.

- 3.3.6 Strategic priority three has been included to proactively respond to the current economic situation and the need to work creatively to ensure Brent is in a position to continue its ambitious regeneration programme and in particular, deliver its Major Projects. Emphasis is placed on making the Borough an attractive place to invest and maximising the Council's assets including property, land and intellectual assets to secure additional resource. Moving forward, this will include investigating the potential of proposed government schemes such as Tax Increment Financing and the New Homes Bonus as well as working with developers to secure the most appropriate benefits from local planning tariffs. Developing strong and effective partnerships where it makes most sense is also stressed, ensuring the Council makes full use of partners' assets and knowledge to deliver the most effective and efficient services.
- 3.3.7 It should be noted that the new strategy no longer directly addresses the need to monitor those areas at risk of decline. A number of attempts have been made to develop a model to identify these areas but it has not been possible to find an approach that is sufficiently robust. With the introduction of the Strategy, Partnerships and Improvement department and a more centralised policy function, it is felt that the Council now has stronger mechanisms in place to identify areas at risk of decline, with more effective use of GIS and Mosaic data.
- 3.3.8 The principles for delivery are very similar to the current strategy with greater emphasis on value for money, partnership and leadership again, to take account of the different economic and political climate and ensure opportunities are not lost.
- 3.3.9 Performance management and programme management are outlined as key implementation tools and the new strategy includes some detail with regard to these processes. This demonstrates that the Council is serious and professional in its approach to delivering Major Projects and provides reassurance to residents and investors that a robust system is in place to deliver projects on time and to budget.
- 3.3.10 As previously, specific actions to deliver the new strategy will be detailed in action plans that will now be incorporated into the service planning process. All units within the Regeneration and Major Projects department will be required to demonstrate how they will address the regeneration strategic priorities along with those outlined in both the Borough and One Council strategies.

- 3.3.11 Consultation to develop the strategy has been undertaken with a number of internal and external partners, including the voluntary and business sectors, who participated in a workshop session.
- 3.3.12 Once approved by CMT and the Executive, the document will be taken to the LSP for its approval and endorsement.

### 4.0 Financial Implications

4.1 There are no current financial implications although as outlined, detailed discussions will need to take place to identify new ways of funding major capital schemes that makes the most effective use of the Council's existing resources at minimum risk to the Council.

### 5.0 Legal Implications

- 5.1 Legal Services will work with the Regeneration and Major Projects department in delivering capital projects and future contracts with external service providers.
- Where individual regeneration projects are presented to the Executive for approval, detailed legal implications will be provided in those separate reports to the Executive on a project by project basis.
- 5.3 Under section 2 of the Local Government Act 2000 ("the 2000 Act"), which is also known as the "well-being power", local authorities have power to do anything which it considers is likely to promote or improve the economic well-being, the social well-being and the environmental well-being of the area, subject to limitations set out in section 3 of the 2000 Act. Those limitations include not being able to raise money (whether by way of precepts, borrowing or otherwise). Also, this well-being power does not enable a local authority to do anything which they are unable to do by way of any prohibition, restriction or limitation on their powers which is contained in any enactment.
- Where the Council plans to dispose of housing land, it requires the consent of the Secretary of State under section 32 of the Housing Act 1985. Where the Council disposes of housing land for less than market value, consent from the Secretary of State is also required under section 25 of the Local Government Act 1988.
- Where Council properties need to be demolished to progress with a housing regeneration scheme, which has been the case with phase 1 of the South Kilburn regeneration scheme for example, it may be necessary to rely on Ground 10A of Schedule 2 to the Housing Act 1985 to obtain vacant possession of Council properties where secure tenants reside. However, the courts will grant a possession order on that ground if alterative suitable accommodation has been offered to the tenant. However, consultation with tenants is necessary first and consent needs to be obtained from the Secretary of State under Part V of Schedule 2 to the Housing Act 1985 before the Council can rely on Ground 10A. For properties involved in regeneration schemes where there are leaseholders rather than secure tenants, it may be necessary to apply for Compulsory Purchase Orders, as described in the next paragraph.

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

#### 6.0 Diversity Implications

- The Strategy is undergoing a full Equalities Impact Assessment to ensure no groups are adversely affected by the aims and ambitions of the strategy.
- The key aim of the strategy is to ensure that those people and place most in need are reached and their needs addressed. The Regeneration and Major Projects team will continue to use and review the most up to date evidence and partners to ensure we have an accurate picture of who these groups are, where they live and what their barriers are so that the most appropriate interventions can be developed to address these needs.
- The implementation tools used, including performance management systems, means that any interventions that are developed through the Regeneration Strategy will be monitored and measured throughout their lifetime on a quarterly basis. Using this process, in conjunction with the most up to date intelligence about the changing make up and needs of Brent's communities, we will be able to ensure the right outcomes are delivered throughout the lifetime of the strategy.

#### 7.0 Staffing and accommodation Implications

7.1 There are no direct staffing or accommodation implications contained within the report.

#### **Background Papers**

Appendix 1: Brent Regeneration Strategy 2010-2030

#### **Contact Officers**

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#### A Regeneration Strategy for Brent

#### 2010-2030

#### **INTRODUCTION**

In 2001, Brent launched its twenty year Regeneration Strategy. With an ambitious vision to raise the quality of life for Brent residents, the strategy firmly placed regeneration at the centre of the Council's priorities. Almost ten years later, the progress is clear to see. Wembley Stadium has become an iconic national landmark and is well established as a world class venue. Considerable investment has been made in neighbourhood renewal programmes in the Borough's most deprived neighbourhoods to improve social and economic conditions and work has now begun to transform the physical environment in South Kilburn. Brent in2 Work established itself as one of London's best performing employment programmes offering tailored support to those people and places most in need resulting in an employment rate that now exceeds the London average.

The borough is alive with opportunity. It is one of the most diverse boroughs in the country with a number of distinct and growing communities in neighbourhoods such as Harlesden, Wembley and Kilburn. Development of the lands surrounding Wembley Stadium is well underway and a new Civic centre for the borough will be open in 2013. Plans are in place to improve the North Circular Road and Alperton, and the economic benefits from all these programmes will be felt by the surrounding communities. With a strong culture of entrepreneurialism, the borough has a diverse business base. Park Royal, London's largest industrial estate, is situated to the south west of the borough and transport links to central London are excellent.

But there is still much work to do. The economic downturn and resulting cuts in public spending means the borough now faces very different challenges to when the first Regeneration Strategy was launched back in 2001. Deprivation levels remain stubbornly high in the neighbourhoods to the south of the borough and while unemployment has risen universally, it is these communities that have felt the impact of the recession the most. Low income levels persist along with a reliance on benefits and social housing. In a new era of austerity, the need to tackle these issues through regeneration is ever more critical. The Borough must identify new ways of working to ensure plans the transform the physical, economic and social landscape are realised and that local people tangibly benefit.

Underlying this is a changing political landscape with a new Coalition Government proposing radical reform in all areas of policy including the welfare state, housing and planning regulations. Since 2001, the Mayor of London has played a particularly key role in shaping the regional regeneration agenda and consideration must be given to the London Plan and the Mayor's Economic Development and Housing Strategies.

With limited public funds, the Council is itself undergoing a radical transformation to ensure it offers improved and efficient services to residents. The Brent - Our Future 2010-2014 corporate strategy, sets out a full commitment to reducing poverty and inequality through regeneration and economic development. At the heart of this is a new Regeneration Department that brings together the key

functions and activities needed to develop a coherent and integrated approach to drive forward major development programmes in the borough.

This new Regeneration Strategy has been developed to proactively respond to the opportunities and challenges brought by this new political and economic environment. It looks forward to 2030 with more focused strategic priorities and with a new specialised team in place, Brent is ideally placed to successfully deliver its ambitious vision; transforming the Borough in a way that reduces poverty, inequality and exclusion.

#### **BRENT'S ACHIEVEMENTS 2001-2010**

Moving forward, it is important that we recognise the progress made in delivering our 20 year strategic ambitions through strong partnerships with the public, private and community sectors to address social, economic and physical need in the Borough. Great strides have been made in delivering positive change and enabling residents to access a wealth of opportunities and continually improve their quality of life. Residents in the most deprived neighbourhoods feel more satisfied with the areas they live in, fear of crime has fallen and employment rates are above the London average. Specific achievements include:

- Building on the success of Brent securing the new National Stadium in Wembley, Brent has been able to secure over £2 billion of commercial investment into Wembley, with proposals for a large mixed use regeneration scheme that will transform Wembley into one of London's leading visitor attractions and create new homes, jobs and shops for thousands of people.
- Brent Council have secured planning permission for a new state-of-the-art Civic Centre, with greatly improved facilities for customers and Brent Council staff in the heart of the regeneration area, over looking the new Arena Square.
- The council's flagship employment programme Brent in2Work has supported on average 1000 Brent residents a year into work, mainly those who have been long-term unemployed.
- Brent in2Work have worked in partnership with over 50 employment providers from the public, private and voluntary and third sector organisation to help support Brent's hard to reach communities living in Brent's most deprived neighbourhoods.
- Strong relationships with local businesses have been developed through the Employer Partnership and it continues to engage highlighting supply chain opportunities.
- Launched a 'vision' for the North Circular Road, and have taken the first steps towards the delivery of an improved environment for local people.
- Good progress has been made in South Kilburn regeneration area in recent years. The
  Council has secured planning consent for 500 new homes and work is underway on site. A
  new sports centre has already been completed.
- Brent council delivered its Neighbourhood Renewal Funded programme in two of Brent deprived neighbourhoods; Harlesden & Stonebridge and St Raphael's, Brentfield and Mitchell Brook. The Neighbourhood Renewal teams worked with local residents to help address a range of issues including; crime reduction, community engagement and improving access to

employment and skills opportunities. During this time there was a significant rise in the proportion of residents satisfied with their area from a half to two-thirds.

#### Challenges

However, significant challenges still remain.

- Brent is ranked amongst the top 15% most deprived areas of the country with some neighbourhoods falling within the 5% most deprived (including Church End, Harlesden, Stonebridge, South Kilburn, Chalkhill and St Raphaels)
- Almost 10 % claim jobseekers allowance in the deprived neighbourhoods and above average proportion of out of work benefit claimants
- Around a third of children live in poverty
- Low level of adult skills only 25% have NVQ 4 or above compared to 38.6% across London
- 20% of households have annual income of £15,000 or less
- There is an 11 year gap in life expectancy between people living in Harlesden and those in Northwick Park

Progress in tackling these issues will be effected by the rapid political changes on both a national and local level, resulting in a change in government priorities and structures. The onset of the economic downturn has resulted in an unprecedented reduction of public funds and the Council has responded with a ambitious "One Council" change programme to deliver a more effective, dynamic and community focused organisation. The prevailing economic circumstances mean that the Council needs to be creative and innovative in developing new ways of working to achieve its ambitions. It requires the Council to be decisive in its leadership of major programmes and projects, disciplined and consistent in its project management arrangements, and well networked.

#### **BRENT 2030**

To address these challenges the Council has adopted a single community and corporate strategy, which sets out a clear vision for the Borough. Our regeneration vision for 2030 Brent blends this corporate ambition with our spatial plans as set out in the Borough's Local Development Framework, particularly the Core Strategy which identifies 5 growth areas and targets the provision of 22,000 new homes.

"The vision is of a Brent fully integrated into the city – a single urban borough which makes a full and positive contribution to the London economy.

Brent will be a thriving, vibrant place where its communities live in an environment that is safe, sustained and well maintained. Residents will enjoy a high quality of life and are able to reach their full potential. The Borough will have a reputation for high quality services focussed on tackling and preventing social exclusion and poverty. Unemployment will be below the London average, and everyone will have access to high quality education, health provision and affordable homes. Areas of deprivation will be economically and socially transformed through major physical

redevelopment and Brent will provide the home of choice for its diverse populations and businesses.

At the core of Brent will be a landmark international development at Wembley, providing a source of pride, identity, wealth and aspiration for the Borough as a whole."

This vision is supported by three core strategic priorities that contribute directly to the strategic objectives of the "Brent – Our Future 2020-2014 strategy, One Borough, One Community, One Council" and are outlined below:

#### One Borough

• To deliver transformational change across the Borough, focusing primarily on the identified priority areas for investment

#### **One Community**

• To increase employment and income levels of Brent residents concentrating on those most in need

#### One Council

• To maximise investment in Brent from the private, public and community sectors in line with our regeneration priorities and ambitions

#### **ACHIEVING THE VISION – DELIVERY PRINCIPLES**

The success of the past ten years has been underpinned by a clear set of principles generating a proactive and dynamic approach to regeneration delivery in Brent. This strategy will continue this good practice while developing new ways of working to respond to emerging opportunities and ensuring the best possible value for money. Effective formal partnerships with the public, private and voluntary sectors will still be essential with the Council playing an even stronger leadership role. A robust evidence base will continue to be vital to target programmes and focus resources on those people and places most in need. At the same time, all our programmes and projects will be continually challenged, developed and improved through rigorous performance management to ensure economic and social benefits for local people are realised.

#### Leadership

Strong leadership is even more important under the prevailing economic climate. The Council needs to take a clear and consistent position to ensure the desired outcomes are achieved during the lifetime of programme and within the available budgets.

#### **Equality**

Using evidence, we will build on our targeted approach to focus regeneration efforts on those people and places most in need. Success will be defined by raising quality of life and access to opportunity for the most deprived communities.

#### **Local Benefit**

The Council is fully committed to ensuring that local people fully benefit from the opportunities generated by the physical regeneration of the Borough. We will ensure that our major projects deliver improved employment, education, health and quality of life outcomes focusing these benefits on the Borough's most deprived communities.

#### Sustainability

Fundamental to the success of regeneration is looking beyond the now, into the future and to develop innovative solutions to tomorrow's problems. Regeneration in Brent is focused on the long term and transforming the borough in an irrevocable and irreversible way.

#### Quality

Sustainable regeneration can only be achieved through the highest quality design and delivery. We aspire to deliver to the very best quality across all elements of regeneration meeting the needs of our diverse communities.

#### Value

Through regeneration we are committed to searching new and improved ways of working and challenging the status quo to develop effective and efficient services that meet the needs of residents rather than the public sector organisations delivering them. Value for money is

increasingly important in the delivery of regeneration. We will endeavour to position Brent in such a way that opens up access to funding and finance in pursuit of our regeneration goals. And we will consider how best to make use of our own land, property and intellectual assets to lever in additional resources.

