



Executive

Monday 11 November 2013 at 7.00 pm

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

Membership:

Lead Member Councillors:

Portfolio

Butt (Chair)	Leader/Lead Member for Corporate Strategy & Policy Co-ordination
R Moher (Vice-Chair)	Deputy Leader/Lead Member for Finance and Corporate Resources
A Choudry	Lead Member for Crime Prevention and Public Safety
Crane	Lead Member for Regeneration and Major Projects
Denselow	Lead Member for Customers and Citizens
Hirani	Lead Member for Adults and Health
Mashari	Lead Member for Environment and Neighbourhoods
McLennan	Lead Member for Housing
J Moher	Lead Member for Highways and Transportation
Pavey	Lead Member for Children and Families

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

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democracy.brent.gov.uk

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

Item	Page
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1	Declarations of personal and prejudicial interests	
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Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

2	Minutes of the previous meeting	1 - 8
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3	Matters arising	
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Adult and Social Care reports

4	Supporting People Services - accident prevention	9 - 36
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This report seeks the approval of the Executive to award a contract for the provision of Accident Prevention and Handyperson Service as required by Standing Order 88(c). This report summarises the results of the procurement process undertaken by Brent officers and following completion of the evaluation recommends a contractor for award of the proposed contract. The report also sets out the financial implications and other benefits associated with the contract.

(Appendix referred to below)

Ward Affected:
All Wards

Lead Member: Councillor Hirani
Contact Officer: Phil Porter, Acting Director,
Adult Social Services, Andrew Donald, Strategic
Director, Regeneration and Growth
Tel: 020 8937 5937, Tel: 020 8937 1049
phil.porter@brent.gov.uk,
andrew.donald@brent.gov.uk

5	Supporting People Services - emergency response	37 - 66
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This report seeks the approval of the Executive to award a contract for the provision of Supporting People - Emergency Response as required by Standing Order 88(c). This report summarises the results of the procurement process undertaken by Brent officers and following completion of the evaluation, recommends a provider for award of the proposed contract. The report also sets out the financial implications and other benefits associated with the contract.

(Appendix referred to below)

Ward Affected:

Lead Member: Councillor Hirani

All Wards

Contact Officer: Phil Porter, Acting Director,
Adult Social Services, Andrew Donald, Strategic
Director, Regeneration and Growth
Tel: 020 8937 5937, Tel: 020 8937 1049
phil.porter@brent.gov.uk,
andrew.donald@brent.gov.uk

Children and Families reports

6 Registered Children's Homes Block Contract 67 - 118

This report requests approval to participate in a collaborative procurement with local authorities within the West London Alliance for the procurement of a 12 bed block contract for therapeutic children's homes placements as required by Contract Standing Order 85. If agreed officers will present a further report at the tender award stage for member's approval prior to contract award.

(Appendix referred to below)

Ward Affected:

All Wards

Lead Member: Councillor Pavey

Contact Officer: Sara Williams, Acting Director,
Children and Families

Tel: 020 8937 3510 sara.williams@brent.gov.uk

7 Determination proposal to permanently expand St Joseph's Catholic Primary School by September 2014 119 - 140

This report informs the Executive of the outcome of the statutory proposal to alter St Joseph's Catholic Primary School through permanent expansion from September 2014 and recommends that it be approved.

Ward Affected:

All Wards

Lead Member: Councillors Crane and Pavey

Contact Officer: Sara Williams, Acting Director,
Children and Families, Andrew Donald, Strategic
Director, Regeneration and Growth

Tel: 020 8937 3510, Tel: 020 8937 1049

sara.williams@brent.gov.uk,

andrew.donald@brent.gov.uk

Environment and Neighbourhood Services reports

8 Cycle Training Contract Tender 141 - 148

This report concerns the procurement of a cycle training provider for adults and children in Brent. It seeks authority to invite tenders and delegate authority to the Strategic Director of Environment and Neighbourhoods to award a contract.

Ward Affected:

All Wards

Lead Member: Councillor J Moher

Contact Officer: Jenny Isaac, Operational

9 Appointment of Certificated Bailiffs for the collection of Penalty Charge Notice debts 149 - 156

This report seeks approval of the Executive to award contracts for the provision of certified bailiff services for the collection of unpaid debts in relation to parking and traffic Penalty Charge Notices as required by Standing Order 88. This report summarises the procurement approach followed by the London Borough of Ealing in collaboration with the London Borough of Brent and seeks approval to an exemption from the usual tendering requirements of Contract Standing Orders for the direct award of these service concession contracts.

Ward Affected:
All Wards

Lead Member: Councillor Mashari
Contact Officer: Michael Read, Operational Director (Environment and Protection)
Tel: 020 8937 5302 michael.read@brent.gov.uk

10 Delegation of Powers to Birmingham City Council 157 - 170

This report seeks approval for the London Borough of Brent to authorise Birmingham City Council to investigate and institute proceedings against illegal money lenders operating within the Brent Council area.

Ward Affected:
All Wards

Lead Member: Councillor Mashari
Contact Officer: Michael Read, Operational Director (Environment and Protection)
Tel: 020 8937 5302 michael.read@brent.gov.uk

Regeneration and Major Projects reports

11 Housing Revenue Account - Asset Management Strategy 171 - 222

The HRA Asset Management Strategy sets a long-term approach to the maintenance and development of the Council's housing assets in order to best meet its housing objectives.

Ward Affected:
All Wards

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

12 School Expansion Programme - Phase 2 Permanent Primary School Expansion Works Contract, Preston Manor and Portfolio Update 223 - 246

This report provides an update on progress against the approvals given in earlier Executive committee meetings on the Schools Capital Portfolio/School Expansion Programme. This report specifically seeks approvals for delegated authority to award works contracts for projects in the Phase 2 Permanent Primary School Expansion Programme and a consultancy services contract for the Schools Capital Portfolio.
(Appendix referred to below)

Ward Affected:
All Wards

Lead Member: Councillors Crane and Pavey
Contact Officer: Cheryl Painting, Property and Asset Management, Sara Williams, Acting Director, Children and Families
Tel: 020 8937 3227, Tel: 020 8937 3510
cheryl.painting@brent.gov.uk,
sara.williams@brent.gov.uk

13 Award of Contract for Mail Services

247 -
256

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

Ward Affected:
All Wards

Lead Member: Councillor Denselow
Contact Officer: Margaret Read, AD (Customer Services)
Tel: 020 8937 1521
margaret.read@brent.gov.uk

14 South Kilburn Regeneration Programme

257 -
368

This report summarises the progress made on the regeneration of South Kilburn and sets out approvals required by the Executive to further progress projects within Phases 2 and 3 of the regeneration programme.
(Appendix referred to below)

Ward Affected:
Kilburn

Lead Member: Councillor Crane
Contact Officer: Abigail Stratford, Regeneration Officer - Major Projects
Tel: 020 8937 1026
abigail.stratford@brent.gov.uk

15 South Kilburn Regeneration Decentralised Energy Project

369 -
416

This report concerns the proposed procurement of an Energy Supply Company ('ESCo') to deliver the South Kilburn decentralised energy system to install, manage and maintain the system and deliver heat to all properties developed as part of the regeneration of South Kilburn (referred to as 'the Project').

Ward Affected:
Kilburn

Lead Member: Councillor Crane
Contact Officer: Abigail Stratford, Regeneration
Officer - Major Projects
Tel: 020 8937 1026
abigail.stratford@brent.gov.uk

Central Reports

- 16 Mid-year treasury report 2013/14** 417 -
424

This report updates Members on recent treasury activity.

Ward Affected:
All Wards

Lead Member: Councillor R Moher
Contact Officer: Conrad Hall, Chief Finance
Officer
Tel: 0120 8937 6529 conrad.hall@brent.gov.uk

- 17 Reference of item considered by Call in Overview and Scrutiny
Committee - none**

- 18 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.

- 19 Exclusion of Press and Public**

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

APPENDICES:

- **Supporting People Services - accident prevention**
- **Supporting People Services - emergency response**
- **Registered Children's Homes Block Contract**
- **South Kilburn Regeneration Programme**

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

- **School Expansion Programme - Phase 2 Permanent Primary
School Expansion Works Contract, Preston Manor and Portfolio
Update**

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

maintained in legal proceedings.

Date of the next meeting: Monday 9 December 2013



- Please remember to ***SWITCH OFF*** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public on a first come, first served basis.

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LONDON BOROUGH OF BRENT

MINUTES OF THE EXECUTIVE Monday 14 October 2013 at 7.00 pm

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

Also present: Councillors Cheese, Chohan, Hashmi, Lorber and RS Patel

Apologies for absence were received from: Councillor A Choudry

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

Councillors Crane, Denselow, Hirani, Mashari and R Moher declared personal interests in the report relating to the leasing of buildings at Barham Park as trustees of the Barham Park Trust and indicated that they would take no part in the discussion or voting thereon.

2. **Minutes of the previous meeting**

RESOLVED:

that the minutes of the previous meeting held on 16 September 2013 be approved as an accurate record of the meeting.

3. **Matters arising**

None.

4. **Deputation - award of the contract for Public Realm Services**

The Executive received a deputation from Mr Martin Francis (Brent and Harrow Palestine Solidarity Campaign) who spoke against the proposal in the report from the Strategic Director, Environment and Neighbourhoods to award the Public Realm contract to Veolia ES (UK) Ltd because Veolia was said to be complicit in the illegal occupation of Palestinian Territory, a moral position.

He referred to past promises that the council would pay greater heed to the concerns expressed by residents and a lack of transparency in the decision making process. Referring to the petition submitted to the meeting of the Executive in August, Mr Francis regretted that he had only recently received a formal written response. He questioned the fairness of the procurement process alleging the submission of misleading information and regretted that a request for extra time by a second bidder had not been acceded to, resulting in only one bidder being under consideration. Mr Francis urged the Executive to extend the existing contract for a year, that parks and ground maintenance should be separated and support given for an in-house bid.

The Executive heard from Mr Dan Judelson who felt that the council had a responsibility to ask questions about companies that would be in receipt of council tax payers' money and alleged that one of the bidders Veolia derived income from illegal activity. He regretted that a company such as Veolia should be a recipient of council tax payers' money. Mr Judelson reminded the Executive of the long term impact of Israeli settlements declared illegal since 1968 under international law questioned why this was not a consideration in the procurement process. Should Veolia be appointed, Dan Judelson called on the company to divest itself from alleged illegal activity.

Councillor Lorber (Leader of the Opposition) reminded the Executive that he had wished to raise this issue at a recent meeting of the Full Council but it had been ruled out of order. He expressed concern at the absence of competition in the procurement process which had resulted in the process going ahead with fewer than the six bidders in contrast to views expressed on competition at the recent Labour Party Conference. Referring to the detail of the contract, Councillor Lorber made reference to the requirement for residents to place bins close to the kerb which, in his experience, discouraged the contractor from returning them to the correct household and caused inconvenience. Councillor Lorber also expressed concern at the intention to have banded collection times in town centres and felt this would have an adverse effect on people who went to work during the day. He also felt that environmental promotion should be the responsibility of the council as policy maker, not the contractor.

Councillor Hashmi referred to the burial ground at Carpenders Park Cemetery and urged the Executive to ensure that it was well maintained under the contract and treated with respect. Gaynor Lloyd (Sudbury resident) expressed concern at the reference in the report over plans for environment promotion and pushing education through schools and expressed a wish for these campaigns to not be badged as Veolia initiatives but from the council. The Executive also heard from Aisling MacSweeney who urged the Executive to defer a decision on the new contract, to extend the existing one for a year and thereby allow more time for concerns to be resolved.

5. Award of the contract for managing the Public Realm

The report from the Director of Environment and Neighbourhoods sought approval to award a contract for the provision of public realm services as required by Standing Order 88. The report summarised the process undertaken in tendering the contract of waste, recycling, street cleansing, winter gritting, grounds maintenance (including Brent Housing Partnership open spaces) and burial services and following the completion of the evaluation of tenders and recommended the award of the contract. The report also set out the financial savings and other benefits associated with the contract including improved waste and recycling services, street cleaning at weekends in key town centres and improvements in customer satisfaction.

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

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

Councillor Mashari (Lead Member, Environment and Neighbourhoods) introduced the report from the Strategic Director of Environment and Neighbourhoods and spoke in support of the proposal to award the Public Realm contract to Veolia ES (UK) Ltd. She stated that the proposed contract would achieve savings, transfer responsibility for residual waste to the contractor and put customers and outreach at the forefront. Initiatives included the introduction of weekly collections for flats above shops, consideration of food recycling, a commercial waste service, time banded collections in town centres, leaf fall service, spray cleaning and enforcement against non-compliance. There would also be larger bins for large families. £100,000 would be spent on education and increased recycling would save on landfill taxes. Payment of the London Living Wage was built in, the workforce would be up-skilled, rewarded for initiative and an apprenticeship scheme introduced. Vacancies would be advertised locally. On burials, there would also be a better relationship with funeral directors. Councillor Mashari considered the contract to be value for money and thanked officers involved for their work. Responding to views expressed by residents, Councillor Mashari commented that she had spoken to residents and had many meetings with objectors. She also seen the detailed response from the Borough Solicitor. She acknowledged the concerns expressed by Councillor Hashmi over Carpenders Park Cemetery. From her experience, she found that the refuse collectors took great care in replacing bins and assisted collections remained an option.

Councillor J Moher (Lead Member, Highways and Transportation) stated that the concerns expressed earlier in the evening against the contract did not relate to the substance of the contract. The council had an obligation to get the best deal for the borough and could not exclude the main contractor on pure political grounds. He corrected the value of the contract stated in recommendation 2.2 of the Director's report to £143.1M as set out in paragraph 8.1 of the financial implications.

The Chair (Councillor Butt, Leader of the Council) while expressing sympathy for the plight of the Palestinians, stated that the council was obliged to follow procurement rules. He felt the council had been open and transparent and extensive dialogue had taken place and efforts made to be fair to everyone. Regarding the contract length, the remit had been extended and contractor needed time to recoup their investment, hence the extension from seven to nine years duration. The Lead Member for Resources reminded of the financial position of the council and paid tribute to the hard negotiations that had achieved savings. Members heard that in their dealings with schools, Veolia would be representing the council under Brent branding. Members also concurred that the council was obliged to take a practical stance, exercise leadership mindful that most residents' prime concern was for cleaner streets and a reduction in fly tipping.

Fiona Ledden (Borough Solicitor) explained that the detailed legal advice which had been obtained was privileged information and as such could not be disclosed. She confirmed that from her communications with other local authorities that they had not excluded the company from the procurement process. Legal advice had also been taken on request by one party for an extension to the timetable. The Borough Solicitor also advised that the cost implications of delaying the start of the contract would be significant. The Director of Environment and Neighbourhoods confirmed that the consultations with Brent Housing Partnership leaseholders over Veolia ES (UK) Ltd to carry out grounds maintenance services, as referred to in the report, had completed successfully.

RESOLVED:

- (i) that approval be given to the award of the Public Realm Services contract to Veolia ES (UK) Ltd for an initial period of nine years with the option to extend for a further period of up to seven years;
- (ii) that it be noted that the value of the contract is estimated to be £143.1 million over the nine year duration of the contract and offers a full year saving of £1.3m from 2014/15 rising to £1.7m from 2017/18 onwards, compared to current budgets;
- (iii) that it be noted that the contract will also provide grounds maintenance and cleansing services in Barham Park;
- (iv) that it be noted that the Brent Housing Partnership Board has approved the award of the contract to Veolia ES (UK) Ltd;
- (v) that approval be given to the introduction of proposed changes to service arrangements under the Public Realm Services contract as set out in paragraphs 4.7.1 to 4.7.36 of the report from the Director of Environment and Neighbourhoods and the equality analysis in paragraphs 10.1-10.19 of the report be noted;
- (vi) that approval be given to the introduction of specific time-banded waste collections of residential and business waste from commercial areas as detailed in paragraphs 4.7.8-4.7.12 of the report to improve the cleanliness of Brent's streets, increase recycling and reduce waste disposal costs;
- (vii) that approval be given to the grant of lease and licence to the new contractor of such council premises as the contractor may occupy for the purpose of the performance of the contract; such lease and license to run concurrently with the contract and to be on terms to be agreed by the Strategic Director of Regeneration and Growth in consultation with the Borough Solicitor;
- (viii) that the risks associated with the new contract as identified in Section 5 of the report and the proposed approach to mitigation be noted;
- (ix) that the Executive note the TUPE implications for Council and other staff as set out in Section 6 resulting from the award of the Public Realm Services Contract;
- (x) that the Executive note the approach to managing the contract by deploying a single client team across both the council and BHP;
- (xi) that authority be delegated to the Strategic Director of Environment and Neighbourhoods in consultation with the Borough Solicitor to sign an agreement with BHP for the joint management of the contract;
- (xii) that the Public Realm contract be made London Living Wage compliant as set out in paragraph 4.7.37 of the Director's report;

- (xiii) that the Executive delegate to the Strategic Director of Environment and Neighbourhoods, in consultation with the Borough Solicitor and Lead Members, authority to finalise any outstanding contractual matters;
- (xiv) that approval be given to a variation to the council's existing Waste Services contract to deliver savings of £300,000 during 2013/14 as detailed in paragraphs 4.8.2 and 10.18 of the Director's report.

6. Leasing of Buildings, Barham Park, 656-660 Harrow Road, Sudbury HA0 2HB

The report before the Executive from the Strategic Director of Regeneration and Growth proposed that the Council enter into leases of property from the Barham Park Trust (BPT) as offered at the Trust meeting of 13 February 2013; and that officers be authorised to grant a sub-lease of those properties as appropriate.

Richard Barrett (Assistant Director, Property and Asset Management) outlined the proposals which involved three units within the Barham Park Building complex referred to as the Children's Centre, the Card Room and the Barham Park Veterans Accommodation. The council would enter into leases for the buildings and then sub-lease to individuals where appropriate. The council would continue to use part of the building as a Children's Centre. It was proposed that the council would offer the Veterans Association a four year sub lease for the areas comprising the snooker room initially rent free for one year rising gradually to full market rent at the end of the period. The third space, the Card Room was considered suitable for a café.

With the consent of the Executive, Mr R Patel addressed the meeting on behalf of Barham Veterans Association. He stated that the Club had been established since 1947 and had been council run until 2000. The expenses had fallen on the Vets who were not a commercial organisation and whose members were pensioners. Mr Patel advised that most of their activities took place in the Card Room and so any change of use would be a loss.

Councillor Lorber (Ward Councillor, Leader of the Opposition) expressed regret that the Vets and the Club had only recently had sight of the report and had not had the opportunity for proper discussion; indeed there had been no consultation since February 2013. They were only recently advised that they would no longer have use of the Card Room. This was in contrast with indications given 18 months previously and also agreements negotiated with the former Parks Manager which had involved free lets and evening use. Councillor Lorber questioned the need to enter into a leasing arrangement, and the motivation behind the proposal to seek planning permission for change of use to allow leasing to the charity ACAVA. He drew attention to the former library sites at Kensal Rise and Cricklewood where planning permission had been refused due to the loss of community space. He also questioned the assessment of the market rent which now was assessed to be one third of an earlier independent assessment and whether it could have been set at a level that was more beneficial to the Trust. Councillor Lorber urged the Executive to defer consideration of the report so that proper consideration could be given. Ms Gaynor Lloyd (Sudbury resident) questioned the proposed legal arrangements for the use of the park depot and whether these would create difficulties in the future.

In response, Richard Barrett (Assistant Director, Property and Asset Management) clarified that negotiations commenced approximately 15-20 months previously, could

not been progressed further in the absence of Executive authorisation. The offer of a year free rent was to be a buffer. He acknowledged that in the past there had been some confusion over responsibility for the Trust property and that it was now clear that only the Trust was authorised to enter into agreement with users of its land. Richard Barrett confirmed that cafés were usually popular with park users and the space would be marketed. Capital investment would be required for a longer lease. Fiona Ledden contributed that the council would look at the points raised by Gaynor Lloyd in relation to the Parks Depot, this meeting was to consider whether the council should take a lease from the Trust. In relation to the Vets, Fiona Ledden noted that there was a counter offer by the Vets for rental arrangements and that negotiation between the Vets, and officers and the Leader was an option.

Councillor Pavey (Lead Member, Children and Families) was pleased that the future of the Children's Centre on the site had been safeguarded. The Chair read out to the meeting the new recommendation (iii) which offered the Vets a sub-lease of the snooker and billiard rooms hoping the offer would help the organisation to become more self-sustainable, which was agreed.

RESOLVED:

- (i) that the Brent Council enter into three leases of buildings for lease terms in accordance with details set out in Paragraphs 3.8 -3.20 of the report from the Strategic Director of Regeneration and Growth. Final terms to be approved by the Strategic Director;
- (ii) that the the Strategic Director of Regeneration and Growth be authorised to approve terms for a sub-lease or assignment of a lease of the card room as appropriate along the lines set out in the Director's report;
- (iii) that the Vets be offered a sub-lease of the snooker and billiard room to regularise their use of Barham Park in accordance with the council's policy on use of council premises by voluntary organisations and that the terms and rental cost be discussed and agreed between the Operational Director Property and Projects and the Vets, in consultation with the Leader of the Council;
- (iv) that officers advertise in a local newspaper the disposal by way of the sub-lease(s) of those properties forming part of open space under Section 123 of the Local Government Act 1972 and if in the opinion of the Operational Director Property and Projects there are significant objections in respect of the loss of open space to refer those substantive objections back to the Executive to consider.