#### **Partnership**

Central to regeneration is forming and developing strong partnerships with public, private and third sector and where necessary identify areas for joint service planning and budgeting and sharing of resource to build on strengths and avoid duplication thus maximising benefits for local people. We will continue to collaborate, where it makes absolute sense, with partners across London including the Greater London Authority and the Housing and Communities Agency, West London and the Local Strategic Partnership.

#### Responsiveness

Regeneration activity takes place within a dynamic economic and social environment. To achieve our long term vision for Brent, it is essential that we are able to work flexibly and adapt programmes and projects to meet changing demands and needs. We must be proactive in exploiting emerging opportunities and ensuring new risks are identified and averted.

#### **IMPLEMENTATION**

Supporting our delivery principles and driving progress to achieving our 2030 vision are two key implementation tools namely the; regeneration action plans and; programme management. Both techniques have been well tested and refined and are now integral elements of our approach to regeneration ensuring effective and coordinated action across the Borough.

#### **Regeneration Action Plans**

Our Regeneration Action Plans are the building blocks to achievement of our 20 year strategy. The plans set out a clear delivery programme every three years outlining pieces of work to be undertaken during that time. More specifically, under each strategic priority they include:

- The issue being addressed
- Outline of activities to tackle the issue
- Specific and measureable performance indicators to demonstrate overall impact of the activity and contribution to the strategic priority

This approach allows for flexibility of delivery and an ability to adapt to local changes and arising opportunities during the lifetime of this strategy. Moving forward, the Action Plans will be integrated into the Council's service planning process.

#### **Performance Management**

Monitoring our performance against the action plans is a well established process that takes place through quarterly scrutiny meetings. Using the Council's Performance Plus system, progress towards our indicators is measured and gaps in project performance is also highlighted along with equalities data.

#### **Programme Management**

A robust programme management process will be followed by each of the Council's major capital programmes and projects. The process will be managed through a Programme Management Office to ensure a consistent approach.

The approach will ensure that programmes and their associated projects will be quality assured using governance arrangements and a gateway process that check programmes and projects are:

- still aligned to deliver the Councils strategic objectives at each stage of their lifecycles.
- outcomes and benefits are set, monitored and achieved.

Clear financial management to maximise investment and reach the best value for money are also central to the process.

Each Major Programme has a director level champion, strategic programme board and programme management team with responsibility to:

- Establish the programme vision and contribution to the regeneration strategic priorities;
- Develop business plans
- Agree Programme/Project Initiation documents(PID)
- Develop programme/project plan
- Monitor delivery progress against budget and milestones
- Closedown the programme/project

#### **STRATEGIC PRIORITY 1**

To deliver transformational change across the Borough, focusing primarily on the identified priority areas for investment namely:

Alperton Burnt Oak/Colindale

Chalkhill Church End

Harlesden North Circular Road (inc. Brentfield and St

Raphaels)

Stonebridge South Kilburn

Wembley

This priority retains the Council's local approach to regeneration, focusing activity and intervention on specific areas of need. Prevailing socio-economic issues in the most deprived neighbourhoods will be tackled through physical redevelopment in the borough's designated growth areas. Wembley, Alperton, Burnt Oak/Colindale, South Kilburn and Church End have been identified as spatially important to the borough, capable of accommodating large scale growth and essential infrastructure for new homes, business investment and job opportunities.

The regeneration focus in the Borough's *most-in-need* areas have and will continue to provide intensive activity to coordinate, engage and support partnership working with local residents, partners and stakeholders to prescribe and implement effective solutions to re-connect these neighbourhoods to the wider borough and London as a whole.

#### **Our Ambition**

- To reduce deprivation levels within the borough's 6 priority neighbourhoods of Harlesden, Stonebridge, St Raphaels, Church End, Chalkhill and South Kilburn
- To deliver a step change in the quality of life across the growth areas and priority neighbourhoods
- To build, support and sustain mixed income, mixed tenure communities, with good access to high quality community facilities and services
- To champion and promote high quality design across all of the Borough's growth areas and priority neighbourhoods
- To work jointly with teams across the Council providing support on strategies that cut across regeneration objectives

#### **STRATEGIC PRIORITY 2**

### To increase employment and income levels of Brent residents concentrating on those most in need

Employment remains at the heart of this strategy and the belief that getting a job is a pivotal factor in tackling social exclusion, health inequalities and intergenerational poverty. Unemployment in Brent, particularly within the priority neighbourhoods, is significantly higher than the London and national average, a statistic supported by low skills, work experience, confidence and motivation levels amongst residents. This priority retains the job focussed approach the Council has excelled in delivering over the years. Through direct delivery of employment brokerage and also through partnership working with other providers, employers and networks, Brent has made a significant contribution to raising employment levels in the borough.

The challenge however lies in ensuring this practice is sustained and continued into the future. With government strategy to tackling unemployment constantly evolving, it will be necessary to explore new and innovative ways to secure investment and resources to ensure delivery of employment activities is focused on those people and places most in need. In doing so however, this strategy places local need and a local solution at the heart of any activity and will ensure this principal remains central to our future approach. As set out in the Core Strategy, ensuring the Borough's strategic employment areas, such as Wembley and Park Royal, are fit for purpose to support the Council's economic growth ambitions is key. Ensuring residents have access to good quality employment opportunities with the potential to progress and raise their income levels is also essential.

#### **Our Ambition**

- To raise employment levels across the borough with particular emphasis on the priority neighbourhoods and those furthest away from the labour market
- To use employment as a key tool to reduce health inequalities and raise quality of life for the Borough's most excluded communities
- To increase income levels across the borough with emphasis on the priority neighbourhoods
- To establish Brent as a local authority trailblazer in relation to the delivery of employment services, by forging partnerships with the private and voluntary sectors to deliver government employment services and contracts
- To drive improvement and efficiency in the local employment provider base, ensuring local provision meets the needs of Brent's diverse communities.

#### **STRATEGIC PRIORITY 3**

To maximise investment in Brent from the private, public and community sectors in line with our regeneration priorities and ambitions

Achievement of the twenty year vision will require a balance of strong leadership and coordinated partnership action to ensure our programmes and projects are focused on our strategic goals and resources available within all sectors are maximised.

We will need to be creative in how we use our own land, property and intellectual assets and in opening up the Borough to access funding that meets our long term ambitions. But we also need to go further, developing strategic partnerships at local, sub regional and regional levels that compliments and contributes to the transformation of Brent's investment areas. Where it makes sense, we need to explore the potential to use these partnerships to share resource and assets to ensure the best value for money and excellent services for residents.

The transformation of our investment areas will be reliant on effective dialogue with our most in need communities and we will work with our partners to use their knowledge and experience to extend our reach, develop major projects and support social and economic initiatives that meet this need.

#### **Our Ambition**

- To position and promote Brent as a Borough which is 'open for business' in terms of ongoing private and public sector investment
- To make maximum use of the Council's own resources to lever in additional investment to the Borough in pursuit of Brent's regeneration priorities
- To pro-actively seek appropriate partnership arrangements in order to deliver Brent's regeneration priorities

#### Measuring success – performance indicators

| Strategic Priority   | Performance indicator  |
|--|--|
| SP1 To deliver transformational change across the Borough, focusing primarily on the identified priority areas for investment              | <ul> <li>Poverty and polarisation: Working age residents claiming out of work benefits between priority areas and rest of Borough</li> <li>Housing Affordability: Ratio of lower quartile house prices to lower quartile earnings</li> </ul> |
| SP2 To increase employment and income levels of Brent residents concentrating on those most in need  | <ul> <li>Residents employed: Proportion of working age residents in employment</li> <li>Working age of people on out of work benefits</li> </ul>   |
|  | Income levels : Median earnings of employees in the area   |
| SP3  To maximise investment in Brent from the private, public and community sectors in line with our regeneration priorities and ambitions | Skills levels : Proportion of working age residents qualified to level 2 or above  Productivity Cross Value Added not amplement.   |
| ambicions  | <ul> <li>Productivity: Gross Value Added per employment</li> <li>Delivery: Proportion of Major Projects delivered to time and budget</li> </ul>  |



### **Executive** 15 February 2011

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

Wards affected:

ALL

#### Willesden Green Library Redevelopment

#### **APPENDICES 2, 3 AND 4 ARE NOT FOR PUBLICATION**

#### 1.0 Summary

1.1 This paper outlines redevelopment options for the Willesden Green Library site. It sets out proposals for the comprehensive redevelopment of the entire site into a mixed used scheme to include a new bespoke flagship Council building with housing. The new Council building would provide a vibrant cultural hub for the south of the borough and have a customer facing offer. The purpose of this report is to gain the necessary approvals required to test the market and establish if the redevelopment of Willesden Green Library can be delivered at zero net capital cost to the Council.

#### 2.0 Recommendations

- 2.1 That the Executive agrees in principle to the comprehensive redevelopment of the entire 0.86 hectare Willesden Green Library site in accordance with paragraph 3.11.
- 2.2 That the Executive endorses the proposed use of the Homes & Community Agency Developer Partner Panel Framework to procure a development partner.
- 2.3 That the Executive endorses the proposed interim service delivery strategy for the library service.
- 2.4 That the Executive endorses the proposed consultation strategy outlined in paragraph 3.33.
- 2.5 The Executive authorise the Assistant Director of Regeneration & Major Projects (Property & Assets) to dispose of the land at Chambers Lane Willesden Green shown crossed hatched black on Plan A at Appendix 1 with

- vacant possession by way of auction, on such terms as he considers appropriate provided that such reserve price as he considers appropriate is achieved.
- 2.6 That the Executive authorise the Director of Regeneration & Major Projects (where the Director of Director Regeneration & Major Projects in conjunction with the Director of Legal and Procurement consider applicable) to appropriate the Willesden Green Library site shown crossed hatched black on Plan B At Appendix 1 for planning purposes when it is no longer required for the purposes for which it is currently held.
- 2.7 That the Executive authorise the Director of Regeneration & Major Projects (in conjunction with the Director of Legal and Procurement) in respect of the housing land shown cross hatched black on Plan C at Appendix 1 forming part of the Willesden Green Library site (together with such other areas of land acquired for housing purposes which investigations may subsequently reveal have not been previously appropriated) seek consent of the Secretary of State (if applicable):
  - 2.7.1 under Section 19 of the Housing Act 1985 to an appropriation for planning purposes;
  - 2.7.2 under Section 32 of the Housing Act 1985 to the disposal of this land.

#### 3.0 Background

- 3.1 In 2009 Brent Council launched a new concept of 1 -2-5-21 customer engagement across the borough. '1' is the Council's headquarters and flagship building; the new Civic Centre. '2' refers to tier two, which consists of two major customer facing offerings. One of the tier two buildings is the Civic Centre; the second building is required to offer a cultural focus for the borough, this has been identified as the Willesden Green Library (WGL).
- 3.2 WGL was highlighted as a potential site for the second tier because of its geographical location in the south of the borough, which complements the new Civic Centre situated in the north and recognises that a large proportion of our high need customers reside in the south of the Borough. It is already recognised as a local community asset thus it holds the necessary prerequisites to develop a major cultural hub.
- 3.3 WGL is a much valued local resource. The building currently incorporates a library, museum, Brent Artists Resource, bookshop, one-stop-shop, cafeteria and cinema, and is the focus of much of the borough's cultural activity. However the building is not currently fit for purpose and is inefficient to run.
- 3.4 Although the library is extremely popular and well used the building envelope does not lend itself to creating a warm or inviting customer experience.

  Legibility and access arrangement within the building are poor, visitors often

struggle to locate and enter the museum and meeting rooms on the second floor. The cinema and cafeteria are currently vacant and at the time of writing the Council has received no interest from the market to occupy either on a long term lease. A property survey under taken in 2009 identified that the following essential repairs are required; replace existing plant, repairs to the facade, roof, windows and the installation of IT cabling throughout the building.

- 3.5 Developing a new Council building on the WGL site would deliver tier two of the Council's customer engagement approach, creating a cultural hub in the south of the borough. It is currently envisaged that this would include:
  - Replacement Library
  - Replacement Museum [& Archive]
  - Customer Contact Points
  - Flexible Community & Cultural Spaces
  - Office Accommodation
  - Data Centre
- 3.6 The customer offer and experience would be significantly improved as the services and facilities would respond to and reflect the needs of the locality. The new flagship building would also support the delivery of the One Council's Customer Contact and Library Transformation Projects, and the Arts & Festival Strategy, whilst simultaneously acting as a catalyst for the wider regeneration of the area.
- 3.7 Within the current economic and financial climate, the aim must be for the redevelopment of WGL to be a self financing project, delivered at zero net capital cost to the Council. It is recommended that the Council seeks to retain the freehold of the new building if at all possible, in order to maximise control and flexibility for the future.
- 3.8 In July 2010 the Council commissioned a feasibility study to explore the potential redevelopment options for the site. The feasibility study looked at the following options:
  - Do Nothing;
  - Minor Refurbishment: to adapt the existing building to ensure it is fit for purpose;
  - Major Refurbishment;
  - Major Refurbishment with Second Floor for additional office space;
  - Major Mixed Use New Build Development.

Further details concerning these options are set out in Appendix 3.

#### **Delivery Approach**

- 3.9 The proposed delivery approach for the redevelopment of the WGL is informed by
  - 3.9.1 The aspiration to deliver a 21<sup>st</sup> century cultural hub and customer centre of a comparable quality to the Civic Centre in the South of the borough.

- 3.9.2 The requirement for the redevelopment of WGL to be a self financing scheme delivered with zero net capital cost to the Council.
- 3.9.3 The requirement to minimise the closure period of the facility such that the new building is open and fully operational by Spring 2014.
- 3.9.4 To ensure, as far as reasonably possible business continuity of the library, museum and cultural services whilst the building is closed for redevelopment.
- 3.9.5 The strong preference to retain the freehold of the new Council building.
- 3.10 Neither the minor nor major refurbishment of the existing building would deliver the requirements as set out in paragraph 3.9. The minor refurbishment of the existing building as outlined in paragraph 1.2.2 of Appendix 3 would unequivocally fail to deliver the Council a 21<sup>st</sup> century building which is of comparable quality to the Civic Centre. The major refurbishment of the existing building as outlined in paragraphs 1.2.3 and 1.2.4 of Appendix 3 constrains the design of the new Council building to the existing structure and fails to maximise the development potential of the site. This would result in a net capital expenditure for the Council.
- 3.11 Informed by the options appraisal and subsequent soft market testing, officers are of the view that it **may** be possible to deliver a 21<sup>st</sup> century cultural hub and customer centre of comparable quality to the Civic Centre at zero net capital cost to the Council, if a forward thinking, commercial, innovative delivery approach is adopted and the development potential of the site is maximised. The comprehensive redevelopment of the entire site is therefore proposed. This would involve demolishing the existing building, full site clearance, and redeveloping the entire 0.86ha site to deliver a mixed use scheme to include a new flagship council building with housing for market sale.
- 3.12 The comprehensive redevelopment of the entire site would also create the potential to incorporate additional retail and commercial facilities on the ground floor, and should act as a catalyst to kick start the wider regeneration of the surrounding Willesden Green area.
- 3.13 To test the market and establish if the project can be delivered at zero net capital cost to the council without exhausting the Council's valuable resources, it is recommended that a procurement process commences to procure a developer partner through calling off the Homes & Community Agency Development Partner Panel Framework (HCA DPP Framework).
- 3.14 It is intended a developer partner would be procured to deliver the bespoke new Council building, where the developer partner is given the right to develop residential units for market sale on the remainder of the site.
- 3.15 The delivery of the project would be managed through a development agreement, which would incorporate end stop dates for planning permission, start on site and practical completion of the Council building to ensure the overall project programme is achieved and the building is open by Spring 2014.