Councillors Crane, Denselow, Hirani, Mashari and R Moher declared personal interests in this item as trustees of the Barham Park Trust and took no part in the discussion or voting thereon.

7. Brent House, 379 High Road, Wembley, HA9 - lease

The report from the Strategic Director of Regeneration and Growth requested authority to grant lease extensions at Brent House to a commercial occupier in the best commercial interests of the Council.

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

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

RESOLVED:

that authority be delegated to the Operational Director Property and Projects to agree suitable lease extensions as set out in the appendix to the report which was not for publication.

8. Budget Strategy update

On behalf of the Executive, Councillor R Moher welcomed Conrad Hall, newly appointed Chief Finance Officer, to his first meeting of the Executive. The Executive wished to place on record their gratitude to Mick Bowden Deputy Director, who had covered the Director's role in the interim.

Councillor R Moher in introducing the Budget strategy update report which set out the council's funding forecast for the next three years, Councillor Moher outlined the spending assumptions and reminded the Executive that the budget gap remained substantial. The Chief Finance Officer stressed the importance of taking a long term view on the budget pointing out that being made to make savings over the next three years were based on estimates, which were subject to change. The Chair concurred that the pressures were not diminishing but assured that the council would deliver for residents.

RESOLVED:

that the latest forecast for the Council's revenue budget for 2014/15 to 2016/17 at Appendix 1 of the report from the Deputy Director of Finance and the assumptions used to derive this, be noted.

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

None.

10. Any other urgent business

None.

The meeting ended at 8.55 pm

M BUTT
Chair

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 Brent	<p style="text-align: center;">Executive 11 November 2013</p> <p style="text-align: center;">Report from the Director of Adult Social Services and Director of Regeneration and Growth</p>
For Action	Wards Affected: ALL
Approval to Award Contract for Accident Prevention & Handyperson service.	

Reason for non-publication

Appendix 2 of the report is not for publication as it contains the following categories of exempt information as specified in Schedule 12A to the Local Government Act.
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

1.0 Summary

- 1.1 This report seeks the approval of the Executive to award a contract for the provision of Accident Prevention and Handyperson Service as required by Standing Order 88(c). This report summarises the results of the procurement process undertaken by Brent officers and following completion of the evaluation recommends a contractor for award of the proposed contract. The report also sets out the financial implications and other benefits associated with the contract.

2.0 Recommendations

- 2.1 That the Executive approve the award of the contract for Supporting People - Accident Prevention and Handyperson Service to Elders Voice for an initial contract period of two (2) years with the option to extend for a further period of one (1) plus one (1) years.
- 2.2 That the Executive note the value of the contract for the provision of Accident Prevention and Handyperson Services is estimated to be circa £137,000 per annum for up to four year duration of the contract over the contract period stated at paragraph 2.1 above.
- 2.3 That the Executive note that the successful bidder is also the incumbent and

therefore no transition period for contract implementation is required.

3.0 Detail

3.1 Overview

- 3.1.1 An approval to the pre - tender considerations and criteria for new procurement exercise was reported at the Executive in June 2013. This report now provides the outcome of the procurement and the resulting recommendation for award of contract.

3.2 Background

- 3.2.1 Supporting People is a national preventative programme administered by local government which aims to enable vulnerable people to live independently in the community through providing housing-related support services.
- 3.2.2 The Handyperson and Accident Prevention Services are part of the portfolio of services commissioned within the Supporting People programme. The aim of this service is to increase the independence of people living in their own home and to prevent the occurrence of accident and/or illness which may result in people accessing higher threshold forms of care (i.e. hospital, residential and/or nursing care). A contract for the delivery of these services in Brent has been in place continuously since April 2009, and was extended for 7 months to allow for this procurement to be completed.
- 3.2.3 Responsibility for the commissioning of these services is with Brent Council's Adult Social Care (ASC) department and the budget is held by Regeneration and Growth Governance of this service area is maintained jointly by the ASC Departmental Management Team and the One Council Supporting People Project Board.

3.3 Procurement Process

- 3.3.1 Accident Prevention and Handyperson Services are defined as Part B services under the Public Contract Regulations 2006 (as amended) ("the Regulations").
- 3.3.2 The Open Procedure under the Regulations was used for this tender. Whereby providers' bids were evaluated in a one-stage approach, covering pre-selection and qualitative criteria.
- 3.3.3 In order to adhere to the Council's Contract Standing Orders, the Treaty on the Functioning of the European Union (EU Treaty Principles) and achieve best value; the Council carried out a competitive tender process in an open, fair and transparent manner with full advertising of the requirements in the London Tenders Portal, Brent local Newspaper and on the Community Care place website and compliance when inviting and evaluating tenders to ensure Value for Money for the Council in the delivery of the Accident Prevention and Handyperson Service Contract.

4.0 The Tender Process and Council's Contract Standing Orders

4.1 The tendering process was undertaken in one stage (open tender process) in accordance with the Council's Standing Orders 96 (b) and via the Council's eTendering system (Due North).

4.2 The tender opportunity was advertised on Due North - The London Tenders Portal, Brent local Newspaper and on the Community Care place website

Evaluation Process

4.3 A Qualification Questionnaire (QQ) was used to assess those suppliers with the financial, economic and technical capacity to deliver the requirements under the contract using the process and criteria as set out in Appendix 1:

4.4 Tenders Received

Following the advertised Expressions of Interest for the tender opportunity, 27 organisations responded to the Accident Prevention & Handyperson Service:

There were 4 tender submissions in total, 3 of which were submitted on time. The 1 remaining tender was late by 42 seconds and was put through to evaluation following authorisation from the Monitoring Officer.

The 4 submitted bids were evaluated and 1 organisation failed the H&S QQ section.

Outcome of Qualification Questionnaire evaluation shown in table below:

Supplier	Total PQQ Score	Comments
Elders Voice	96.46%	1st
Bidder 2	86.56%	2nd
Bidder 3	70.01%	3rd
Bidder 4	Failed Health & Safety Stage	Failed Health & Safety Stage

Evaluation of Quality Factors

Method Statements submitted outlined the Tenderers' Proposals for delivering the qualitative aspects of the contract requirements as outlined in the specification document issued out with the tender pack.

The evaluation of the qualitative elements was carried out by the evaluation panel in line with the evaluation criteria set out further above in in Appendix 1 of this Report.

The table below details the quality scoring for the 3 bidders

Organisation	Question(s)	Weighting	Max Score Available	Weighted Score
Bidder 1	Question 1	7.5%	4	5%

	Question 2	7.5%	4	4%		
	Question 3	5.0%	4	3%		
	Question 4	5.0%	4	3%		
	Question 5	2.5%	4	1%		
	Question 6	2.5%	4	2%		
				Total Quality Score	Max. Quality Score 30%	18.96%
Elders Voice	Question 1	7.5%	4	7%		
	Question 2	7.5%	4	7%		
	Question 3	5.0%	4	4%		
	Question 4	5.0%	4	5%		
	Question 5	2.5%	4	2%		
	Question 6	2.5%	4	2%		
				Total Quality Score	Max. Quality Score 30%	26.46%
Bidder 3	Question 1	7.5%	4	6%		
	Question 2	7.5%	4	6%		
	Question 3	5.0%	4	4%		
	Question 4	5.0%	4	3%		
	Question 5	2.5%	4	1%		
	Question 6	2.5%	4	1%		
				Total Quality Score	Max. Quality Score 30%	21.88%

The highest score attainable for this section was 30%. Elders Voice had the best score of 26.46%.

The tenderers were expected to respond to 6 questions relating to the contract tendered for. The panel marked and scored each question to support the tender submission.

Summary of Price Evaluation

Tenderers were evaluated on the pricing section as laid out Appendix 1 headed 'Pricing Evaluation Criteria'. The pricing elements of this tender accounted for 70% of the overall tender score. Please note that bidders were free to quote a different price for each of the four years, and bidders who took advantage of this feature in the pricing schedule will not have a maximum value that is equal to the year 1 price x 4.

<u>Price tendered</u>	Bidder 1	Elders Voice	Bidder 3	<u>70%</u>
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"The Price" submitted (Year 1 - 4)	£574,580	£554,868	£806,936	
Weighted Score	67.60%	70.00%	48.13%	

<u>Price per annum</u>	Bidder 1	Elders Voice	Bidder 3	<u>70%</u>
"The Price" submitted	£143,645	£136,352	£208,928	
Weighted Score	66.45%	70.00%	45.68%	

The current comparable contract is valued at £133,658 per annum.

There was a call off the Brent Supporting People framework however there was just one bidder in the lot pertaining to these services. Because TUPE liability to this contract is greater than the actual value of the contract itself, the price was higher than current cost and therefore the Council decided not to proceed with an award and instead made another attempt to procure these services by rebalancing the quality price ratio to encourage more focus on pricing and by opening the opportunity to the wider market.

In addition the slight increase in cost should be viewed within the context of additional value for money and increased efficiency achieved by extending access of the service beyond older people to other vulnerable groups and increasing the number of jobs per annum.

Finally this marginal cost difference can be tolerated within the context of wider savings delivered over the past twelve months associated with the procurements of other Supporting People services.

Preferred Bidder Recommendation

It is recommended that **Elders Voice** be awarded the contract for the delivery of the Accident Prevention and Handyperson Service to the London Borough of Brent. The contract would be awarded for up to 4 years (2 years plus 1 plus 1) with an expected contract start date of January 2014.

Please see the table below, which details the total overall score combining the Financial and Quality aspects of the Evaluation.

Overall Tender Score and High level Criteria Analysis			
Award Criteria	Bidders		
	Bidder 1	Elders Voice	Bidder 3
Total QUALITY SCORE RATING AS 30%	18.96%	26.46%	21.88%
Total PRICING SCORE RATING AS 70%	67.60%	70%	48.13%
TOTAL SCORE RATING AS 100%	86.56%	96.46%	70.01%

Please see the table below, which details the total overall score and clearly shows the bidder's final position.

Overall Tender Score and Bidder's position		
Name of Bidder	Overall Score	Rank
Elders Voice	96.46%	1st
Bidder 2	86.56%	2 nd
Bidder 3	70.01%	3 rd

5. Risks

5.1 There are no known risks associated with this contract award.

6.0 Financial Implications

6.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 89.

6.2 Investment associated with the current service specification for Accident Prevention and Handyperson services is £133,658k per annum. The marginal cost difference can be tolerated within the context of wider savings delivered over the past twelve months associated with the procurements of other Supporting People services.

6.3 The new contract is anticipated to start in January 2014.

6.4 It is anticipated that the cost of this contract will be funded from existing resources

6.5 Bidder details are commercially confidential and are set out in Appendix 2.

7.0 Staffing Implications

7.1 There are no known staffing implications that may impact upon the award of this contract. The successful contractor is also the incumbent and therefore the contractor's workforce is not affected.

8.0 Legal Implications

8.1 The contracts for the Supporting People funded Accident Prevention and Handyperson service is Part B services contract for the purposes of the Public Contracts Regulations 2006 ("EU Regulations"), and thus only subject to partial application of the EU Regulations when tendering to include requirements covering technical specifications and the need to publish a Contract Award Notice following award. Where such services are of interest to providers located in other EU Member States, the contract must be procured

in line with the Treaty on the Functioning of the European Union in respect of non-discrimination, equal treatment, fairness and transparency in the award process. Officers have followed a fair and transparent tender process, which is clearly set out within the body of this report and appendices.

8.2 The proposed Accident Prevention and Handyperson Service contract is a High Value services contract (exceeding £250,000 over the life of the contract and taking into account any extensions) and as such, in accordance with the Council's Contract Standing Orders, the Executive is required to review and agree the award of contract in accordance with Contract Standing Order 88(c).

8.3 As stated within the report, the provider recommended for award is the incumbent provider and as such, the TUPE Regulations are not applicable to this contract.

9.0 Diversity Implications

9.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications. An Equalities Impact Assessment (EIA) has been undertaken in accordance with the Equality Act 2012. A copy of the EIA is appended to the 12th November Executive report which requested authority to award the Supporting People Framework, of which the Accident Prevention & Handyperson Service formed part of. This EIA has been approved by the Customer and Community Engagement Team. As the two services recommended for tendering in this report will be essentially the same as those currently delivered by the incumbent providers, it is considered that a further Equalities Impact Assessment is not required.

10.0 Appendices

Appendix 1 – The tender process and evaluation comprising commercial-in-confidence information.

Appendix 2 - Evaluation Criteria and Pricing Methodology

11.0 Background Papers

- Executive Report 17 June 2013 -Supporting People Services – approval of contract extensions and pre-tender considerations
<http://democracy.brent.gov.uk/documents/s17486/asc-supporting-people.pdf>
- Equalities Impact Assessment (EIA) report Appendix 5 of 12 November 2012 Exec.
<http://democracy.brent.gov.uk/documents/s13102/asc-supporting-people-app-eia.pdf>

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Appendix 1

Evaluation Criteria and Weightings Overview

Accident Prevention & Handyperson Service		
Questions	Type	Weighting
Section A Contact and Administrative Information		0
Name of the organisation submitting this application	For Information only	0
Person applying on behalf of the organisation	For Information only	0
Trading name of organisation (if different from the name previously given)	For Information only	0
Registered name of organisation (if different from the name previously given)	For Information only	0
Registered Office address	For Information only	0
Is your organisation a sole trader, traditional partnership, limited liability partnership, private limited company, public limited company or other (please specify in the comments section)?	For Information only	0
If applicable, please state the number and date and provide a copy of the Certificate of Incorporation or Registration (and change of name) under the Companies Act 2006 or Industrial and Provident Societies Acts 1965 to 1978, or any other legislation.	For Information only	0
Please complete the attached document with the full names of all directors / partners / company secretary (or other persons with a similar position of control to a director or partner) in the organisation. Please also include the job title.	For Information only	0
If any of your directors / partners / company secretary are or have been employed by Brent Council, please complete the attached document. Please give department / unit and dates of employment.	For Information only	0
If any of your directors / partners / company secretary are or have served as Councillors at Brent Council, please complete the attached document . Please give department / unit and dates of employment.	For Information only	0
If your directors / partners / company secretary have a spouse, co-habiting partner, child, parent or business associate who is employed by Brent Council at a senior level or who is a Councillor, please complete the attached document including details of relationship.	For Information only	0
If your directors / partners / company secretary have any involvement in other organisations (e.g. as employee, director) who provide services to Brent Council, please complete the attached document and explain the nature of your involvement.	For Information only	0
Are you aware of any existing customers of your organisation whose interests may overlap with those of the Council, such that your organisation could have a conflict of interest in advising that customer as well as the Council? If yes, please provide details of the conflict.	For Information only	0

Section B Sub-Contracting and Consortia		0
Is your organisation bidding to provide the services required by itself?	For Information only	0
Does your organisation intend to work with other parties to provide some services?	For Information only	0
Section C Professional Conduct		0
Has your organisation or any directors or partner or any other person who has powers of representation, decision or control been convicted of any of the following offences?	Pass/Fail Question	0
Is any of the following true of your organisation?	Pass/Fail Question	0
Has your organisation committed any of the acts/ omissions listed below?	Pass/Fail Question	0
Section D Economic and Financial Standing		0
If the organisation is a member of a group of companies, please state where the parent company is incorporated and give the names and addresses of the parent company and the ultimate holding company (if different)	Pass/Fail Question	0
Would the parent or ultimate holding company be prepared to guarantee your contract performance as its subsidiary?	Pass/Fail Question	0
Please confirm your willingness to provide a Performance Bond should this be required (Note: This would be paid for by the Council)	Pass/Fail Question	0
Please state the name and title of the person in the organisation responsible for financial matters	For Information only	0
Please attach electronic versions of the organisation's audited accounts for the past three years, to include: please see options listed below	Pass/Fail Question	0
If the Accounts you are submitting are for a year ended more than 10 months ago, please provide (a) Turnover since the end of last financial year (b) Estimate of Profit before and after tax, if available (c) Confirmation that the company is still trading.	Pass/Fail Question	0
Has your organisation met the terms of its banking facilities and loan agreements (if any) during the past 3 years?	Pass/Fail Question	0
Has your organisation met all its obligations to pay its creditors and staff during the past year?	Pass/Fail Question	0
Please state the amount of any outstanding fine arising out of civil or criminal proceedings, or imposed by an enforcement agency such as the Serious Fraud Office or the Competition Commission, which your organisation remains liable to pay. Please confirm over what period the outstanding amount is payable, together with the estimated impact on your organisation's balance sheet. Please only include fines etc which when imposed exceeded £5,000.	Pass/Fail Question	0
What is the name and address of your Bankers (who could provide a reference).	Pass/Fail Question	0
Section E Insurance		0
Employers Liability Insurance held (Minimum acceptable amount as set out in the Questionnaire Instructions)	Pass/Fail Question	0

document)		
Public Liability (Third Party) Insurance held (Minimum acceptable amount as set out in the Questionnaire Instructions document)	Pass/Fail Question	0
Please see the Questionnaire instructions document to see whether you are required to have a "Principals" clause in your Employers and Public Liability Insurance Policies. If so, please confirm whether you have this.	Pass/Fail Question	0
In the event that the Council requires Product Liability Insurance as part of the contract award, please confirm that you are able to provide and enclose a copy of your policy (Minimum acceptable amount as set out in the Questionnaire Instructions document).	Pass/Fail Question	0
In the event that the Council requires Professional Indemnity Insurance as part of the contract award, please confirm that you are able to provide and enclose a copy of your policy (Minimum acceptable amount as set out in the Questionnaire Instructions document).	Pass/Fail Question	0
Section F Health and Safety		0
Membership and Accreditations: Are you a member of an approved scheme under SSIP, Safety Schemes in Procurement? (See www.ssip.org.uk for details); and/or are you accredited to BS OHSAS18001 (or its equivalent)?	Pass/Fail Question	0
Have you been issued with any Improvement Notices, Prohibition Notices or other Enforcement Notices by the Health and Safety Executive, Local Authority or Fire Service in the last three years?	Pass/Fail Question	0
Have you been prosecuted by the Health and Safety Executive, Local Authority or Fire Service in the last three years?	Pass/Fail Question	0
Additional Health and Safety Questions		0
Do you have a health and safety management system in place?	Pass/Fail Question	0
Do you have access to competent health and safety advice?	Pass/Fail Question	0
Do you have a procedure for recording and reporting of accidents, incidents, violent incidents, dangerous occurrences, occupational ill-health and near misses?	Pass/Fail Question	0
Do you have a procedure for risk assessment and risk management?	Pass/Fail Question	0
Do you have a health and safety policy that has been developed or reviewed in the last two years?	Pass/Fail Question	0
Do you have a training plan to ensure staff competency?	Pass/Fail Question	0
Do you have a procedure for consulting and communicating with staff over health and safety issues?	Pass/Fail Question	0
Do you have a procedure for managing and monitoring sub-contractors (if applicable)?	Pass/Fail Question	0
Section G Quality Assurance		0
Please confirm if your organisation has acquired a Quality Assurance Accreditation. Please select one or more of the below as applicable.	Pass/Fail Question	0

Section H Equality		0
There are 9 “protected characteristics” under the Equality Act: age, race, religion or belief, disability, sex, age, gender reassignment, pregnancy and maternity, marriage and civil partnership or sexual orientation. Has any finding of unlawful discrimination been made against your organisation in the last three years in respect of an individual having one of these protected characteristics?	Pass/Fail Question	0
What does your organisation do to ensure that promotion of equality and diversity are embedded throughout the organisation?	Pass/Fail Question	0
Can you give an example of how your organisation has adapted its service or work environment to meet the needs of a group or individual with a protected characteristic? The protected characteristics are: Age, race, religion or belief, disability, sex, age, gender reassignment, pregnancy and maternity, marriage and civil partnership or sexual orientation.	Pass/Fail Question	0
Section I Environmental		0
Do you have a certified Environmental Management System (“EMS”) to ISO14001 or EMAS standard or equivalent (example, Acorn BS 5558)?	Pass/Fail Question	0
Do you have an environmental policy?	Pass/Fail Question	0
Within the last 3 years has your organisation:	Pass/Fail Question	0
Please give an example of how you have changed your working practices to reflect your environmental policy.	Pass/Fail Question	0
Section J Method Statement Questions		30%
Explain how your organisation will deliver an accident prevention and handyperson service in such a way as to ensure that service users achieve the specified outcomes, (economic well being, being healthy, staying safe, and making a positive contribution), to the fullest extent possible. (Maximum 2500 characters)	Scored Question	7.50%
Explain how you will mobilise the operations of the accident prevention and handyperson service in an efficient manner, including your approach to the logistics of service delivery across Brent.(Maximum 2500 characters)	Scored Question	7.50%
Explain how you will ensure that partners (including statutory/ voluntary sector organisations), are effectively involved in the delivery of the supports required for service users to achieve the specified outcomes.(Maximum 1750 characters)	Scored Question	5%
Explain the staffing model of your organisation and that which you would develop for the service to ensure the specified outcomes are achieved. How will you recruit, train, and retain staff with the appropriate skills and experience? (Maximum 2000 characters)	Scored Question	5%