- 3.16 It is proposed that the development agreement would stipulate that the Council retains the freehold of the new building and comprise the disposal structure for the market sale of the residential units.
- 3.17 To inform the procurement process a vision statement and client brief for the Council's new building would be developed. The documents would clearly articulate the Council's aspirations and detailed design requirements for the new building. A planning brief, draft development agreement and contract would also be developed to ensure that from the outset the potential developer partners are aware of the contractual requirements that would be placed upon them when delivering the project.
- 3.18 Calling off the HCA DPP Framework would involve a three stage process. The first stage would involve sending out an expression of interest e-mail to all developers on the "Southern Cluster" of the HCA DPP Framework. The developers would be invited to confirm their interest, capacity and resource to bid in a mini competition to deliver the project.
- 3.19 At the second stage interested developer partners would be issued with a Sifting Brief to test their capabilities and experience in delivering similar mixed used developments within urban areas. Following evaluation of the sifting brief 3-6 preferred bidders would be shortlisted from the "Southern Cluster" of developers on the HCA DPP Framework to bid in a mini competition.
- 3.20 A Project Specific Tender would be issued to the 3- 6 shortlisted preferred bidders during the third and final stage. The Tender would provide the bidders with the vision statement, client brief, planning brief along with a draft development agreement and contract. They would be asked to submit concept design ideas for the site, demonstrating how they can deliver the Council's vision at zero net capital cost to the Council. The design and financial viability of the submissions would be scrutinised in the selection process to identify a preferred developer partner. At this point details of the preferred developer partner and its design, development and financial proposals would be brought forward to the Executive for their approval to the appointment of the preferred developer partner.
- 3.21 There are a number of inherent risks associated with the recommended delivery approach, including but not limited to the following;

#### 3.21.1 Financial

Changes in market conditions could reduce the value of the residential units for market sale increasing the funding gap.

The Council would incur abortive costs if the WGL does not come forward for redevelopment as noted in paragraph 4.2

#### 3.21.2 <u>Planning</u>;

Planning constraints could reduce the development potential of the site limiting the number of residential units for market sale and increasing the financial viability gap.

Local objections delay or prevent planning permission being obtained

#### 3.21.3 Procurement;

The potential developer partners may not be prepared to take the financial risk on the planning or viability of the scheme.

#### 3.21.4 Programme;

The construction of the new building would not be completed before Spring 2014

- 3.22 The proposed delivery and procurement approach aims to mitigate some of the identified risks whilst simultaneously delivering the Council's objectives outlined in paragraph 3.9 by cascading control of the design, delivery process and the financial viability of the scheme down to a developer partner. This limits the Council's initial upfront investment and maximises the land value of the site, aiding the delivery of a self financed new council building.
- 3.23 If the tender process identifies that the proposed scheme fails to deliver the Council's requirements outlined in paragraph 3.9, Officers would bring forward a further report to the Executive revisiting the alternative delivery options identified above, to establish if a less ambitious option might be more appropriate to deliver the Council's requirements within the identified timescale.
- 3.24 Paragraph 3.13 refers to the marketing of the site for a comprehensive redevelopment of the site. To achieve that redevelopment it may be necessary to appropriate the site for planning purposes when it is no longer required for the purposes which it is currently held. The appropriation would be in order to ensure the proper redevelopment of the site since such an appropriation would allow the Council to use powers in Part IX of the Town and Country Planning Act 1990 which only apply where land has been acquired or appropriated for planning purposes.
- 3.25 It is considered that redevelopment is clearly in the public interest and provides sufficient justification for the appropriation which would allow flexibility in what can be achieved in terms of redevelopment and would facilitate redevelopment, which would improve the economic, social and environmental well-being of the area. Appropriation will allow for the operation of powers including s. 237 of the Town and Country Planning Act 1990, to override third party rights which might impede such redevelopment or which make it more difficult to achieve the optimum scheme. If that power were required, then there would be in any event an entitlement to compensation for any party whose rights were overridden.

#### **KEY PROJECT COMPONENTS**

#### Client Brief

A vision statement and client brief would be developed for the new building, to ensure that the incorporated services and facilities align with and respond to the; One Council Customer Contact Requirements, Library Transformation Strategy, Festival and Arts Strategy and the needs of those residents living within the South of the borough. The delivery of these services would be funded through existing revenue budgets.

3.27 It is intended the client brief would incorporate an option, for the developer partner to bring forward appropriate partnership proposals for the Executives approval that would seek to deliver services from an external service provider i.e. retail, catering, private or voluntary sector within the Council building. The client brief would be used to inform the procurement process and as a tool to manage the design and delivery of the new Council building throughout the lifecycle of the project.

#### Interim Service Delivery Strategy

3.28 If the WGL site is redeveloped, it is anticipated at the time of writing it would need to be closed January 2012 – March 2014 (inclusive) to enable development and soft opening launches.

During this period an interim service delivery strategy would be implemented to ensure business continuity. Full details of the interim service delivery strategy for the library, museum, cultural services and the associated costs would be brought forward for the Executive's approval alongside the preferred development partners' detailed design and development proposals for the site. Please note that the interim strategy would include the provision of a temporary library facility within the Willesden locality and all associated costs would be funded through the existing revenue budgets.

#### Heritage Lottery Funding

- In 2004 the Council successfully secured £1.3million of Heritage Lottery Funding (HLF) to refurbish WGL in order to accommodate Brent Museum. Upon receipt of the funding the Council entered into a 25 year contract with the HLF which stipulated the Council would need to seek agreement to 'Changes in Approved Purposes' to any HLF grant funded works.
- 3.30 HLF would need to consider in full the Council's proposals for the 'Change in Approved Purposes' and take an informed view as to whether or not any clawback of grant is required. Officers have held discussions with the HLF and if a like for like replacement is provided and the overall customer offer and experience is improved, the HLF have indicated they are likely to approve the 'Change in Approved Purposes' and not require any clawback of grant funding. At a minimum the client brief for the new building will stipulate a like for like replacement of the museum.

#### Consultation

- 3.31 Community participation, engagement and consultation are critical to the successful delivery of this project. As the project evolves, an increasing complex set of dialogues with the boroughs residents and service users would be required to inform them of a plethora of issues. The project's communications and consultation strategy has been designed to engage the following stakeholders in the project; Brent residents, Councillors, voluntary sector, investors, local businesses, local media and Brent Staff
- 3.32 The Strategy employs a number of communications tools (methods and delivery) that are as forward thinking and as pioneering as the building and services Officers aim to deliver, alongside more traditional methods. These two streams of communication would run simultaneously throughout the

- project to ensure Officers engage existing audiences and those that are identified as hard to reach.
- 3.33 A Users Focus Group would be established to inform and seek feedback on the development of the vision statement and client brief for the new Council building. The Users Focus Group would be recruited through the existing citizen panel and WGL Valued Customer Panel members. Further details [if applicable] of the pre planning consultation strategy will be brought forward for the Executives approval alongside the preferred development partners' detailed design and development proposals for the site.

#### **Next Steps**

- 3.34 If the Executive approves the recommendations in Section 2 Officers would call off the "Southern Cluster" of the HCA DDP Framework in February 2011. The Project Specific Tenders would be evaluated in May 2011 and [if applicable] details of the preferred developer partner and its design, development and financial proposals would be brought forward to the Executive for their approval to the appointment of the preferred developer partner in July 2011. This would also be accompanied by details of the interim service delivery strategy for the library, museum and cultural services during the redevelopment and pre planning consultation strategy.
- 3.35 If the procurement process identifies that the comprehensive redevelopment of WGL cannot deliver the Councils requirements outlined in paragraph 3.9 at zero net capital cost to the Council, Officers would bring forward a report to the Executive in July 2011 to consider if a less ambitious option might be more appropriate to deliver the Council's requirements within the identified timescale.

#### 4.0 FINANCIAL IMPLICATIONS

- 4.1 The resource envelope for taking forward the development stage of the WGL project would be determined by the net capital receipt secured for the disposal of Chambers Lane. Further information regarding the disposal of Chambers Lane are set out in Appendix 2.
- 4.2 If the WGL does not come forward for redevelopment there is a risk abortive costs to the value of £178k will be incurred during the development stage of the project. Any abortive costs would have to be recharged to a revenue budget for which there would be a limited funds available within 2011/12 budgets to meet such costs across all Regeneration and Major Project schemes
- 4.3 Calling off the HCA DPP Framework aims to mitigate this risk as it reduces the level of upfront investment required by the Council, as there are no associated design costs. It also allows the Council to test the market and the financial viability of the scheme at an early stage in the development process.
- 4.4 If there was a requirement to repay HLF grant as referred to in paragraphs 3.30, there would be no budgetary provision to make this payment and it is likely that this would result in cuts to schemes elsewhere in the capital programme.

Where there is a requirement for the disposal of the housing land shown cross hatched black on Plan C at Appendix 1 forming part of the Willesden Green Library site, Members should note that the Local Authority (Capital Finance and Accounting) (England) Regulations 2003 state that capital receipts, or the equivalent benefit, a local authority derives from the disposal of an interest in other housing land (non Right to Buy) must be "pooled" at a rate of 50%. However, the regulations also state that a local authority can treat such receipts as reduced by an amount up to the value of its available Capital Allowance at the time the specified amount is calculated. For the purposes of these regulations the Capital Allowance is a provision that reflects the authority's past and current forecast investment in regeneration schemes and the provision of affordable housing. Currently the council is maintaining a capital allowance significantly in excess of the forecast land value and there would be no requirement to make a pooling payment.

#### 5.0 LEGAL IMPLICATIONS

- A major part of the WGL site ("the Property") is held as Housing Revenue Account land under the Housing Act 1985 and therefore any development structure involving any disposals and appropriation to planning purposes whether in whole or in part may require consents of the Secretary of State under the Housing Act 1985 as set out below.
- 5.2 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtain (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable .The general power is exercised subject to the provisions of the Housing Act 1985 in respect of housing land .
- 5.3 Disposals on the open market, including by way of auction, after proper marketing will satisfy the best consideration requirement.
- 5.4 Under Section 122 of the Local Government Act 1972 the Council can appropriate land for any purpose which under the legislation it can acquire land. What this means is that although the Council already owns the site it can appropriate it for another purpose provided it is a purpose for which it is allowed under the legislation to acquire land and provided the land is no longer required for the purpose for which it is held immediately before the appropriation. The Council must be satisfied that the appropriation is in the public interest.
- Any appropriation of the Housing Revenue Account land may require the consent of the Secretary of State under Section 19 of the Housing Act 1985
- 5.6. Section 237 of the Town and Country Planning Act 1990 provides where land has been appropriated for planning purposes any easements or covenants which may exist for the benefit of third parties are overridden on erection, construction or carrying out or maintenance of any building and change of use in accordance with planning permission, subject to payment of any

- compensation. The practical effect is that any rights which may exist do not delay or obstruct the development. This provides effective assurance to the developer that he would have a good title to the land.
- 5.7 Under Section 226 of the Town and Country Planning Act 1990 the Council is authorised to acquire land if the Council thinks that the acquisition of the land facilitate the development or redevelopment of the land and the development, re-development or improvement is likely to contribute to the promotion or improvement of the economic well-being of their area and/or the promotion or improvement of the social well-being of their area and/or the promotion or improvement of the environmental well-being of their area.
- In respect of Housing Revenue Account land, consent is required under sections 32 to 34 and 42 to 43 of the Housing Act 1985, However a specific application for consent may not be required (dependent on the proposed heads of terms) as there is a General Consent 2005 granted under the 1985 Act which gives deemed consent for most categories of disposal of housing land at best value.
- 5.9 Further information regarding property issues are set out in Appendix 4.
- As detailed at paragraph 3.13, the intention is to procure a development partner to deliver the project. This will be through a development agreement. There has been much recent case law regarding development agreements and on the basis of the case law, it is considered that the proposed transaction is likely to be regarded as involving the letting of a public works contract. Given the estimated value of such development agreement is higher than the EU threshold for tendering of Works contracts, the development agreement is therefore considered to be governed by the Public Contracts Regulations 2006 ("the EU Regulations"). The development agreement will also be subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.11 The intention is for Officers to procure a development partner and enter into a development agreement using the HCA DPP Framework. The EU Regulations allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process. The HCA DPP Framework has been procured by the HCA in accordance with EU Regulations. The mini competition process described in paragraph 3.18 to 3.20 of this report is also in accordance with the requirements of the EU Regulations.
- 5.12 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a Framework Agreement established by another contracting authority, where call off under the Framework Agreement is recommended by the relevant Chief Officer. However, this is subject to the Director of Legal and Procurement advising that participation in the Framework Agreement is legally permissible and approval to participate in the Framework being obtained from the Director of

Finance and Corporate Services. The Director of Legal and Procurement and the Director of Finance and Corporate Services have given the necessary approval. In addition, Executive approval is still required for the appointment of a development partner and entering into a development agreement due to this being a classed as a High Value contract.

#### 6.0 DIVERSITY IMPLICATIONS

6.1 The new Council building would reflect and meet the needs of Brent's diverse and multi cultural community. The success of the project and the creation of a truly sustainable cultural hub are dependent on engaging all of Brent's residents. The entire community needs to develop a sense of ownership of the building, the building itself needs to reflect the culture and heritage of the borough and local residents need to be at its heart. The project's communication strategy would seek to find ways of involving and engaging with all local residents in the project and particularly those who are hard to reach. An array of communication methods would be employed to ensure that where possible, resident engagement in the project is representative of the borough's diverse community. An Impact Needs Requirement Assessment will be completed alongside the detailed business plan for the identified delivery route.