Explain how your organisation will design and deliver services such that the scope for the service user's choice and control over how their needs are met is maximised. Explain you will involve service users in the design, delivery, and evaluation of housing-related support services.(Maximum 2000 characters)	Scored Question	2.50%
Explain how you will ensure that all service users are treated with dignity and respect, and how the service will effectively meet the cultural, ethnic, gender, language, disability, sexuality and age-specific needs of a diverse population. (Maximum 1750 characters)	Scored Question	2.50%
Section K Pricing Schedule		
Organisations are required to attach their pricing schedule to this section.	Attachment Required	70%

Evaluation Methodology for scored questions for both QQ and Method Statement

In the evaluation of scored questions, a scoring range of between 0 and 4 was used to score Potential Bidders response. The assignment of a score of 0, 1, 2, 3 or 4 was based on the following assessments:

Assessment	Score
Deficient – Response to the question (or an implicit requirement) significantly deficient or no response received.	0
Limited – Limited information provided, or a response that is inadequate or only partially addresses the question.	1
Acceptable – An acceptable response submitted in terms of the level of detail, accuracy and relevance.	2
Comprehensive – A comprehensive response submitted in terms of detail and relevance.	3
Superior – As Comprehensive, but to a significantly better degree.	4

In order to assess tender returns, a method statement and pricing schedule for completion was included in the tender documentation.

Bidders will fail the Method Statement Questions evaluation if they:

- Score 0 out of the available 4 for any of the Method Statement Questions.
- Score 1 out of the available 4 for any three of the scored Method Statement Questions.
- Score less than 50% for the overall quality score.

Price Evaluation Criteria

Price will consist of 70% of the evaluation weightings. The evaluation method will ensure that the lowest price achieves the maximum available marks, with other Bidders scores calculated proportionately. The lowest price will achieve the maximum available score (70%) with the other Bidders prices scoring points inversely proportionate to the lowest.

A cost of service (the Price) will be established using the Price submitted in the ITT Pricing Schedule. The cost of service will be calculated using the following methodology:

The Price will be calculated by adding the year 1 to year 4 Annual Price to calculate a total cost of service.

The lowest Bidders Price submitted shall be divided by the Bidders Price, and then multiplied by the price weighting percentage and rounded up to two decimal places to give the Bidders price score i.e.

$\text{Lowest Bidders price} / \text{Bidders price} \times \text{Price weighting.}$

The Quality of service was assessed based on bidders method statement responses and there were three evaluators from the Service Area.

Each evaluator individually scored each organisation. All evaluators provided detailed commentary against their marking not only to support their scoring but to enable a constructive feedback for all bidders.

Once all scores were merged to compile an overall matrix of the evaluation panel's collective assessments. These were then reviewed to test for any anomalies and extreme disconnects between the majority scores. After evaluator clarification if there was a common view that moderation was appropriate then this was made. Where there was a justification for the anomaly then this was left unaltered.

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

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 <p>Brent</p>	<p style="text-align: center;">Executive 11 November 2013</p> <p>Report from the Strategic Director of Regeneration and Growth and Director of Adult Social Services</p>
<p>For Action</p>	<p>Wards Affected: ALL</p>
<p>Approval to Award Contract for Emergency Response service.</p>	

Appendix 2 is not for publication in accordance with the Local Government Act 1972, Schedule 12(A) (3).

1.0 Summary

- 1.1 This report seeks the approval of the Executive to award a contract for the provision of Supporting People - Emergency Response as required by Standing Order 88(c). This report summarises the results of the procurement process undertaken by Brent officers and following completion of the evaluation, recommends a provider for award of the proposed contract. The report also sets out the financial implications and other benefits associated with the contract.

2.0 Recommendations

- 2.1 That the Executive approve the award of the contract for Emergency Response to the Barnet Group for an initial contract period of two (2) years with the option to extend for a further period of one (1) plus one (1) years.
- 2.2 That the Executive note that the value of the contract for the provision of Emergency Response Service is estimated to be circa £100,000 per annum for the contract period stated at paragraph 2.1 above.

3.0 Detail

3.1 Overview

- 3.1.1 An approval to the pre - tender considerations and criteria for the new procurement exercise was reported at the Executive meeting in June 2013. This report now provides the outcome of the procurement and the resulting recommendation for award of contract.

3.2 Background

- 3.2.1 Supporting People is a national preventative programme administered by local government which aims to enable vulnerable people to live independently in the community through providing housing-related support services.
- 3.2.2 The Emergency Response service is part of the current Sheltered Housing Contract, which is also part of the portfolio of services commissioned within the Supporting People programme. This contract expired on 31st March 2013; however the services continue to be provided by Willow Housing on a spot purchase basis. This contract is for services targeted at older people and is comprised of 4 elements:
- housing-related support for people living in sheltered housing,
 - scheme management for people living in extra care schemes,
 - emergency response for out of hours support, and
 - activities co-ordination to enable older people to participate in meaningful activities during the day.
- 3.2.3 Responsibility for the commissioning of these services is with Brent Council's Adult Social Care (ASC) department and the budget is held by Regeneration and Growth. Governance of this service area is maintained jointly by the ASC Departmental Management Team and the One Council Supporting People Project Board.

3.3 Procurement Process

- 3.3.1 Emergency Response Service is defined as Part B services under the Public Contract Regulations 2006 (as amended) ("the Regulations").
- 3.3.2 The Open tender process under the Regulations was followed for this tender. Whereby providers' bids were evaluated in a one-stage approach, covering pre-selection and qualitative criteria.
- 3.3.3 In order to adhere to the Council's Contract Standing Orders, the Treaty on the Functioning of the European Union (EU Treaty Principles) and achieve best value; the Council carried out a competitive tender process in an open, fair and transparent manner with full advertising of the requirements in the London Tenders Portal, Brent local Newspaper and on the Community Care place website and compliance when inviting and evaluating tenders to ensure Value for Money for the Council in the delivery of the Emergency Response Contract.

4.0 The Tender Process and Council's Contract Standing Orders

- 4.1 The tendering process was undertaken in one stage (open tender process) in accordance with the Council's Standing Orders 96 (b) and via the Council's eTendering system (Due North).
- 4.2 The tender opportunity was advertised on Due North - The London Tenders Portal, Brent local Newspaper and on the Community Care place website

- 4.3 A Qualification Questionnaire (QQ) was used to assess those suppliers with the financial, economic and technical capacity to deliver the requirements under the contract using the process and criteria as set out in Appendix xx:

4.3 Tenders Received

Following the advertised Expressions of Interest for the tender opportunity, 43 organisations responded to the Emergency Response Service:

There were 6 tender submissions in total, out of which 1 was non compliant.

The remaining 5 submitted bids were evaluated and 1 organisation failed the H&S QQ section.

Outcome of Qualification Questionnaire evaluation shown in table below:

Bidders	Total PQQ Score	Comments
The Barnet Group Limited	90.21%	1st
Bidder 2	80.06%	2nd
Bidder 3	76.56%	3rd
Bidder 4	38.92%	4th
Bidder 5	Failed H&S	Failed H&S

4.4 Evaluation of Quality Factors

- 4.4.1 Method Statements submitted outlined the Tenderers' Proposals for delivering the qualitative aspects of the contract requirements as outlined in the specification document issued out with the tender pack.

- 4.4.2 The evaluation of the qualitative elements was carried out by the evaluation panel in line with the evaluation criteria set out further above in part 4 of this document.

- 4.4.3 The table below details the quality scoring for the 4 bidders

Organisation	Question(s)	Question Weighting	Max Score Available	Weighted Score		
Barnet Group	Question 1	7.5%	4	6%		
	Question 2	5.0%	4	2%		
	Question 3	7.5%	4	6%		
	Question 4	5.0%	4	3%		
	Question 5	2.5%	4	2%		
	Question 6	2.5%	4	2%		
				Bidder 1 Total Quality Score	Max. Overall Quality score 30%	20.21%
Bidder 2	Question 1	7.5%	4	3%		
	Question 2	5.0%	4	3%		
	Question 3	7.5%	4	3%		
	Question 4	5.0%	4	3%		

	Question 5	2.5%	4	1%		
	Question 6	2.5%	4	2%		
				Bidder 2 Total Quality Score	Max. Overall Quality score 30%	15.21%
Bidder 3	Question 1	7.5%	4	6%		
	Question 2	5.0%	4	4%		
	Question 3	7.5%	4	6%		
	Question 4	5.0%	4	3%		
	Question 5	2.5%	4	2%		
	Question 6	2.5%	4	2%		
				Bidder 3 Total Quality Score	Max. Overall Quality score 30%	22.08%
Bidder 4	Question 1	7.5%	4	6%		
	Question 2	5.0%	4	2%		
	Question 3	7.5%	4	4%		
	Question 4	5.0%	4	3%		
	Question 5	2.5%	4	1%		
	Question 6	2.5%	4	2%		
				Bidder 4 Total Quality Score	Max. Overall Quality score 30%	18.33%

4.4.4 The highest score attainable for this section was 30%.

4.4.5 The tenderers were expected to respond to 6 questions relating to the contract tendered for. The panel marked and scored each question to support the tender submission.

4.5 Summary of Price Evaluation

4.5.1 Tenderers were evaluated on the pricing section as laid out in Appendix xx headed 'Pricing Evaluation Criteria'. The pricing elements of this tender accounted for 70% of the overall tender score. Please note that bidders were free to quote a different price for each of the four years, and bidders who took advantage of this feature in the pricing schedule will not have a maximum value that is equal to the year 1 price x 4.