#### 7.0 STAFFING AND ACCOMMODATION IMPLICATIONS

7.1 At present it is anticipated that in 2014 the new Council building would provide office accommodation for the following service areas:

Willesden Green Library & Museum Staff – 18 Desk Spaces Willesden Green Locality Team – 14 Spaces Hot Desk – 4 Spaces Customer Contact – 20 Service Points

#### **Contact Officers**

Abigail Stratford, Regeneration Officer, 020 8937 1618, abigail.stratford@brent.gov.uk

ANDREW DONALD

Director of Regeneration and Major Projects

#### **APPENDICES**

**Appendix 1:** Plan A, B and C **Appendix 2:** Chambers Lane

Appendix 3: Options Appraisal & Financial Feasibility Study

Appendix 4: Property Issues

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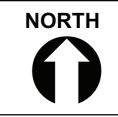
# EXECUTIVE COMMITTEE PLAN A Land Between 10 and 11 Chambers Lane, London NW10





Premises shown edged and cross hatched black.

Plan for information purposes only.

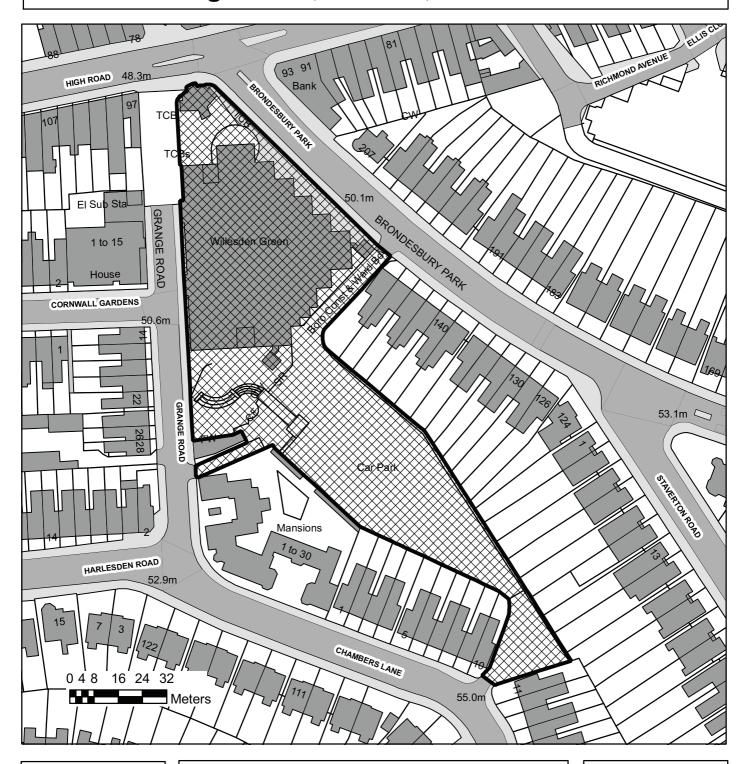


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### EXECUTIVE COMMITTEE PLAN B

Willesden Green Library Centre, High Road, London, NW10 2RH





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## EXECUTIVE COMMITTEE PLAN C

Land Adjoining 148 Brondesbury Park, Brondesbury, London, NW2 5JP





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### Executive 15 February 2011

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

Ward Affected: Kilburn

# 11-15 Brondesbury Road, London NW6 6BX Letting to Central and North West London NHS Foundation Trust

#### 1.0 SUMMARY

1.1 To agree the leasing of the offices known as 11-15 Brondesbury Road, NW6 6BX to the Central and North West London NHS Foundation Trust for a term of 12 years.

#### 2.0 RECOMMENDATIONS

2.1 That the Executive Committee agrees to the letting of these offices to this NHS Trust for a term of 12 years, for a total rent of £490,000 per annum. This rent is inclusive of service charges.

#### 3.0 DETAIL

- 3.1 The property to be let is known as 11-15 Brondesbury Road, London NW6 6BX. It is a detached office block comprising four floors with a basement car park. The ground floor consists of a reception area and meeting rooms. The upper floors comprise mostly open plan office accommodation with some partitioned office areas. The offices are fully serviced and managed by Brent Council and the tenant is recharged for these services and the building's management through a service charge.
- 3.2 The property totals 1200 sq m of office space with approximately 20 basement car parking spaces. It was substantially refurbished and remodelled approximately 4 years ago at a cost of £800,000 to provide substantially improved office accommodation and drop in facilities for mental health clients. This building is situated in a good location for this particular service group and has excellent public transport links. It is also a reasonable modern facility for such a use.

- 3.3 The building is situated on the eastern end of Brondesbury Road, close to its junction with Kilburn High Road and is in close proximity to Kilburn High Road Mainline and Underground Stations.
- 3.4 The tenant, Central and North West London NHS Foundation Trust, (CNWL) currently occupies the building and pays rent and service charges accordingly, but they are not currently occupying under a formal lease.
- 3.5 CNWL is currently relocating its operations from 36 London Road, Wembley to 11-15 Brondesbury Road and Brent Council is also relocating a number of staff to Mahatma Gandhi House, Wembley Hill Road. A total of about 120 staff are being moved. Vacation of 36 London Road will produce substantial revenue savings for both services.
- 3.6 The current annual costs to the tenant are £490,000 which comprises £290,000 rent and £200,000 service charge. There will be rent reviews every 3 years where there is likely to be an increase in rent over the twelve year term.
- 3.7 Brent Council social care occupy 42% of the space and CNWL occupy 58% of the space. The areas are no clearly delineated and therefore it is not possible to split the areas
- 3.8 The tenant has agreed to the proposed terms subject to the following:
  - 1) Break clause –This would be operated in the event of Brent Council terminating its funding commitment of the tenant's proportion of costs.
  - 2) Rent review to be implemented only in the event that Brent Council agree to fund any increase in rent for the 58% of space occupied by its services resulting from an open market review. This is to ensure that CNWL are not exposed to funding the full cost of any increase.

Service charges- This is to be increased annually by the retail prices index. If Brent Council does not increase the amount available to fund the 58% of space it occupies CNWL will not be able to pay an increase on this amount

#### 4.0 FINANCIAL IMPLICATIONS

4.1 It is a formalisation of an existing occupation; however, it does provide the Council with greater security of an income stream

#### 5.0 LEGAL IMPLICATIONS

5.1 The value of this property is in excess of the value of properties which can be leased under the delegated authority of the Head of Property

- and Asset Management. As such the Executive needs to agree to this disposal before this can be undertaken.
- 5.2 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease. The essential condition is that the Council obtain (unless it is a lease for 7 years or less) the best consideration that is reasonably obtainable

#### 6.0 DIVERSITY IMPLICATIONS

6.1 The building provides reasonable ground floor access for disabled users. It also has reasonable public transport links making it accessible to service users from a wide area.

#### 7.0 STAFFING/ACCOMMODATION IMPLICATIONS

7.1 CNWL are moving their staff and making better use of their accommodation by relocating from 36 London Road Wembley to 11-15 Brondesbury Road. This will enable the Council to surrender its lease for the London Road premises on 29<sup>th</sup> March 2011.

#### 8.0 BACKGROUND PAPERS

Correspondence files.

#### **Contact Officers**

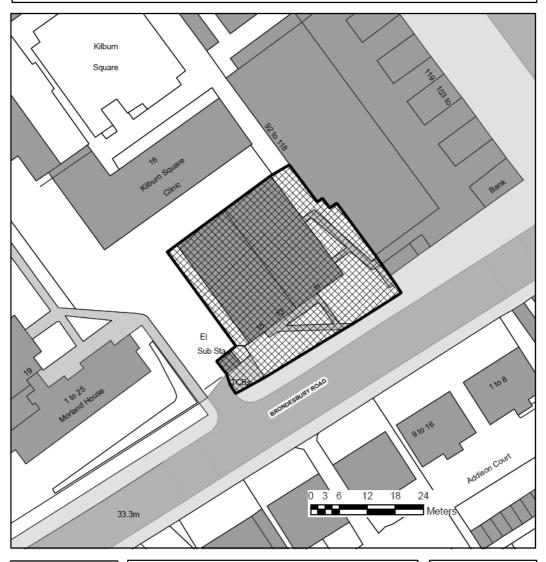
James Young Deputy Head of Property and Asset Management 1398 Howard Fertleman Estates Surveyor

ANDREW DONALD

Director of Regeneration and Major Projects

#### **EXECUTIVE COMMITTEE**

#### 9-15 Brondesbury Road, London, NW6 6BX





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# **Executive** 15 February 2011

# **Report from the Director of Finance and Corporate Services**

Wards Affected:

ALL

#### **Annual Audit Letter 2009/10**

#### 1. SUMMARY

1.1 This report accompanies the Annual Audit Letter for 2009/10. The Letter is issued by the Audit Commission.

#### 2. RECOMMENDATIONS

2.1 Members are recommended to note its contents and that the Audit Committee will monitor progress against the main features highlighted and delivery of the Action Plan.

#### 3. DETAIL

- 3.1 This report summarises the findings from the Audit Commission's 2009/10 audit. It includes details from the audit of the financial statements, arrangements to secure value for money and the use of resources judgement.
- 3.2 The document constitutes the detail and a representative from the Audit Commission will be at the meeting.
- 3.3 The Letter will be sent to all Members of the Council and be made available to residents in each Library and on the internet.
- 3.4 The Audit Commission have produced a more detailed report on both Use of Resources and the 2009/10 Statement of Accounts. These were considered by the Audit Committee on 16<sup>th</sup> December 2010.

#### 4. FINANCIAL IMPLICATIONS

4.1 The Audit Letter has directly implications on the financial reporting and management of the Council and on the adequacy of its controls.

#### 5. LEGAL IMPLICATIONS

5.1 None specific.

#### 6. DIVERSITY IMPLICATIONS

6.1 The proposals in the report have been subject to screening and officers believe that there are no specific diversity implications arising from it.

#### 7. STAFFING IMPLICATIONS

7.1 The Letter addresses the overall financial health of the Authority and is therefore of great significance to all managers.

#### 8. BACKGROUND INFORMATION

- 1. Background information is contained in the Letter appended to this report.
- 2. Audit Committee Report and Agenda 16<sup>th</sup> December 2010.

#### 9. CONTACT OFFICERS

Clive Heaphy, Director of Finance and Corporate Services, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD,

Tel. 020 8937 1424.

**CLIVE HEAPHY Director of Finance and Corporate Services** 

# Annual Audit Letter





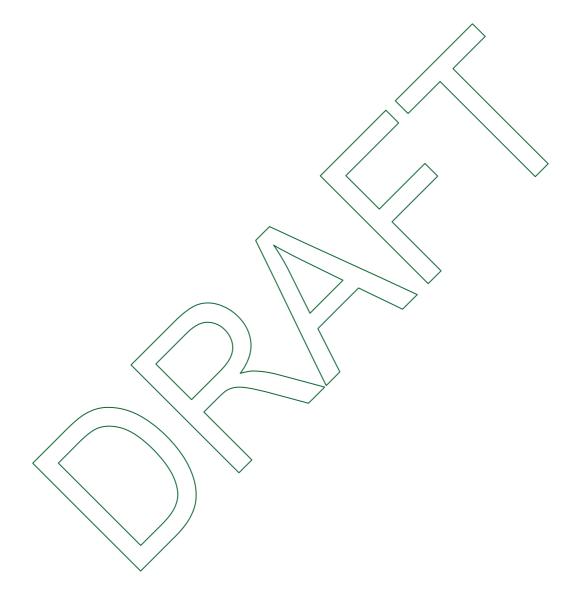
The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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### Key messages

This report summarises my findings from the 2009/10 audit. My audit comprises two elements:

- the audit of your financial statements (pages 5 to 8);
   and
- my assessment of your arrangements to achieve value for money in your use of resources (pages 9 to 14).

I have included only significant recommendations in this report. The Council has accepted these recommendations.

#### Audit opinion and financial statements

- 1 I issued an unqualified opinion on the Council's financial statements on 30 September 2010.
- The financial statements presented for audit were complete, but required one material amendment and several other minor amendments. The Chair of the Audit Committee considered and approved the amendments on 30 September 2010.
- 3 I experienced problems completing my work in the Housing, Adult and Social Care and Children and Families departments. This meant I spent more time than planned resolving audit queries and completing my audit work in these areas. This resulted in an additional audit fee being charged.

#### **Pension Fund**

- 4 My audit opinion on the financial statements included an unqualified opinion on the Pension Fund's financial statements. The statements presented for audit contained no material errors.
- 5 I experienced problems auditing investments because of incomplete supporting working papers and audit trails that were difficult to follow in some areas. This resulted in an additional audit fee being charged.

### Value for money

6 I issued an unqualified value for money conclusion on 30 September 2010 stating the Council had proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources.

Audit Commission Annual Audit Letter

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7 I reviewed the Council's arrangements and responsibilities in respect of Copland Community School, following allegations of financial mismanagement and undue patronage thought to be occurring at the School. I reported my findings to management and the Council's Audit Committee in September 2010. In my report I make recommendations to improve the Council's risk management, internal control and performance management of foundation schools.

#### **Audit fees**

- 8 I raised additional fees of £15,000 and £3,000 on the Council's main and pension fund audit of financial statements respectively, as detailed in paragraphs 3 and 5 above and at Appendix 1.
- 9 I have also charged a total fee of £35,500 for my investigation into the Council's arrangements and responsibilities in respect of Copland Community School.

#### **Current and future challenges**

- 10 The economic downturn and cuts to public spending, including those announced in the Government's Comprehensive Spending Review in October 2010, continue to create challenges for local government bodies. The Council has demonstrated good management of its finances in the past. However, to achieve the level of savings and efficiencies required, new ways of delivering services and improving efficiency will be needed.
- 11 The Council has recognised the level of change needed and has implemented its 'One Council' Improvement and Efficiency programme designed to deliver efficiency savings in excess of £50 million over a 2 year period. It is an ambitious programme requiring strong leadership and effective management. My initial review of the programme found good progress had been made in establishing robust arrangements and obtaining the expertise needed to identify and drive through change. The challenge now is for the Council to deliver the programme in a shorter than planned timescale whilst maintaining the capacity to deliver good quality services.
- 12 The government's cancellation of the Building Schools for the Future programme means a loss of £80 million of capital investment in the borough's schools. The Council now needs to establish how it will address the need for improvements to school buildings and the need for more school places.
- 13 All councils will be required to implement International Financial Reporting Standards (IFRS) in 2010/11. Although the Council has made good progress in some key areas in planning for this change, focus on this area needs to be maintained to ensure implementation is completed within appropriate timescales.

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# Financial statements and annual governance statement

The Council's financial statements and annual governance statement are an important means by which the Council accounts for its stewardship of public funds.

I gave an unqualified opinion on the Council's 2009/10 financial statements on 30 September 2010, the statutory target date.

#### Overall conclusion from the audit

- 14 I issued an unqualified opinion on the Council's financial statements on 30 September 2010.
- 15 I reported the following key issues in my Annual Governance Report which I presented to members of the Audit Committee on 29 September 2010:
- bad debts written off of £12.7 million, a material error, was misallocated between income and expenditure in the Collection Fund Statement;
- the accounting for the Housing Private Finance Initiative (PFI) did not take account of assets being delivered on a phased basis. This resulted in numerous non material amendments required to correct the error;
- the Council amended the financial statements for agreed adjustments, which had no impact on the available revenue reserves; and
- the Council chose not to amend one error, relating to a reconciling difference between main accounting records and housing records. If this item were adjusted it would increase the reported deficit by £192,000.
- 16 2009/10 was the first year changes were introduced in respect of accounting for PFI arrangements, a new reporting standard for Service Concession Arrangements. Overall, the Council met the reporting requirements, prepared good working papers and obtained expert advice where appropriate.
- 17 I experienced problems completing my work in the Housing, Adult and Social Care and Children and Families departments. In these areas the Council was slow providing supporting documentation and responding to audit queries. This meant I spent more time than planned completing my audit work which resulted in an additional audit fee of £15,000 being charged.

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#### Overall conclusion from the pension fund audit

- 18 My audit opinion on the financial statements included an unqualified opinion on the Pension Fund's financial statements. The statements presented for audit contained no material errors.
- 19 I reported the following key issues in my Annual Governance Report which I presented to members of the Audit Committee on 29 September 2010:
- the financial statements presented for audit did not include all the disclosures required by the Pension Fund Statement of Recommended Practice (PF SORP). These largely related to detailed disclosures required for investments held at year end; and
- not all investment values included in the financial statements agreed to year-end custodian and fund manager reports. The adjusted values decreased the surplus reported in the Fund Account by £783,000.
- 20 I experienced problems auditing investments because of incomplete working papers and audit trails that were difficult to follow in some areas. This resulted in an additional fee of £3,000 being raised.

#### **Whole of Government Accounts**

21 The Council filed its whole of government accounts (WGA) return on 13 August 2010 after the 30 July 2010 deadline. The Council informed Communities and Local Government (CLG) department that the delay was due to number of reporting changes introduced this year and staff capacity. I certified the WGA consolidation pack on the 11 October 2010, after the deadline of 1 October 2010. This was a result of the late completion of financial statements and the number of the amendments identified by the audit.

#### Financial Audit

22 I have summarised the findings from my Annual Governance Reports below.

Table 1: Summary of findings from Annual Governance Reports

| Detail   | Council audit | Pension Fund audit |
|--|---------------|--------------------|
| Financial statements   |               |                    |
| Unqualified audit opinion                                      | Yes           | Yes                |
| Financial statements free from material error or misstatements | No            | Yes                |
| Adequate internal control environment                          | Yes           | Yes                |
| Adequate arrangements for                                      | Yes           | Yes                |

| Detail   | Council audit        | Pension Fund audit |
|--|----------------------|--------------------|
| securing value for money                             |                      |                    |
| Whole of Government<br>Accounts                      |                      |                    |
| Certified consolidation pack by deadline             | No                   | n/a                |
| Consolidation pack free from material mis-statements | No                   | n/a                |
| Source: Annual Governance Rep                        | orts: September 2009 | /10                |

#### Recommendation

R1 Improve year end financial reporting arrangements across the Council.

### Significant weaknesses in internal control

23 I did not identify any significant weaknesses in your internal control arrangements.

### Legal matters and completion of the audit

- 24 In my 2007/08 and 2008/09 Arnual Audit Letters, I explained that I could not formally close these audits until I had completed my consideration of two outstanding matters:
- the Council's involvement in London Authorities Mutual Limited (LAML);
   and
- my investigation into issues raised in respect of Copland Community School.
- 25 I have now dealt with these matters and I closed the 2007/08 and 2008/09 audits, together with the 2009/10 audit on 30 September 2010.

#### **London Authorities Mutual Limited (LAML)**

- 26 The Council and some other London Boroughs established a mutual insurance company, London Authorities Mutual Limited (LAML) to provide insurance to all the participating authorities, in order to achieve cost savings and improve risk management. The Council's investment in LAML amounted to £261,000. It also provided a guarantee of £609,000.
- 27 The Council initially anticipated there would be a gap between LAML being ready to provide insurance and the Council's previous insurance arrangements ending. The Council therefore initiated a tender exercise for

insurance cover. Risk Management Partners Limited (RMPL) tendered for the contract but Brent abandoned the procurement exercise and instead awarded the contract directly to LAML.

28 RMPL initiated legal proceedings against the Council contending that the decision to set up and participate in LAML was not within the Council's legal powers. The High Court and subsequently the Court of Appeal decided against the Council. I am satisfied that the Council sought and considered legal advice before entering into its investment in LAML, and has taken appropriate action in light of the Court's decision. LAML has now being liquidated and the Council is recovering the sums paid to the company. Overall, I am satisfied that there has been no material loss to the Council.

#### **Copland Community School**

- 29 In April 2009 I received allegations of financial mismanagement and undue patronage thought to be occurring at Copland Community School.
- 30 In the context of my responsibilities as auditor of the Council (I am not the auditor of the School) I made enquiries at the Council. I found the Council had also received a copy of the allegations and that it had asked its internal auditors to carry out a detailed investigation. I satisfied myself that the scope of the Council's investigation covered all aspects of the allegations. I subsequently focussed my investigation on whether the Council had suitable arrangements in place to carry out its responsibilities for the School, and whether those arrangements worked properly in practice.
- I reported my findings to management and the Council's Audit Committee in September 2010. In my report I concluded that even though foundation schools have a high level of autonomy, the Council retains a responsibility over the proper administration of schools' affairs. This includes ensuring that satisfactory systems of internal control are in place and there is an effective internal audit.
- 32 I found there were some key weaknesses in the Council's arrangements and how they were applied. I recommended that the Council should improve its risk management, internal control and performance management of foundation schools.

#### Recommendation

**R2** Strengthen risk management, internal control and performance management arrangements in respect of foundation schools.

### Value for money

I considered whether the Council is managing and using its money, time and people to deliver value for money.

I assessed your performance against the criteria specified by the Audit Commission and have reported the outcome as the value for money (VFM) conclusion.

#### 2009/10 use of resources assessments

- 33 At the end of May 2010, the Commission wrote to all chief executives to inform them that following the government's announcement, work on Comprehensive Areas Assessment (CAA) would cease with immediate effect and the Commission would no longer issue scores for its use of resources assessments.
- 34 However, I am still required by the Code of Audit Practice to issue a value for money conclusion. I have therefore used the results of the work completed on the use of resources assessment up to the end of May to inform my 2009/10 conclusion.
- 35 I report the significant findings from the work I have carried out to support the VFM conclusion.

#### VFM conclusion

- 36 I assessed your arrangements to achieve economy, efficiency and effectiveness in your use of money, time and people against criteria specified by the Audit Commission. The Audit Commission specifies each year, which Key Lines of Enquiry (KLOE) are the relevant criteria for the VFM conclusion at each type of audited body.
- 37 This is a summary of my findings.

Table 2: VFM assessment

| Criteria                                       | Adequate arrangements?  |
|--|-------------------------|
| Managing finances                              |                         |
| Planning for financial health                  | Yes                     |
| Understanding costs and achieving efficiencies | Yes                     |
| Financial reporting                            | Yes                     |
| Governing the business                         |                         |
| Commissioning and procurement                  | Yes                     |
| Use of information                             | Yes                     |
| Risk management and internal control           | Yes                     |
| Managing resources                             |                         |
| Natural resources                              | Not assessed in 2009/10 |
| Strategic asset management                     | Yes                     |
| Workforce                                      | Yes                     |

- 38 I issued an unqualified conclusion stating that the Council had satisfactory arrangements to secure economy, efficiency and effectiveness in the use of its resources.
- 39 To reach this conclusion, I used my review of arrangements in 2008/09 as a baseline and concentrated on the areas where the Council could demonstrate improved outcomes.
- 40 This year I concluded that the Council has strong evidence of value for money outcomes across many of its services. I set out some examples of the arrangements and outcomes identified during my review.

#### Managing finances

- 41 The Council continues to successfully manage its finances to deliver value for money for residents.
- 42 The Council has an integrated financial, service and corporate planning process covering the medium to long term. Stakeholders are consulted on financial planning issues, for example a consultation exercise is undertaken on the annual budget.
- 43 In 2009/10 the Council managed its budget, controlled overspending and maintained balances in line with the medium term financial strategy. The Council has a good understanding of its costs. Benchmarking has been used to identify high cost areas and to help target where efficiencies can be made.

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44 The Council's financial monitoring and reporting is relevant, timely and supports strategic decision making. The Council's accounts generally comply with statutory requirements and reports are published in line with statutory requirements. The Council could improve arrangements supporting the preparation of its accounts to ensure there is a consistent high standard across the Council.

#### Governing the business

- **45** Overall, the Council has adequate arrangements to govern the business and deliver better outcomes for residents.
- 46 The Council is developing a corporate approach to procurement as part of its wider transformation programme. Service users are involved in some areas of commissioning, such as family and home care, but this is not yet consistent across the Council.
- 47 The Council has played a key role in the North West London Alliance to improve services and deliver savings. Through the cumulative buying power of the participating councils better contracts for domiciliary services and residential care, have been negotiated.
- Data quality arrangements have improved. Management information includes trend and benchmarking data. Performance management includes monitoring of shared targets with partner organisations.
- 49 The Council promotes and demonstrates the principles of good governance across all staff levels. Strong member development arrangements are in place including cross party work and dedicated officer support.
- 50 Risk management arrangements are in place and meet minimum standards. Arrangements are not consistent between directorates, and there is scope to increase frequency of reviews and reporting to members.

#### Recommendation

- R3 Embed good procurement practice across the Council.
- R4 Embed good risk management arrangements across the Council.

#### Managing resources

- **51** The Council continues to manage its resources to deliver better value for money for residents.
- 52 This year I reviewed the Council's arrangements to manage its workforce for the first time. The Council is developing its workforce effectively to support the achievement of strategic priorities. Recruitment and retention activities have been successful in priority areas. Recruitment has been modernised through, for example, the introduction of an erecruitment system.

- 53 The Council's workforce is representative of its local population in relation to gender and race. The 2009 staff survey found 71% of respondents believe Brent is an equal opportunity employer and treat staff with fairness and respect. The Council are developing opportunities for flexible working arrangements.
- 54 The Council is developing a corporate approach to managing its assets. Since last year, arrangements have been made to ensure all departments buy-in corporate facilities management contracts. Council assets continue to be used well to deliver improved outcomes for the local community. Opportunities are explored to share asset use with partners such as the police and the local Primary Care Trust. Investment in backlog maintenance has reduced the backlog to an insignificant level.

#### **Risk-based performance reviews**

- 55 To support my review of the criteria I undertook the following studies:
- 'One Council' transformation, improvement and efficiency strategy review:
- health inequalities review;
- performance management follow up review; and
- human resources follow up review.
- 56 I have reported my detailed findings to the Council in separate reports and detailed key findings below.

#### Improvement and efficiency strategy review

- 57 My initial review was carried out in March 2010. At that time the improvement and efficiency programme had a medium to high inherent risk being large and complex, with its implementation having a long-term impact on the Council's ability to deliver its core business. The Council has built up a track record of delivering change projects but these are not of a similar size and scale as the One Council improvement and efficiency programme. The Council has recognised the need to invest in high quality project management. It has sought professional help to support and develop its own in-house resources.
- 58 The Council has also brought forward the target date for achieving cost reductions and savings by two years, increasing the risk of success in a shorter timescale. A key challenge will be ensuring the Council has sufficient capacity to deliver the programme whilst continuing to deliver a high standard of services and dealing with further finance pressures from the recent Comprehensive Spending Review.
- 59 The programme is challenging, however the Council has made good progress in establishing strong programme management arrangements. I will review progress again later in the year.

#### Health inequalities review

60 In 2008/09 I conducted a review of the Council and Primary Care Trust's (PCT) arrangements to tackle health inequalities in Brent. I identified some key strengths arrangements and some areas where the achievement of objectives were at risk. My follow up review in 2009/10 assessed how stakeholders were addressing the risks and assessed the arrangements to deliver the health inequalities programme. My overall conclusion is that the Council and PCT are working well together to tackle health inequalities, but significant challenges remain. The key findings were:

- there is a clear strategic commitment from the Council and the PCT to tackle health inequalities;
- the main partnerships have been identified but partnerships with other interested bodies are limited e.g. voluntary sector;
- the existing front line workforce can be used more effectively to tackle health inequalities by;
  - providing timely information on healthy lifestyles; and
  - highlighting services such as smoking cessation;
- an action plan has been developed and adopted by the Council and the PCT to address risks.
- 61 The Council and PCT are working to address these challenges and recognise that further improvements are needed.

#### Performance management follow up review

- 62 In 2008 I reviewed the Council's performance management arrangements. The review focused on:
- the means of how the Council's priorities were translated in to meaningful targets;
- the use of trend analysis and benchmarking;
- the progress on providing the IT infrastructure to support the performance management framework;
- adherence to data protection principles; and
- partnership performance management arrangements.
- 2009/10 I followed up on the recommendations made in my previous report and assessed what progress had been made in completing them. I found that good progress has been made implementing all of the recommendations, with specific actions taken to improve systems and processes. Further improvements can be made by making partnership information available on-line.

#### Human resources follow up review

- **64** I followed up progress since my 2007/08 review which identified further recommendations to improve arrangements.
- 65 Human resources (HR) has improved since 2008. It is now at the centre of the Council's business transformation plans. HR is proactive at giving early warning of potential workforce problems and suggesting solutions. Councillors and Corporate Management Team (CMT) now receive good

performance information on HR and use this to take decisions. Comparative information on key areas such as sickness absence and employee turnover are regularly reviewed by chief officers. The Council plans to do more useful benchmarking.