<u>Price for ERS</u>	<u>Barnet Group</u>	<u>Bidder 2</u>	<u>Bidder 3</u>	<u>Bidder 4</u>	<u>70%</u>
Year 1 - 4 Total Price - Mobile	£523,000	£554,925	£674,850.16	£1,007,108	

Wardens					
Year 1 - 4 Total Price - Helpline	£60,712	£75,160	£75,160	£977,786	
Total Service Price	£583,712	£630,085	£750,010	£1,984,893	
Weighted Score	70.00%	64.85%	54.48%	20.59%	

<u>Price per annum for Mobile Wardens</u>	<u>Barnet Group</u>	<u>Bidder 2</u>	<u>Bidder 3</u>	<u>Bidder 4</u>	<u>70%</u>
"The Price" submitted	£131,125	£139,795	£163,723	£244,623	
Weighted Score	70.00%	65.66%	56.06%	37.52%	

<u>Price per annum for Helpline</u>	<u>Barnet Group</u>	<u>Bidder 2</u>	<u>Bidder 3</u>	<u>Bidder 4</u>	<u>70%</u>
"The Price" submitted	£15,178	£18,788	£18,790	£236,236	
Weighted Score	70.00%	56.55%	56.54%	4.50%	

4.5.2 The current comparable service element is valued at £100,000 per annum.

4.5.3 Prior to this tender being issued, there was a mini competition carried out off the Supporting People framework, however there was only one submission and because TUPE liability to this contract is greater than the actual value of the contract itself; the price was so much higher than the current cost to the point of being financially unviable to the Council. Therefore the Council decided not to proceed with an award off the Brent Supporting People Framework and instead made another attempt to procure these services by rebalancing the quality price ratio to encourage more focus on pricing and by opening the opportunity to the wider market.

4.5.4 A service delivery model review was carried out and a decision was made to isolate the previously combined services of Emergency Response and Floating Services in order to make it more attractive to the market and encourage a more reasonable price submission.

4.5.5 Furthermore the Emergency Response service was broken down into its two key elements - Mobile Wardens and Helpline in order to incentivise the market to retain what is currently a relatively low price for the Helpline element.

4.6 Preferred Bidder Recommendation

4.6.1 It is recommended that **The Barnet Group** be awarded the contract for the delivery of the Emergency Response to the London Borough of Brent. The contract would be awarded for up to 4 years (2 years plus 1 plus 1) with an expected contract start date of February 2014.

4.6.2 Please see the table below, which details the total overall score combining the Financial and Quality aspects of the Evaluation.

Overall Tender Score and High level Criteria Analysis				
Award Criteria	Bidders			
	The Barnet Group	<u>Bidder 2</u>	<u>Bidder 3</u>	<u>Bidder 4</u>
Total QUALITY SCORE RATING AS 30%	20.21	15.21	22.08	18.33
Total PRICING SCORE RATING AS 70%	70.00	64.85	54.48	20.59
TOTAL SCORE RATING AS 100%	90.21	80.06	76.56	38.92

4.6.3 Please see the table below, which details the total overall score and clearly shows the final bidder's final position.

Overall Tender Score and Bidder's position		
Name of Bidder	Overall Score	Rank
The Barnet Group	90.21%	1 st
Bidder 2	80.06%	2 nd
Bidder 3	76.56%	3 rd
Bidder 4	38.92%	4 th

5. Risks

5.1 There are no known risks associated with this contract award.

6.0 Financial Implications

6.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 89.

6.2 Investment associated with the current service specification for the Willow Sheltered Housing Contract is £505,145 per annum. The Supporting People programme budget for 2013-14 is £8.4m. This budget has been reduced by £3.3m since 2010-11. The expected cost of these services has been budgeted for within the reduced

financial envelope. The cost difference can be tolerated within the context of wider savings delivered over the past twelve months associated with the procurements of other Supporting People services. In particular, the savings to be achieved through re-procurement of the older people floating support services could not be realised without letting the emergency response contract at this price, and should be viewed as producing a net benefit to the council for this reason.

6.3 The new contract is anticipated to start in February 2014.

6.4 It is anticipated that the cost of this contract will be funded from existing resources

7.0 Staffing Implications

7.1 There are TUPE implications arising from the award of the contract. TUPE applies to the incumbent provider's staff currently providing a proportion of the services that are included in this process. As such, protection will be afforded under the TUPE regulations to such staff assigned to the service immediately prior to the contract start date and who do not object to transferring; so that they will transfer to the organisation awarded the contract on their existing terms and conditions.

8.0 Legal Implications

8.1 The contracts for the Supporting People funded Emergency Response service is a Part B services contract for the purposes of the Public Contracts Regulations 2006 ("EU Regulations"), and thus only subject to partial application of the EU Regulations when tendering to include requirements covering technical specifications and the need to publish a Contract Award Notice following award. Where such services are of interest to providers located in other EU Member States, the contract must be procured in line with the Treaty on the Functioning of the European Union in respect of non-discrimination, equal treatment, fairness and transparency in the award process. Officers have followed a fair and transparent tender process, which is clearly set out within the body of this report and appendices.

8.2 The proposed Emergency Response contract, if let, will be deemed a High Value services contract (exceeding £250,000 over the life of the contract, taking into account any extensions) and as such, in accordance with the Council's Contract Standing Orders, the Executive is required to review and agree the award of contract in accordance with Contract Standing Order 88(c).

8.3 In the present case, there is an incumbent provider currently providing elements of the service being procured. As a result, the Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE") apply if the contract is awarded to a new provider, where immediately before the change of contractor, there is an organised grouping of employees situated in Great Britain which has, as its principal purpose the carrying out of the activities concerned on behalf of the Council and where the employees are assigned to that organised grouping. Subject to the right of the employee to object to transferring, the employee's contract of employment will transfer to the new contractor. Further information concerning the staffing issues is detailed in paragraph 7 of this report.

9.0 Diversity Implications

- 9.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications. An Equalities Impact Assessment (EIA) has been undertaken in accordance with the Equality Act 2012. A copy of the EIA is appended to the 12th November Executive report which requested authority to award the Supporting People Framework, of which the Emergency Response service formed part of. This EIA has been approved by the Customer and Community Engagement Team. As the two services recommended for tendering in this report will be essentially the same as those currently delivered by the incumbent providers, it is considered that a further Equalities Impact Assessment is not required.

10.0 Appendices

Appendix 1 – Evaluation Criteria and Pricing Methodology.

Appendix 2 - The tender process and evaluation comprising commercial-in-confidence information

11.0 Background Papers

- Executive Report 17 June 2013 -Supporting People Services – approval of contract extensions and pre-tender considerations
<http://democracy.brent.gov.uk/documents/s17486/asc-supporting-people.pdf>
- Equalities Impact Assessment (EIA) report Appendix 5 of 12 November 2012 Exec.
<http://democracy.brent.gov.uk/documents/s13102/asc-supporting-people-app-eia.pdf>

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PHILLIP PORTER
Acting Director, Adult Social Services

Appendix 1

Evaluation Criteria and Weightings Overview

Emergency Response Service		
Questions	Type	Weighting
Section A Contact and Administrative Information		0
Name of the organisation submitting this application	For Information only	0
Person applying on behalf of the organisation	For Information only	0
Trading name of organisation (if different from the name previously given)	For Information only	0
Registered name of organisation (if different from the name previously given)	For Information only	0
Registered Office address	For Information only	0
Is your organisation a sole trader, traditional partnership, limited liability partnership, private limited company, public limited company or other (please specify in the comments section)?	For Information only	0
If applicable, please state the number and date and provide a copy of the Certificate of Incorporation or Registration (and change of name) under the Companies Act 2006 or Industrial and Provident Societies Acts 1965 to 1978, or any other legislation.	For Information only	0
Please complete the attached document with the full names of all directors / partners / company secretary (or other persons with a similar position of control to a director or partner) in the organisation. Please also include the job title.	For Information only	0
If any of your directors / partners / company secretary are or have been employed by Brent Council, please complete the attached document. Please give department / unit and dates of employment.	For Information only	0
If any of your directors / partners / company secretary are or have served as Councillors at Brent Council, please complete the attached document. Please give department / unit and dates of employment.	For Information only	0
If your directors / partners / company secretary have a spouse, co-habiting partner, child, parent or business associate who is employed by Brent Council at a senior level or who is a Councillor, please complete the attached document including details of relationship.	For Information only	0
If your directors / partners / company secretary have any involvement in other organisations (e.g. as employee, director) who provide services to Brent Council, please complete the attached document and explain the nature of your involvement.	For Information only	0
Are you aware of any existing customers of your organisation whose interests may overlap with those of the Council, such that your organisation could have a conflict of interest in advising that customer as well as the Council? If yes, please provide details of the conflict.	For Information only	0

Section B Sub-Contracting and Consortia		0
Is your organisation bidding to provide the services required by itself?	For Information only	0
Does your organisation intend to work with other parties to provide some services?	For Information only	0
Section C Professional Conduct		0
Has your organisation or any directors or partner or any other person who has powers of representation, decision or control been convicted of any of the following offences?	Pass/Fail Question	0
Is any of the following true of your organisation?	Pass/Fail Question	0
Has your organisation committed any of the acts/ omissions listed below?	Pass/Fail Question	0
Section D Economic and Financial Standing		0
If the organisation is a member of a group of companies, please state where the parent company is incorporated and give the names and addresses of the parent company and the ultimate holding company (if different)	Pass/Fail Question	0
Would the parent or ultimate holding company be prepared to guarantee your contract performance as its subsidiary?	Pass/Fail Question	0
Please confirm your willingness to provide a Performance Bond should this be required (Note: This would be paid for by the Council)	Pass/Fail Question	0
Please state the name and title of the person in the organisation responsible for financial matters	For Information only	0
Please attach electronic versions of the organisation's audited accounts for the past three years, to include: please see options listed below	Pass/Fail Question	0
If the Accounts you are submitting are for a year ended more than 10 months ago, please provide (a) Turnover since the end of last financial year (b) Estimate of Profit before and after tax, if available (c) Confirmation that the company is still trading.	Pass/Fail Question	0
Has your organisation met the terms of its banking facilities and loan agreements (if any) during the past 3 years?	Pass/Fail Question	0
Has your organisation met all its obligations to pay its creditors and staff during the past year?	Pass/Fail Question	0
Please state the amount of any outstanding fine arising out of civil or criminal proceedings, or imposed by an enforcement agency such as the Serious Fraud Office or the Competition Commission, which your organisation remains liable to pay. Please confirm over what period the outstanding amount is payable, together with the estimated impact on your organisation's balance sheet. Please only include fines etc which when imposed exceeded £5,000.	Pass/Fail Question	0
What is the name and address of your Bankers (who could provide a reference).	Pass/Fail Question	0
Section E Insurance		0
Employers Liability Insurance held (Minimum acceptable amount as set out in the Questionnaire Instructions)	Pass/Fail Question	0

document)		
Public Liability (Third Party) Insurance held (Minimum acceptable amount as set out in the Questionnaire Instructions document)	Pass/Fail Question	0
Please see the Questionnaire instructions document to see whether you are required to have a "Principals" clause in your Employers and Public Liability Insurance Policies. If so, please confirm whether you have this.	Pass/Fail Question	0
In the event that the Council requires Product Liability Insurance as part of the contract award, please confirm that you are able to provide and enclose a copy of your policy (Minimum acceptable amount as set out in the Questionnaire Instructions document).	Pass/Fail Question	0
In the event that the Council requires Professional Indemnity Insurance as part of the contract award, please confirm that you are able to provide and enclose a copy of your policy (Minimum acceptable amount as set out in the Questionnaire Instructions document).	Pass/Fail Question	0
Section F Health and Safety		0
Membership and Accreditations: Are you a member of an approved scheme under SSIP, Safety Schemes in Procurement? (See www.ssip.org.uk for details); and/or are you accredited to BS OHSAS18001 (or its equivalent)?	Pass/Fail Question	0
Have you been issued with any Improvement Notices, Prohibition Notices or other Enforcement Notices by the Health and Safety Executive, Local Authority or Fire Service in the last three years?	Pass/Fail Question	0
Have you been prosecuted by the Health and Safety Executive, Local Authority or Fire Service in the last three years?	Pass/Fail Question	0
Additional Health and Safety Questions		0
Do you have a health and safety management system in place?	Pass/Fail Question	0
Do you have access to competent health and safety advice?	Pass/Fail Question	0
Do you have a procedure for recording and reporting of accidents, incidents, violent incidents, dangerous occurrences, occupational ill-health and near misses?	Pass/Fail Question	0
Do you have a procedure for risk assessment and risk management?	Pass/Fail Question	0
Do you have a health and safety policy that has been developed or reviewed in the last two years?	Pass/Fail Question	0
Do you have a training plan to ensure staff competency?	Pass/Fail Question	0
Do you have a procedure for consulting and communicating with staff over health and safety issues?	Pass/Fail Question	0
Do you have a procedure for managing and monitoring sub-contractors (if applicable)?	Pass/Fail Question	0
Section G Quality Assurance		0
Please confirm if your organisation has acquired a Quality Assurance Accreditation. Please select one or more of the below as applicable.	Pass/Fail Question	0

Section H Equality		0
There are 9 “protected characteristics” under the Equality Act: age, race, religion or belief, disability, sex, age, gender reassignment, pregnancy and maternity, marriage and civil partnership or sexual orientation. Has any finding of unlawful discrimination been made against your organisation in the last three years in respect of an individual having one of these protected characteristics?	Pass/Fail Question	0
What does your organisation do to ensure that promotion of equality and diversity are embedded throughout the organisation?	Pass/Fail Question	0
Can you give an example of how your organisation has adapted its service or work environment to meet the needs of a group or individual with a protected characteristic? The protected characteristics are: Age, race, religion or belief, disability, sex, age, gender reassignment, pregnancy and maternity, marriage and civil partnership or sexual orientation.	Pass/Fail Question	0
Section I Environmental		0
Do you have a certified Environmental Management System (“EMS”) to ISO14001 or EMAS standard or equivalent (example, Acorn BS 5558)?	Pass/Fail Question	0
Do you have an environmental policy?	Pass/Fail Question	0
Within the last 3 years has your organisation:	Pass/Fail Question	0
Please give an example of how you have changed your working practices to reflect your environmental policy.	Pass/Fail Question	0
Section J Method Statement Questions		30%
Explain how your organisation will deliver an emergency response service in such a way as to ensure that service users achieve the specified outcome, (staying safe) to the fullest extent possible.	Scored	7.5%
Explain how you will ensure that sensitive data is protected and maintained to a high standard.	Scored	5%
Explain how you will mobilise the operations of the Emergency Response service in an efficient manner, including your approach to the logistics of service delivery across Brent.	Scored	7.5%
Explain how you will ensure that partners (including statutory/ voluntary sector organisations), are effectively involved in the delivery of the supports required for service users to achieve the specified outcomes.	Scored	5%
Explain how your organisation will design and deliver services such that they are tailored to the needs of individuals to the fullest extent possible.	Scored	2.5%

Explain how you will ensure that all service users are treated with dignity and respect, and how the service will effectively meet the cultural, ethnic, gender, language, disability, sexuality and age-specific needs of a diverse population.	Scored	2.5%
Section K Pricing Schedule		
Organisations are required to attach their pricing schedule to this section.	Attachment Required	70%

Evaluation Methodology for scored questions for both QQ and Method Statement

In the evaluation of scored questions, a scoring range of between 0 and 4 was used to score Potential Bidders response. The assignment of a score of 0, 1, 2, 3 or 4 was based on the following assessments:

Assessment	Score
Deficient – Response to the question (or an implicit requirement) significantly deficient or no response received.	0
Limited – Limited information provided, or a response that is inadequate or only partially addresses the question.	1
Acceptable – An acceptable response submitted in terms of the level of detail, accuracy and relevance.	2
Comprehensive – A comprehensive response submitted in terms of detail and relevance.	3
Superior – As Comprehensive, but to a significantly better degree.	4

In order to assess tender returns, a method statement and pricing schedule for completion was included in the tender documentation.

Bidders will fail the Method Statement Questions evaluation if they:

- Score 0 out of the available 4 for any of the Method Statement Questions.
- Score 1 out of the available 4 for any three of the scored Method Statement Questions.
- Score less than 50% for the overall quality score.

Price Evaluation Criteria

Price consisted of 70% of the evaluation weightings. The evaluation method will ensure that the lowest price achieves the maximum available marks, with other Bidders scores calculated proportionately. The lowest price will achieve the maximum available score (70%) with the other Bidders prices scoring points inversely proportionate to the lowest.

A cost of service (the Price) was established using the Price submitted in the ITT Pricing Schedule. The cost of service was calculated using the following methodology:

The Price was calculated by adding the year 1 to year 4 Mobile Warden Annual Price, to the year 1 to year 4 Helpline Annual Price to calculate a total cost of service.

The lowest Bidders Price submitted was divided by the Bidders Price, and then multiplied by the price weighting percentage and rounded up to two decimal places to give the Bidders price score i.e.

$\text{Lowest Bidders price} / \text{Bidders price} \times \text{Price weighting.}$

The Quality of service was assessed based on bidder's method statement responses and there were three evaluators from the Service Area.


Each evaluator individually scored each organisation. All evaluators provided detailed commentary against their marking not only to support their scoring but to enable a constructive feedback for all bidders.

Once all scores were merged to compile an overall matrix of the evaluation panel's collective assessments. These were then reviewed to test for any anomalies and extreme disconnects between the majority scores. After evaluator clarification if there was a common view that moderation was appropriate then this was made. Where there was a justification for the anomaly then this was left unaltered.

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

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	<p style="text-align: center;">Executive 11 November 2013</p> <p style="text-align: center;">Report from the Acting Director of Children and Families</p>
<p>For Action Wards Affected: [ALL]</p>	
<p>Authority to participate in a collaborative procurement for the establishment of a 12 bed block contract for therapeutic children's homes placements with education.</p>	

Appendices 1 and 2 of this report are Not for Publication

Appendices to this report are not for publication as they contain the following category of exempt information as specified in Schedule 12A to the Local Government Act 1972, namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

1.0 Summary

1 This report requests approval to participate in a collaborative procurement with local authorities within the West London Alliance for the procurement of a 12 bed block contract for therapeutic children's homes placements as required by Contract Standing Order 85.

1.1 If agreed officers will present a further report at the tender award stage for member's approval prior to contract award.

2.0 Recommendations

2.1 That the Executive give approval to participate in a collaborative procurement of a 12 bed block contract for therapeutic children's homes placements led by one of the other West London Alliance boroughs.

- 2.2 That the Executive give approval to the collaborative procurement exercise described in paragraph 2.1 being exempted from the normal requirements of Brent's Contract Standing Orders in accordance with Contract Standing Orders 85(c) and 84(a) on the basis that there are good financial and operational reasons as set out in paragraph 3.4 to 3.8 of the report.

3.0 Detail

- 3.1 The West London Alliance (WLA) is made up 6 West London boroughs Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow. The 6 WLA boroughs are working in partnership with Hammersmith & Fulham, RB Kensington and Chelsea, and the City of Westminster to deliver a programme of efficiencies for Children's Services. For the purposes of the rest of this report when references are made to the WLA or West London this also includes Hammersmith & Fulham, RB Kensington and Chelsea, and the City of Westminster in respect of the Children's Services Efficiency Programme.

The West London Children's Services Efficiencies Programme was launched in September 2011 and includes a commitment to develop a specific programme to deliver savings and efficiencies from spend on externally commissioned social care provision for children in care and care leavers. Collectively the WLA have an external spend in excess of £60m per year on looked after children, making them one of the largest purchasers of external children's social care placements. At the end of March 2012 the nine West London boroughs looked after 2350 children in care which represents 3.8% of the total children in care population for England and Wales. The external spend for West London Alliance Boroughs on residential children's home placements in 2011/12 was £25,952,349.

- 3.2 Brent and other WLA boroughs currently have an over-dependency on purchasing residential children's home placements on a spot purchase basis, which delivers few economies of scale and creates an environment where it is extremely difficult to manage the market to ensure security of supply at the right time, right price and right quality/specification. Unlike most Local Authorities, Brent has no residential provision of its own. Most of the provision for Brent and other WLA member authorities is delivered outside of London. This scenario has come about because of a poor quality and underdeveloped market locally that does not meet the needs of West London Borough's and their children's commissioners. The lack of appropriate local children's residential homes also hampers the council in its duty to take reasonable practicable steps that secure sufficient

accommodation for looked after children where it is in their best interests to be accommodated locally – the “sufficiency duty”. The volume is too small to make a single Borough block contract viable.

- 3.3 The scarcity of appropriate local accommodation led the WLA to research the most appropriate means of meeting such need. A copy of the Outline Business Case is attached at Appendix 1 and the Project Initiation Document is attached as Appendix 2. These documents provide further background information and identify why the most appropriate and cost effective means of meeting local accommodation needs is the joint procurement of a block contract. The establishment of a West London block contract will involve the procurement of 12 places within 3-4 properties within the West London region or sub region. The potential suppliers could come from the private sector or voluntary organisations.
- 3.4 Officers consider there are good financial and operational reasons to participate in a collaborative procurement. It is expected this approach will deliver the following benefits for authorities and providers:
1. Significant efficiencies based on guaranteed volume for the provider. This will be dependent on the timing of the tender and the phasing of children’s homes opening.
 2. Meets the identified needs of West London boroughs for good quality local children’s homes with a therapeutic approach including education
 3. Increased numbers of children placed within West London as opposed to being placed outside of London
 4. Clear tendered specification, terms, conditions, and contract performance management arrangements.
 5. Development of a partnership with a residential provider allowing a strategic focus greater than that achieved on a spot purchase basis.
 6. Greater control over local provision and capacity and the ability to quickly manage difficulties
 7. Access to locally available services such as Children & Adolescent Mental Health Service (CAHMS).
 8. By commissioning a West London block contract to develop more local provision tailored to Brent’s needs, the council increases its placement options/choices for young people and commissioner’s evidence.
 9. Improving placement stability through getting the right placement first time round thus reducing the cost (outcomes for young

people and money) of multiple placement moves. Further information about possible cost savings are detailed in the Financial Implications section.