66 Overall, HR is now better placed to help deliver the Council's transformation programme.

#### Approach to local value for money work from 2010/11

- 67 Given the scale of pressures facing public bodies in the current economic climate, the Audit Commission has been reviewing its work programme for 2010/11 onwards. This review has included discussions with key stakeholders of possible options for a new approach to local value for money (VFM) audit work. The Commission aims to introduce a new, more targeted and better value approach to our local VFM audit work.
- 68 My work will be based on a reduced number of reporting criteria, specified by the Commission, concentrating on:
- securing financial resilience; and
- prioritising resources within tighter budgets.
- 69 I will determine a local programme of VFM audit work based on my audit risk assessment, informed by these criteria and my statutory responsibilities. I will no longer be required to provide an annual scored judgement relating to my local VFM audit work. Instead I will report the results of all my local VFM audit work and the key messages for the Council in my annual report to those charged with governance and in my annual audit letter.

### Current and future challenges

#### Financial health

- 70 The economic downturn and cuts to public spending, including those announced in the Government's Comprehensive Spending Review in October 2010, continue to create challenges for local government bodies. As at 31 August 2010, the Council was projecting a general fund overspend of £5.6 million resulting largely from cost pressures in Children and Families and Adult Social Care. In year action has been taken and directors have been tasked with identifying additional cost savings, focussing on non-essential services. This is in context of a £261.9 million 2009/10 revenue budget, including a planned contribution of £522,000 from reserve balances.
- 71 The Medium Term Financial Strategy (MTFS) has identified a worst case scenario of £63 million cumulative shortfall over three years to 2013/14, assuming:
- a 2.5% annual reduction in formula grant;
- no increase in Council Tax; and
- savings of £6.7 million a year.
- 72 In anticipation of further budget pressures, the Council presented a report to the Budget and Finance Overview and Scrutiny committee in July 2010, setting out the impact of a 25% reduction in the government's funding formula. This provided a basis for members to consider further areas for savings and changes in service delivery.
- 73 The Council has recognised the level of change needed and has implemented its 'One Council' Improvement and Efficiency programme designed to deliver efficiency savings in excess of £50 million over a 2 year period. The programme is expected to contribute to the Council's overall target of cutting costs by 20 per cent over the next four years and addressing a significant portion of the budget deficit in the MTFS.
- 74 It is an ambitious programme requiring strong leadership and effective management. My initial review of the programme found good progress had been made in establishing robust arrangements and obtaining the expertise needed to identify and drive through change. The challenge now is for the Council to deliver the programme in a shorter than planned timescale whilst maintaining the capacity to deliver good quality services.

### International Financial Reporting Standard

75 Local authorities will prepare their Statements of Accounts under the new International Financial Reporting Standard (IFRS) based Code of Practice on Local Authority Accounting from 2010/11. The move to IFRS does not mean wholesale change, but where changes do occur a significant amount of work is needed to assess the impact on the accounts. Much of

that work needs doing now as the 2009/10 accounts will need to be restated to provide the prior year balances in the 2010/11 accounts.

- 76 I have reviewed progress made by the Council and assessed progress as amber (green low risk, red high risk). The Council has assigned officers to the IFRS implementation project, presented progress to the Audit Committee, obtained external advice and made progress in some key areas e.g. leasing. The Council will need to ensure it completes work in accordance with its project plan, enabling early audit review, and ensure implications of International Accounting Standard 16: Property, Plant and Equipment (IAS16) are fully addressed e.g. component accounting.
- 77 My team will work with the Council's finance team to discuss early accounting views, where required, and share good practice from other councils.

#### The abolition of the Audit Commission

- 78 On 13 August 2010 the Secretary of State for Communities and Local Government announced the proposed abolition of the Audit Commission. The proposed abolition will be from 2012/13 at the earliest and is subject to the passage of legislation.
- 79 My priority is to ensure that my team and I maintain our professional standards and commitment. The Audit Commission's Managing Director of Local Government and Community Safety has written to the Chief Executive to confirm there is no immediate change to the audit arrangements for the Council.
- 80 The Audit Commission is in discussion with the Department of Communities and Local Government about the proposed legislation and the details that will need to be worked through. The Department is keen that the Audit Commission's in house practice will continue in the future and is looking at how a new stand alone organisation could be formed. I will keep the Council informed about the future audit programme and any changes to audit arrangements.

### Future developments

#### **Education**

81 In July 2010, the Secretary of State for Education announced the end of the Building Schools for the Future investment programme. In Brent, this affected three schools that had been earmarked for investment. This remains a key risk area for the Council who need to redevelop or build schools in order to meet the demand for places within the Borough.

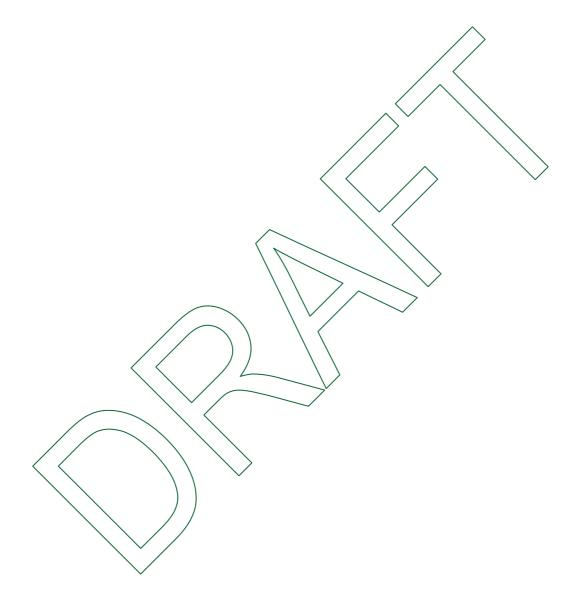
#### **Civic Centre**

**82** The Council plans to bring together its services, which are spread across 14 buildings in the borough, in a new civic centre near Wembley Stadium. The plans were approved by the Council's Planning committee on

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16 March 2010. Skanska have been recently named as the selected contractor to build the new civic centre. Construction is planned to commence in November 2010. The civic centre, the centrepiece of the regeneration of Wembley, will bring together council departments from the Town Hall, Brent House, Chesterfield House, and Mahatma Ghandi House. It will include a 1,000 capacity community hall, a library, two cafes, a shopping area, and council offices and committee rooms. The successful delivery of this plan is essential to the medium term plans of the Council. The civic centre is planned to be ready for occupation in June 2013.



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## Closing remarks

83 I have discussed and agreed this letter with the Chief Executive and the Director of Finance. I will present this letter at the Audit Committee on16 December 2010 and will provide copies to all committee members.

84 Full detailed findings, conclusions and recommendations in the areas covered by my audit were included in the reports I issued to the Council during the year.

| Report                                     | Date issued    |
|--|----------------|
| Audit Fee Letter                           | April 2009     |
| Audit Opinion Plan                         | February 2010  |
| Annual Governance Report                   | September 2010 |
| Opinion on financial statements            | September 2010 |
| Value for Money<br>Conclusion              | September 2010 |
| Opinion on Whole of Government Accounts    | October 2010   |
| Human resource follow up review            | January 2010   |
| Performance management follow up review    | March 2010     |
| Improvement and efficiency strategy review | August 2010    |
| Health inequalities review                 | September 2010 |
| <b>~</b>                                   |                |

85 The Council has taken a positive and helpful approach to our audit. I wish to thank the Council's staff for their support and co-operation during the audit.

Andrea White District Auditor

November 2010

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# Appendix 1 – Audit fees

| Council Audit  | Actual  | Proposed (Note 1) | Variance      |
|--|---------|-------------------|---------------|
| Financial statements and annual governance statement | 362,000 | 347,000           | 15,000        |
| Value for money                                      | 123,000 | 123,000           |               |
| Total audit fees                                     | 485,000 | 470,000           | 15,000        |
| Foundation school arrangements review                | 12,500  | 0                 | 12,500        |
| Certification of grant claims                        | tbc     | 85,000            | $\overline{}$ |

| Pension Fund Audit                     | Actual | Proposed<br>(Note 2) | Variance |
|--|--------|----------------------|----------|
| Financial statements and related notes | 38,000 | 35,000               | 3,000    |
|  |        |                      |          |

Note 1: The proposed fee is as reported in my 2009/10 Audit Opinion Plan in February 2010.

Note 2: The proposed fee is as reported in my 2010/11 Audit Fee Letter in June 2010 following a review of fee scales for Pension Funds.

tbc = to be confirmed

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### Appendix 2 - Glossary

#### **Annual governance statement**

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.

The annual governance statement is a public report by the Council on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

#### **Audit opinion**

On completion of the audit of the accounts, auditors must give their opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question;
- whether they have been prepared properly, following the relevant accounting rules; and
- for local probation boards and trusts, on the regularity of their spending and income.

### Financial statements

The annual accounts and accompanying notes.

#### Qualified

The auditor has some reservations or concerns.

### Unqualified

The auditor does not have any reservations.

### Value for money conclusion

The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of money, people and time.

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# **Executive** 15 February 2011

# Report from the Director of Finance and Corporate Services

For Action

Wards affected: Not applicable

# Authority to award contract for a server-based desktop solution

# Appendix 4 to this report is Not for Publication 1.0 Summary

- 1.1 This report requests authority to award a contract for the supply of a serverbased desktop solution for the council through an eAuction as required by Contract Standing Order 88.
- 1.2 This report summarises the process being undertaken to procure this contract through a mini competition, under an existing pre-tendered local authority Framework established by Eastern Shires Purchasing Organisation ("ESPO"), and recommends approval of the processes and mechanisms of the mini competition and award to the successful eAuction bidder.

#### 2.0 Recommendations

- 2.1 The Executive to note the process being undertaken for the procurement of a server-based desktop solution via the ESPO framework.
- 2.2 The Executive to agree the evaluation process for the award of the server-based desktop solution contract as outlined in paragraphs 3.15 3.25 of this report and Appendices 1 and 2.
- 2.3 Subject to 2.5 below, the Executive to agree the award of contract for a server-based desktop solution for an initial term of three years with a twenty-four month extension to the successful supplier determined in accordance with the evaluation process (referred to in paragraph 2.2 above) following the eAuction.
- 2.4 The Executive to authorise the Director of Finance and Corporate Services in consultation with the Director of Legal and Procurement to formalise the contract award following the eAuction results in accordance with the council's Contract

Standing Orders and Financial Regulations.

2.5 The Executive to authorise the Director of Finance and Corporate Services to withdraw from the procurement process at any time prior to signing the call-off contract in exceptional circumstances as further explained in paragraphs 3.25 and 3.26 below.

#### 3.0 Detail

#### Background

- 3.1 The council currently has approximately 3,500 desktop PCs. These have been on a 5-year replacement cycle, however this was frozen two years ago, and therefore their age varies between 3 and 8 years old.
- 3.2 New technologies around server-based client computing are now mature and these provide a number of benefits, including better support for flexible working, enhanced home working experience, significant power saving, increased security and ease of support.
- 3.3 The design for the new Civic Centre requires that a minimum 80% of all desktops are not conventional PCs, as the power and cooling provision for the building would not be able to support them. A PC will consume a minimum of 70W-80W, while a desktop device that utilises a server-based client session will consume between 5W and 30W.
- 3.4 The council plans to replace all desktop PCs with a new server-based desktop solution. As mentioned in paragraph 3.3 this is a mandatory requirement for the Civic Centre, and given the benefits of such a solution as mentioned in paragraph 3.2 it makes sense to do the same for all other Council offices.
- 3.5 The solution procured will consist of server hardware, software licences, client devices, implementation services and maintenance costs.
- 3.6 The server hardware and the devices that will be replacing PCs have a higher life-expectancy, and that will allow for the desktop replacement cycle to be increased from five to seven years. The project therefore will be funded from the existing PC replacement budget for a period of 7 years. This will include all hardware, software and services procured, as well as the maintenance payments for the solution over this period.
- 3.7 ESPO is a purchasing and distribution consortium owned by a number of local authorities in the east of the country. It acts as a purchasing agent for its member authorities and other customers and provides a professional cost effective procurement and supply service. ESPO provides a number of ICT Framework agreements and local authorities can order directly from any of the suppliers in these frameworks.
- 3.8 In using the ESPO frameworks it is possible to call off simply by placing an order directly with one of the suppliers within the framework. However for higher value

- procurements, value for money can be better delivered by running a minicompetition amongst the suppliers on the framework.
- 3.9 The council plans to run a mini-competition under an ESPO ICT Framework. The mini competition will incorporate an eAuction for the pricing element of the evaluation.
- 3.10 Brent's participation in previous eAuctions for PCs and laptops in 2007 and 2010, as well as for servers in 2007 was a success, with competitive prices secured resulting in significant savings to the Council. The 2007 PC eAuction saved the Council approximately £500k over the contract period, while the datacentre eAuction in the same year achieved a similar saving. Although the 2010 PC eAuction managed to maintain our low PC pricing, this did not result in significant savings simply because we had frozen the PC replacement cycle and therefore did not buy any significant number of PCs in the last year.

#### **Outline of Tender Process**

- 3.11 It is intended that new contract(s) that the server-based desktop solution will be let for an initial term of 3 years with a twenty-four month extension, totalling a 5 year contract period.
- 3.12 The process being used for the procurement of these supplies is a call off agreement under the existing ESPO tendered Framework (ICT Network Solutions), in compliance with the Public Contracts Regulations 2006.
- 3.13 As stated above, a mini competition is being undertaken to determine which of the suppliers on the Framework will provide the most economically advantageous offer to the Council for the required solution.
- 3.14 A two-stage response process is followed. The responses to the Invitation to Offer stage will contain design solutions and indicative pricing. The indicative pricing acts as the starting bids for each of the suppliers at the eAuction stage. The eAuction then follows.

#### The Mini-Competition: Detail

- 3.15 All suppliers on the ESPO Framework Agreement for ICT Network Solutions will be invited to take part in the mini-competition.
- 3.16 The detailed invitation to take part in the mini competition has already been despatched and is due for return before the date of the Executive's meeting. The Invitation to Offer (ITO) stated that the contract would be awarded on the basis of the most economically advantageous offer to Brent and that in evaluating tenders, Brent would have regard to the following:
  - Price variable in the eAuction
  - Product & Service (Qualitative)

- 3.17 Evaluation scores will be weighted as follows:
  - Price 30%
  - Qualitative 70% (assessed against the criteria identified in Appendix 1)
- 3.18 Officers are confident that quality requirements will be met under these weighting parameters as all of the bidding suppliers are known, and there are strict requirements and thresholds set within the specification. Suppliers will need to pass a qualitative threshold before being invited to participate in the eAuction.
- 3.19 In response to the invitation to take part in the mini-competition, suppliers were required to submit information providing details of their proposed arrangements for performing the services including (but not limited to) the following:
  - technical design
  - technical changes
  - technical services
  - sustainability
  - warranties
  - order fulfilment & delivery
  - packaging
  - account management
  - escalation process
  - order and invoice payment (including electronic capability)
  - innovation
- 3.20 Responses are expected to be submitted by the 11<sup>th</sup> of February. Members of the evaluation panel will individually score the qualitative evaluation stage against the criteria identified in Appendix 1, evaluating tender documentation and specification against the products they intend to buy. They will also be evaluating either a test environment that will be facilitated by each supplier at its own premises or a reference site. Prior to receipt of responses, a decision will be made as to whether panel members will agree a score, or their scores will be averaged.
- 3.21 A zero score will disqualify a supplier, indicating that the product is unacceptable. All suppliers which are not disqualified at this stage will then be invited to participate in the eAuction to determine the pricing for the products being tendered.
- 3.22 Prior to the eAuction, suppliers will be given feedback on the qualitative assessment and ranking in relation to other bidders.
- 3.23 Suppliers are required to provide indicative pricing in their initial responses. These prices will form their opening bids for the eAuction.
- 3.24 The successful suppliers will be determined following the close of the e-auction on the basis of a combination of the qualitative scores and the prices submitted

in the eAuction, weighted in accordance with paragraph 3.17 above. The eAuction will show a ranking throughout the process that is a combination of the suppliers' qualitative results and their bid. The methodology for determining overall supplier ranking in the eAuction is detailed in Appendix 2.

- 3.25 If, at the end of the eAuction, Officers can demonstrate that the prices of the supplier ranked first do not represent value for money, the council are able to withdraw from the process and purchase via another route (including tendering where necessary). The Invitation to Offer (ITO) pack as despatched to bidders stated that Brent would purchase from the most competitive bidder, following assessment as described above, except in "extraordinary circumstances". Examples given in the ITO are where the most competitive bidder is considered abnormally low, in which case award could be made to the second placed bidder, and where the most competitive bid is not value for money.
- 3.26 It would also be possible to withdraw at an earlier stage, most likely once the responses are received to the ITO. This gives the council protection if either the designs are significantly incomplete, or if the indicative prices are unrealistic or significantly out of the council's budget range.
- 3.27 Following the eAuction, the council will contract directly with the successful supplier. The contract will commence from the eAuction date of 31 March 2011 and the council will be obligated to source from that supplier for the contract period.
- 3.28 An option has been included to enable Brent to undertake regular price reviews to determine if prices under this contract are still in line with the market. This is to account for price reductions that are inherent in the IT industry and also to provide a mechanism for price fluctuations so that Brent is not held to premium pricing for the full contract term, subject to the agreement of both parties. Provision has also been made in the contract for suppliers to be able to request price increases subject to significant exchange rate fluctuations or similarly for Brent to request price decreases on the same basis.
- 3.29 As the council will be locked into purchasing from the successful suppliers following the eAuction, except in the extraordinary circumstances explained in paragraph 3.25, it will not be possible to report back to the Executive for the award of contracts following the eAuction. The Executive is therefore being asked to agree the award of contract to the supplier which is deemed to be the successful supplier for the server lot based on the evaluation process outlined in this report. Officers are confident that the evaluation process will ensure that quality thresholds are met by all suppliers which are invited to take place in the eAuction, and that the most competitive bidder will deliver good value for the Council due to the e-auction process.

#### 4.0 Financial Implications

4.1 The council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.

- 4.2 The estimated value of this contract for servers is shown in Appendix 4 ('below the line'). This includes running the call off and eAuction costs.
- 4.3 The total cost of the contract will be covered by the existing desktop PC replacement budget.
- 4.4 This arrangement will derive a number of benefits, not least meeting the requirements for the Civic Centre. It will also contribute to achieving a more stable IT infrastructure, reduce the council's carbon footprint, support flexible working, increase security, enhance IT support and provide an overall improved user experience to council staff.

#### 5.0 Staffing Implications

5.1 There are no implications for council staff arising from tendering the contract.

#### 6.0 Legal Implications

- 6.1 The estimated value of this contract over its lifetime is higher than the EU threshold for tendering of supplies contracts and the contracts are therefore governed by the Public Contracts Regulations 2006 ("the EU Regulations"). The contracts are also subject to the council's own Contract Standing Orders in respect of High Value contracts and Financial Regulations.
- The contracts for IT servers are being procured under a Framework Agreement set up by ESPO. The EU Regulations allow the use of framework agreements (call-off contracts) and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process. The mini competition process described in this report is being carried out in accordance with the requirements of the EU Regulations.
  - 6.3 The council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a Framework Agreement established by another contracting authority, where call off under the Framework Agreement is recommended by the relevant Chief Officer. However, this is subject to the Director of Legal and Procurement advising that participation in the Framework Agreement is legally permissible and approval to participate in the Framework being obtained from the Director of Finance and Corporate Services. The Director of Legal and Procurement and the Director of Finance and Corporate Services have given the necessary approval. In addition, Executive approval is still required for the award, due to this being a High Value contract.
  - 6.4 The council will be legally bound to purchase from the successful suppliers once the eAuction has concluded unless the council opts out of the process as explained above, due to exceptional circumstances. This Executive Report therefore asks the Executive to agree the award of the contracts to whichever

- supplier is successful in the mini competition based on the evaluation process detailed in this report.
- 6.5 As the procurement process is a mini competition under the ESPO framework, the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period before the contract can be awarded do not apply.

#### 7.0 Diversity Implications

7.1 The proposals in this Report have been subject to screening and Officers believe that there are no diversity implications. The tender documentation specifies that the solution will need to be fully accessible and support all accessibility aids in use on desktops.

#### 8.0 Background Papers

Invitation to Offer documentation

#### 9.0 Contact Officers

9.1 Tony Ellis, Assistant Director - ICT, Finance and Corporate Services, Brent House, 349-357 High Road, Wembley, Middlesex, HA9 6BZ

**Clive Heaphy Director of Finance and Corporate Services** 

# APPENDIX 1 CLIENT-BASED DESKTOP SOLUTION CONTRACT TENDER AND TESTING ENVIRONMENT EVALUATION CRITERIA

- All Technical and General requirements as defined in the ITO
- Cost effective and management benefits of utilising technologies already in use in the Council
- Relevance of the functionality and capability of the solution
- Ease of administering and supporting the solution operationally
- Experience in similar environments
- · Readily scalable
- Ease of implementation with a phased and clear road map
- Disaster recovery provision and ease of establishing business continuity
- System maintenance, product updating, and ongoing support programme
- Technological and market position of the product and the future vision
- Energy efficiency and environmental issues including friendly disposal
- · Quality and clarity of proposal

# APPENDIX 2 CLIENT-BASED DESKTOP SOLUTION CONTRACT EVALUATION METHODOLOGY

The below formula shows how final qualitative scores would be incorporated into the eAuction bids, to calculate a live ranking for each supplier during the live eAuction.

#### **Brief Overview**

The qualitative evaluation is scored for each supplier (as set out in Appendix 1) then converted into a final supplier score that accounts for the extent that the supplier varies from the average of all the suppliers evaluation scores (the mean).

These final qualitative scores are then proportionately incorporated into the price bids, to add or subtract a monetary weighting factor to the live eAuction bids.

#### **Detailed Example**

#### **Qualitative Scoring**

- 1. The qualitative evaluation is individually scored (against criteria in Appendix 1). For this example, scores could be:
  - Supplier A: 40%;
  - Supplier B 50%
  - Supplier C: 60%.
- 2. Each supplier's qualitative score is expressed as a score out of the total 70 percentage points available for qualitative evaluation.
- 3. The mean average qualitative score across all suppliers is calculated (50% for Suppliers A,B and C)
- 4. Each supplier's variance versus the mean qualitative score is calculated by subtracting their actual scores from the mean.
  - Supplier A falls 6 percentage points below the mean (+6%)
  - Supplier B precisely matches the mean so there is no variance (0%)
  - Supplier C exceeds the mean by 6%. (-6%)

#### **Combined Qualitative and Pricing Scoring**

- 5. In order to provide the right balance between price and quality, the percentage variances on qualitative performance are divided into the price portion of the overall sourcing criteria (40%). For example, the calculation undertaken for Supplier A would be:
  - Variance of +6% / 0.30 = 20%
- 6. These weighted variances are applied as a factor to the suppliers' live eAuction raw pricing (bids). For example,
  - if Supplier A submits a bid of £100, the software will automatically multiply the bid by 1 + the variance (in this case 20%), giving a factor of 120%. Therefore its £100 bid will be transformed into a monetary value of £120.00.
  - By contrast supplier C, who performed better than average on the qualitative evaluation, will have a raw bid of £100 multiplied by (100% - 20%) to give a transformed bid of £80.00.
  - Supplier B, which was precisely in line with the mean (and fell between the other suppliers' scores) will have a factor of 100% applied to its bid - hence its bid will not be altered from its raw monetary value.

| Bidder | Qualitative<br>score | Score out<br>of 70%<br>available<br>for<br>qualitative<br>score | Variance<br>to mean<br>qualitative<br>score | Variance<br>to mean<br>qualitative<br>score /<br>40%<br>pricing | Factor<br>applied to<br>raw<br>monetary<br>bid in<br>auction | Raw<br>Price<br>Bid | Adjusted<br>Price (For<br>evaluation<br>purposes<br>only) | Rank |
|--------|----------------------|---|---|---|--|---------------------|---|------|
| Α      | 40.00%               | 28%   | 6%  | 20%   | 120%   | £100.00             | £120.00   | 3    |
| В      | 50.00%               | 35%   | 0.00%                                       | 0.00%   | 100%   | £100.00             | £100.00   | 2    |
| С      | 60.00%               | 42%   | (6%)  | (20%)   | 120%   | £100.00             | £80.00  | 1    |

# APPENDIX 3 CLIENT-BASED DESKTOP SOLUTION CONTRACT Technical detail

We are looking for a solution to provide server-based client computing, to replace a minimum 80% of PCs in our environment. We expect to have a need for a maximum of 2700 concurrent user sessions with both data centres up and running or 2000 concurrent user sessions in a DR scenario where only one data centre is available. This is a forecast of our requirement based on our current environment, however with changes in the authority and budget pressures these numbers may decrease. Equally working hours may spread, so concurrency may drop further. From a procurement perspective we would be looking to buy licenses to run 1000 concurrent sessions in the first instance (on the basis of the solution being available to 1250 users) and buy the remaining licenses in batches of 100 during the rollout of the solution across the council as and when required.

The requirement of this procurement exercise is to buy everything required to provide the above server-based client computing environment including:

- All server & storage hardware and software licenses required to run this solution existing available resources (for example storage controllers) can be utilised if the supplier sees fit
- Any additional interconnecting hardware required (eg SAN fibre) to build this solution (with the only exception that the solution will be connected to an existing network available within our data centres)
- Desktop devices to be used (the requirement is that the desktop devices will have minimal power consumption, expected to be under 30W)
- Services to produce a complete design for the solution
- Services to implement the solution capable to manage the first 250 sessions, with knowledge share to allow us to continue the project in-house
- Services to configure all core applications ,and a minimum of one application for each of the application technologies we use, to operate in this environment, with knowledge share to allow us to continue the project in-house
- List of costed training options recommended for our staff to support this solution
- Warranty and software maintenance costs for this solution 5 years to be included in the original purchase, the annual cost for extending after that period to be provided



# **Executive** 15 February 2011

# **Report from the Director of Finance and Corporate Services**

For Action Wards Affected:
Not applicable

Authority to award contract for a server-based desktop solution

### **Appendix 4**

#### **Not for Publication**

This Appendix is not for publication as it contains the following category of exempt information as specified in paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

# APPENDIX 4 CLIENT-BASED DESKTOP SOLUTION CONTRACT

The total cost of the technical solution described in appendix 3 above is expected to be between £1.1m and £1.3m. The desktop PC replacement budget is £210k and we expect to fund the solution over 7 years, giving us a total budget of £1.47m.

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# **Executive** 15 February 2011

# Report from the Director of Finance and Corporate Services

Wards Affected:

ALL

# National Non-Domestic Rate Relief and Hardship Relief

# Not for publication

Appendix 4 of this report is not for publication as it contains the following category of exempt information as specified in paragraph 3 of schedule 12A of the Local Government Act 1972: "information relating to the finances or business affairs of any particular person (including the authority holding that information").

# 1.0 Summary

- 1.1 The Council has the discretion to award rate relief to charities or non-profit making bodies. It also has the discretion to remit an individual National Non-Domestic Rate (NNDR) liability in whole or in part on the grounds of hardship.
- 1.2 This report includes applications received since the Executive Committee last considered relief in June 2010.

#### 2.0 Recommendations

2.1 Members are requested to agree the discretionary rate relief applications in Appendices 2 and 3 and to reject the hardship applications in Appendix 4

## 3.0 Details

- 3.1 Details of the Council's discretion to grant rate relief to charities, registered community amateur sports clubs and non-profit making organisations are contained in the financial and legal implications sections (4 and 6).
- 3.2 Appendix 1 sets out the criteria and factors to consider for applications for NNDR relief from Charities and non-profit making organisations. This was agreed by the Executive in February 2008.

- 3.3 Appendix 2 lists new applications from local charities that meet the criteria. It also shows the cost to the Council if 100% discretionary relief is awarded, which is the Council's normal policy.
- 3.4 Appendix 3 lists new applications from non local charities that meet the criteria. It also shows the cost to the Council if 25% discretionary relief is awarded, which is the Council's normal policy.
- 3.5 Appendix 4 lists applications for hardship relief
- 3.6 The criteria for awarding discretionary rate relief focuses on ensuring that the arrangements are consistent with corporate policies and relief is directed to those organisations providing a recognised valued service to the residents of Brent. Further detail is set out in Appendix 1. Any relief granted in 2010/11 will be for a three-year period which follows the policy previously agreed by the Executive.
- 3.7 Charities and registered community amateur sports clubs are entitled to 80% mandatory rate relief and the council has discretion to grant additional relief up to the 100% maximum.
- 3.8 Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum.

## Hardship Relief

- 3.9 When considering applications under section 49 of the Local Government Finance Act 1988 for relief on the grounds of hardship, members need to consider whether hardship will be caused if the payments due are not reduced or remitted and, if so, whether it would be reasonable to reduce or remit liability having regard to the interests of its Council Tax payers, as they will be funding 25% of any relief granted.
- 3.10 Local authorities tend to use this power very sparingly. If relief under this section was readily granted this could place an unreasonable burden on council tax payers.
- 3.11 There is no definition of the meaning of hardship in this context. Guidance indicates that all circumstances, not just financial circumstances, should be taken into account in considering whether payment would cause hardship. So, for example, illness, injury or old age may be relevant in determining whether hardship will be suffered by a taxpayer who is a private individual.
- 3.12 Members may wish to consider a policy of only granting hardship relief in exceptional circumstances, for example severe illness, injury, old age, or other personal circumstances, rather than on financial circumstances only

# 4.0 Financial Implications

# 4.1 Discretionary Rate Relief

- 4.1.1 Charities and registered community amateur sports clubs receive 80% mandatory rate relief, for which there is no cost to the Council. The Council has the discretion to grant additional relief up to the 100% maximum, but has to bear 75% of the cost of this from the Discretionary Relief Budget.
- 4.1.2 Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum. The Council has to bear 25% of the cost of any relief granted.
- 4.1.3 The Council, where it has decided to grant relief, has followed a general guideline of granting 100% of the discretionary element to local charities and 25% of the discretionary element to non-local charities.
- 4.1.4 It has also granted 25% of the whole amount requested (which is entirely discretionary) to non-profit making organisations. This general policy was endorsed for continuation by the Executive in February 2008.
- 4.1.5 The total 2010/11 budget available for discretionary spending is £91,000. £89,200 of the budget has already been committed in respect of applications approved for 2010/11. If Members agree relief as set out in Appendices 2 and 3, it would result in a further spend of £699.35 for 2010/11, this would bring the total spend for 2010/11 to £89,899.

# 4.2 Financial Implications – Hardship Rate Relief

- 4.2.1 The Council bears 25% of the cost of any hardship relief granted. The remaining 75% is offset against the National Pool.
- 4.2.2 There is no specific budget for hardship relief. The cost of any relief granted would have to be met by local Council Tax payers and from the budget for discretionary charity relief. In the past, hardship applications have generally been rejected.

# 5.0 Staffing Implications

- 5.1 None
- 6.0 Legal Implications

# 6.1 Discretionary Rate Relief

- 6.1.1 Under the Local Government Finance Act 1988, charities are only liable to pay 20% of the NNDR that would otherwise be payable where a property is used wholly or mainly for charitable purposes. This award amounts to 80% mandatory relief of the full amount due. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. Under the Local Government Act 2003, registered Community Amateur Sports Clubs also now qualify for 80% mandatory relief.
- 6.1.2 The Council has discretion to grant relief of up to 100% of the amount otherwise due to charities, Community Amateur Sports Clubs, and non-profit making organisations meeting criteria set out in the legislation. These criteria cover those whose objects are concerned with philanthropy, religion, education, social welfare, science, literature, the fine arts, or recreation.
  - Guidance has been issued in respect of the exercise of this discretion and authorities are advised to have readily understood policies for deciding whether or not to grant relief and for determining the amount of relief. Further details of the Brent policy are shown in Appendix 1.
- 6.1.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow Brent to grant the relief for a fixed period. One year's notice is required of any decision to revoke or vary the amount of relief granted, if in the case of a variation, it would result in the amount of rates increasing. The notice must take effect at the end of the financial year.
- 6.1.4 The legal advice is that the operation of blanket decisions to refuse relief across the board might be ultra vires and that each case should be considered on its merits.

# 6.2 Legal Implications - Hardship Rate Relief

- 6.2.1 Under Section 49 of the Local Government Finance Act 1988, the Council can reduce or remit any amount a person is liable to pay by way of NNDR, if it is satisfied that the ratepayer would otherwise sustain hardship and if it is reasonable to do so having regard to the interests of Council Tax payers. Council Tax payers are affected by decisions under this section because 25% of the cost of exercising this power has to be funded by the Council.
- 6.2.2 Case law relating to similar provision in earlier legislation indicates that this discretion should be exercised on the basis of adequate financial information

- from applicants for relief to enable the Council to assess the capacity of the ratepayer to pay the amounts due.
- 6.2.3 Government guidance indicates that exercise of discretion in favour of a ratepayer should be exceptional and identifies a number of factors to be taken into consideration in exercising this discretion. The guidance also states that while it would not be proper for the authority to have a blanket policy, as all applicants should be considered on their merits, however, rules may be adopted for the consideration of hardship issues.

# 7.0 Diversity Implications

7.1 Applications have been received from a wide variety of diverse charities and organisations, and an Impact Needs Analysis Requirement Assessment (INRA) has been carried out on the eligibility criteria. All ratepayers receive information with the annual rate bill informing them of the availability of discretionary and hardship rate relief. Ratepayers who have previously applied for relief are sent annual discretionary application forms. Details of all the applicants are shown in the Appendices.

# 8.0 Background Information

8.1 Report to Executive 11<sup>th</sup> February 2008 – National Non-Domestic Relief and Hardship Relief

## 9.0 Contact Officers

- 9.1 Paula Buckley, Head of Client Team Brent House, Tel. 020 8937 1532
- 9.2 Richard Vallis, Revenues Client Manager Brent House, Tel 020 8937 1503

CLIVE HEAPHY
Director of Finance and Corporate Resources

# ELIGIBILITY CRITERIA FOR APPLICATIONS FOR NNDR DISCRETIONARY RELIEF FOR CHARITIES & FROM NON PROFIT MAKING ORGANISATIONS

# <u>Introduction</u>

The following details the criteria against which the Local Authority will consider applications from non profit making organisations. In each case the individual merits of the case will be considered.

- (a) Eligibility criteria
- (b) Factors to be taken into account
- (c) Parts of the process.

# (a) Eligibility Criteria

- The applicant must be a charity or exempt from registration as a charity, a non-profit making organisation or registered community amateur sports club (CASC).
- All or part of the property must be occupied for the purpose of one or more institutions or other organisations which are not established or conducted for profit and whose main objects are charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or
- The property must be wholly or mainly used for the purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

# (b) Factors to be taken into account

The London Borough of Brent is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

- The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide
- b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills
- c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief
- d. The organisation should be able to demonstrate a major local contribution.
- e. The organisation should have a clear policy on equal opportunity.
- f. There should be policies on freedom of access and membership.

- g. It should be clear as to which members of the community benefit from the work of the organisation.
- h. Membership should be open to all sections of the community and the majority of members should be Brent residents
- i. If there is a licensed bar as part of the premises, this must not be the principle activity undertaken and should be a minor function in relation to the services provided by the organisation.
- j. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.
- k. The organisation must not have any unauthorised indebtedness to the London Borough of Brent, including rate arrears. Rates are due and payable until a claim for discretionary rate relief is heard

# (c) Parts of the process

# No Right of Appeal

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal appeal process against the Council's decision. However, we will re-consider our decision in the light of any additional points made. If the application is successful and the organisation is awarded discretionary rate relief, it will be applied to the account and an amended bill will be issued.

# **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

## **Duration of award**

The current policy awards relief for one year only and the applicant has to reapply on an annual basis.

The new policy will award relief for a period of two years if the application is made in 2008/09 and for three years if made in 2009/10. However, a confirmation will be required from the successful applicants that the conditions on which relief was previously awarded still apply to their organisation. This will help ensure that the Council's rate records remain accurate.

#### Withdrawal of relief

One years notice has to be given by the Council for the withdrawal of relief

#### Unlawful activities

Should an applicant in receipt of discretionary rate relief be found guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

|    |   | Current Policy                                |  |
|----|---|---|--|
|    | Type of Charitable/Non-Profit Making Organisation   | Discretionary Relief<br>Limited to            |  |
| 1  | Local charities meeting required conditions (80% mandatory relief will apply)   | 20%<br>(100% of remaining<br>liability)       |  |
| 2  | Local Non-profit-making organisations (not entitled to mandatory relief)  | 25%   |  |
| 3  | Premises occupied by a Community Amateur Sports<br>Club registered with HM Revenue & Customs.<br>(80% mandatory relief will apply)  | 20%<br>(100% of remaining<br>liability)       |  |
| 4  | Non-Local charities<br>(80% mandatory relief will apply)  | 25%<br>(of remaining liability)               |  |
| 5  | Voluntary Aided Schools (80% mandatory relief will apply)   | 20%<br>(100% of remaining<br>liability)       |  |
| 6  | Foundation Schools (80% mandatory relief will apply)  | 20%<br>(100% of remaining<br>liability)       |  |
| 7  | All empty properties  | NIL   |  |
| 8  | Offices and Shops   | NIL   |  |
| 9  | An organisation which is considered by officers to be improperly run, for what ever reason, including unauthorised indebtedness.  | NIL   |  |
| 10 | The organisation or facility does <b>not</b> primarily benefit residents of Brent.  | NIL   |  |
| 11 | Registered Social Landlords (as defined and registered by the Housing Corporation). This includes Abbeyfield, Almshouse, Co-operative, Co-ownership, Hostel, Letting / Hostel, or YMCA. | Nil   |  |
| 12 | Organisations in receipt of 80% mandatory relief where local exceptional circumstances are deemed to apply.   | Up to 20%<br>(100% of remaining<br>liability) |  |

# **LOCAL CHARITIES**

Financial year: 2010-11

|          | 100% Relief to be awarded                             | 2010-11  | Bill net of<br>statutory<br>relief | Cost to<br>Brent at<br>75% |
|----------|---|----------|------------------------------------|----------------------------|
| 32883290 | New Applications  Middlesex Association for the Blind | £4144.82 | £828.96                            | £621.72                    |
| Total    |   | £4144.82 | £828.96                            | £621.72                    |

# **NON-LOCAL CHARITIES**

Financial year: 2010-11

| Non-Local Charities (25% relief awarded) |   | 2010-11  | Bill net of statutory relief | 25% relief awarded | Cost to<br>Brent at<br>75% |
|--|---|----------|------------------------------|--------------------|----------------------------|
| 3279199X                                 | New Applications Sea Cadet Corps Cambridge Hall | £2070.00 | £414.00                      | £103.50            | £77.63                     |
| Total                                    |   | £2070.00 | £414.00                      | £103.50            | £77.63                     |

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# DRAFT EXTRACT/ MINUTES OF THE CALL IN OVERVIEW AND SCRUTINY COMMITTEE Wednesday, 2 February 2011 at 7.30 pm

PRESENT: Councillor Castle (Chair) and Councillors Mrs Bacchus, Denselow, Gladbaum, Kabir, Lorber Mashari and H B Patel (alternate for Councillor B M Patel)

Also Present: Councillor Crane (Lead Member for Regeneration and Economic Development), Councillor Jones (Lead Member for Human Resources and Diversity, Local Democracy and Consultation), Councillor R Moher (Lead Member for Adults, Health and Social Care), J Moher (Lead Member for Highways and Transportation) and Powney (Lead Member for Environment, Planning and Culture).

An apology for absence was received from: Councillor B M Patel.

# 1. Declarations of personal and prejudicial interests

Councillor H B Patel declared an interest in relation to item 4 b), Arts and Festivals Strategy, as a member of an organisation receiving a grant from the council. However, he did not feel that the interest was prejudicial and remained present to discuss and vote on this item.

# 2. Minutes of the last meeting held on 5 January 2011

**RESOLVED:-**

that the minutes of the last meeting held on 5 January 2011 be approved as an accurate record of the meeting.

# 3. Matters Arising

None.

# 4. Call in of Executive decisions from the meeting of the Executive held on 17 January 2011

Decisions made by the Executive on 17 January 2011 in respect of the reports below were called in for consideration by the Call In Overview and Scrutiny Committee in accordance with Standing Orders 6 (b) and 18.

# 4.3 Former park keepers' houses at 776 and 778 Harrow Road - disposal in open market

The reason for the call in is:-

 Report contains no discussion of conditions of sale of land. Call in to discuss the implications of selling the land without such conditions.

Suggested action for the Call In Overview and Scrutiny Committee to take:-

 That the Executive introduce conditions on the sale of the land to limit any development and make it suitable for the area.

Councillor Lorber, one of the councillors who had called in this item, stated that the issue of disposing of the properties had been an issue for some time. Whilst he understood that the reason for disposing of the two houses was to raise funds to invest in Barham Park. However, the original proposals to sell the properties to a local housing association to provide housing from residents being decanted from Barham Park Estate had now been changed to sell the site to the by auction to the highest bidder. Councillor Lorber expressed concern that without conditions being attached to the sale of the site, it could to lead to undesirable developments such as high storey blocks which would be opposed by local residents. He added that this issue was of particular concern as there were proposals for seven to nine storey block of flats in a site adjacent to this one.

In reply to the reasons for the call in, Councillor Crane (Lead Member for Regeneration and Economic Development) advised that the Executive had initially approved disposal of the site subject to Charity Commission approval. However, it had now been clarified that Charity Commission approval was not required and the decision to dispose of the properties by auction would provide the capital receipts, as well as matching funding, necessary to improve Barham Park.

Richard Barrett (Head of Property and Asset Management, Regeneration and Major Projects) added that as the site was held by the Barham Park Estate Trust, of which the council was trustee, approval of the Charity Commission to dispose of the land was not necessary. Richard Barrett advised that placing any condition on selling the site would require the Charity Commission's approval which it was not likely to grant as it would not be perceived as being in the interest of the Trust. The District Valuer had recommended that the council sell the properties as two separate dwellings in order to receive greater capital receipts.

During Members' discussion, Councillor H B Patel acknowledged the reasons given with regard to the sale of the site, however he commented that the council as trustee also had a requirement to look after the interests of local residents. He stated that the Planning Service had expressed the view that the site was appropriate for housing development, however it needed to be acknowledged that multi storey developments would not be popular with the local residents. Councillor H B Patel sought a response in how making financial gain was balanced with the interest of residents. Councillor Lorber stated that although the site was of significant financial value now, it may not be in years to come and he emphasised the need to undertake measures to protect the future of the site. He felt that it was desirable to provide proper protection to the site by adding conditions for the sale of the properties stating what type of housing would be permitted to be built.

In reply, Richard Barrett advised that arrangements with regard to disposing of the site had been carefully considered and he reiterated the District Valuer's advice that the council sell as two separate dwellings. Members noted that in addition to the likelihood that the Charity Commission would not provide consent to attach conditions to the sale of the site, any decision made by the Charity Commission on this matter may take some time which also would not be in the best interest of the council or the Trust.

The committee then agreed to the Chair's suggestion that the Executive be recommended to introduce conditions on the sale of the land to limit any development and make it suitable for the area.

#### **RESOLVED:-**

- (i) that upon considering the report from the Director of Regeneration and Major Projects, the decisions made by the Executive be noted; and
- (ii) that the Executive be requested to introduce conditions on the sale of the land to limit any development and make it suitable for the area.

The meeting closed at 8.45 pm

A CASTLE Chair

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