- 3.5 To enable the project to progress authorities are being asked to provisionally commit to buying a set number of places for the full period of any contract which it is currently envisaged would be 7 years with the option to extend for a further 2 years, this is subject to change pending discussions with the market. Should the Council have any voids then these would be sold on to other WLA boroughs at a premium first and other councils in the rest of London thereafter. The demand is such that Officers consider there should be little risk in the council not filling any voids. All the WLA authorities are provisionally committing to purchase a number of places under the block contract. Brent Officers are keen to provisionally commit to purchasing 3 places at an estimated cost of £156k per place per year, total commitment of £468k per annum, £3,276,000 over the proposed 7 year initial period of the contract (£4,212,000 over the contract period including extensions).
- 3.6 At the current time there are on-going discussions between WLA boroughs as to which authority will lead the procurement. Officers have indicated that Brent will not lead the procurement and it is likely that the London Borough of Hounslow or the London Borough of Barnet will lead on the procurement. As there are differences between the contract standing orders and financial regulations of the various WLA boroughs, Officers consider that there are good financial and operational reasons why the contract standing orders and financial regulations of whichever WLA borough leads on the collaborative procurement should be used for procuring the block contract. As a result approval is sought for any collaborative procurement to be exempted from the normal requirements of Brent's contract standing orders.
- 3.7 Whilst it is proposed that one of the other WLA authorities will lead on the procurement, Brent will be fully involved in the process, including having input into the setting of evaluation criteria and subsequently evaluating tenders. It is proposed that all the WLA authorities will in due course enter into a memorandum of understanding setting out the involvement of Brent and the other WLA authorities in the procurement. Once Officers have evaluated tenders, they will seek authority from the Executive to the award of the contract.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90.
- 4.2 The cost of purchasing 3 places, at an estimated cost of £156k per place per year, gives a total commitment of £468k per annum which equates to £3.276m over the proposed 7 year initial period of the contract. There could be the option to extend for a further 2 years which would increase the contract value to £4.212m. The cost of this contract will be funded from Children's Placement Budget. Currently there are 25 young people in residential care at a total forecast cost of £3.439m (based on placements as at 01/10/2013). Outturn for 12/13 was £4.851m.
- 4.3.1 If Brent were to purchase 3 placements in the block contract, savings of £200 to £500 per week per place are expected. Further modelling work will be carried out prior to the start of the procurement exercise to ensure savings projections are robust. Provisionally, assuming no void periods or premium places being sold, savings could be in the region of £31,200 to £78,000 per annum or £218,400 to £546,000 over 7 years.
- 4.4 There is a risk of the Council paying for places that they are unable to use but the risk of voids is mitigated by the ability to sell unused places on to other WLA boroughs at a premium first and other councils in the rest of London thereafter. The demand is such that Officers consider there should be little risk in the council not filling any voids.

5.0 Legal Implications

- 5.1 Approval is sought for the Council to participate in a collaborative procurement for a block contract. It is proposed that Brent will be a party to such block contract which will outline Brent's commitment to purchase three places for the duration of the contract.
- 5.2 The block contract is being procured by means of a collaborative procurement exercise. Under Contract Standing Orders 85(c) such collaborative procurements need to be tendered in accordance with Brent Standing Orders and Financial Regulations, unless the Executive grants an exemption in accordance with Standing Order 84(a). A request for an exemption under Standing Order 84(a) can be approved by the Executive where there are good operational and / or financial reasons, and these reasons are set out in paragraphs 3.4 – 3.8 above.

- 5.3 The estimated value of the block contract over its lifetime is higher than the EU threshold for Services under the Public Contracts Regulations 2006 (“the EU Regulations”). Residential care services are classed as Part B services under the EU Regulations and as such are not subject to the full application of the EU Regulations (save that there must be a technical specification contained in the contract documents and on award of contract the Council must issue a Contract Award Notice in the OJEU within 48 days of award). The services are however, subject to the overriding EU Treaty principles of equality of treatment, fairness and transparency in the award of contracts.
- 5.4 It will be necessary to ensure that the tender documents meet Brent’s requirements and clearly set out Brent’s rights and responsibilities in view of Brent’s proposed commitment to purchase 3 places under the contract.
- 5.5 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 5.6 As detailed at paragraph 3.3, the council is under a “sufficiency duty”. This duty is pursuant to Section 22G of the Children Act 1989 which requires local authorities to take reasonably practicable steps to secure sufficient accommodation for looked after children under their care who cannot live at home and whose circumstances indicate that it would be in the child’s best interests to be accommodated within the local authority’s area – for example, to stay at the same school or if other family members are nearby.
- 5.7 Further information concerning staffing is contained in Section 7.
- 5.8 Details of the Council’s duties in connection with the Public Services (Social Value) Act 2012 are contained in Section 8.

6.0 Diversity Implications.

- 6.1 An Equalities Impact assessment will be carried out in accordance with the Equality Act 2012 prior to the commencement of any proposed procurement.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 This service will be provided by an external contractor and there are no implications for Council staff arising from tendering a contract of this type.

8.0 Public Services (Social Value) Act 2012

- 8.1 Since 31st January 2013, the council, in common with all public authorities subject to the EU Regulations, has been under duty pursuant to the Public Services (Social Value) Act 2012 (the “Social Value Act”) to consider how the services being procured might be structured to improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract as Part B Services over the threshold for application of the EU Regulations are subject to the requirements of the Social Value Act.
- 8.2 The market for these services is highly specialised and limited which narrows the opportunities available to the Authority in terms of the requirements of the Social Value Act. However, the intention to procure a block contract for more local accommodation is likely to improve the economic and social wellbeing of the area and Officers together with other WLA colleagues, will throughout the new procurement exercise take account of Social Value Act provisions and seek to implement these as appropriate

9.0 Background Papers

Contact Officer(s)

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SARA WILLIAMS

Acting Director, Children and Families

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of the Local Government Act 1972.

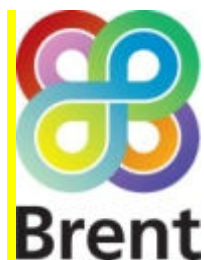
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Executive
11 November 2013

**Report from the Acting Director of
Children and Families and the
Strategic Director of
Regeneration and Growth**

For Decision

Wards Affected: ALL

**Determination proposal to permanently expand St Joseph's
Catholic Primary School by September 2014**

1.0 Summary

- 1.1 This report informs the Executive of the outcome of the statutory proposal to alter St Joseph's Catholic Primary School through permanent expansion from September 2014 and recommends that it be approved.
- 1.2 The Representation period on the proposals ended on 24 October 2013.
- 1.3 The Governing Body of St Joseph's Catholic Primary School in agreement with the Diocese of Westminster and in partnership with Brent Local Authority has proposed to alter the school by adding one form of entry. The current capacity of the school is 420 and the proposed capacity will be 630. The current admission number for the school is 60 and the proposed admission number will be 90. This school currently has one bulge/temporary class which means the number of children on roll currently is 442.

2.0 Recommendations

The Executive is recommended to:

- 2.1 Approve the permanent expansion of St Joseph's Catholic Primary School (Voluntary Aided) by one form of entry from September 2014, conditional upon the grant of full planning permission under the Town and Country Planning Act 1990 by December 2013 or other such date as agreed by the Director of Children and Families and the Strategic Director of Regeneration and Growth.
- 2.2 Note that the reason for approving the alteration of St Joseph's Catholic Primary School is to provide permanent primary places in areas of the borough which have severe shortages 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 the GLA projection of school rolls (based on the January 2013 pupil census data), the number of four year olds on roll is expected to rise to 4264 by January 2018 from the current number of 3804 on roll (provisional January 2013 pupil census data). This is an increase of 461 pupils (12%) within a space of 5 years.
- 3.1.3 Actual demand appears now to be outstripping the GLA projects and when the new projections are received in November 2013, they will be reviewed to assess the degree of local adjustment required and whether even greater expansion is required across primary schools than is already planned. These issues are widespread across London authorities, which are being caught by extremely high numbers of applications for Reception and Year 1 places.
- 3.1.4 On time Reception applications received for the 2013/14 academic year totalled 3792, a 2% increase on the on time applications for the current 2012/13 academic year (3717). 3617 on time applications were received for the 2011/12 academic year. On average approximately 20-25 late reception applications per week were received between the closing date in January and the beginning of term, approximately 50% more than last year.
- 3.1.5 The demand for school places is mainly driven by:
- Housing growth;
 - Increased density of use of existing housing stock;
 - Inward economic and other migration;
 - Decreasing availability of places in neighbouring boroughs;
 - Increased live births and fertility rates
- 3.1.6 The report presented to Executive on 20 May 2013 set out the Council's overall programme for school expansion to meet need and the funding which is in place from DfE and other sources to meet the need for growth in places.
- 3.1.7 In making decisions about the delivery of additional school places, the Council has established a set of planning principles. In June 2011, the Council consulted with the schools on these planning principles. Subsequently, a short list of schools based on the local area of demand was derived from the long list of schools based on the following criteria:
- shortage of school places in a local area;
 - physical expansion of a school on a permanent basis deemed to be feasible;
 - risk associated with the expansion of the specific schools including likelihood of planning consent;
 - availability of funding to expand the school.
- 3.1.8 Educational standards have also been taken into account and the schools' capacity to cope with the expansion, while raising standards. Ideally the council would only be expanding good and outstanding schools. St Joseph's Catholic school was rated Outstanding by Ofsted in January 2013.
- 3.1.9 In August 2012 (as amended at Executive in May 2013) the Executive approved the strategy for the delivery of primary school places, which included the permanent expansion scheme at St Joseph's Catholic Primary School by 1FE. The statutory consultations commenced on 7 May 2013 and the architects began developing the previously completed feasibility studies into fully designed schemes in June 2013. New places will be available at the schools by September 2014.
- 3.1.10 The St Joseph school expansion is being designed using a mixture of traditional and innovative off-site modular solutions with at least a 60 year design life. The designs are

currently being developed to ensure that the schools would be built in the most efficient way, with sustainable standards where possible.

- 3.1.11 This means that the Council will be able to complete the permanent building works in time for the September 2014 academic year.

3.2 Proposals to alter the St Joseph's Catholic Primary School

- 3.2.1 The proposals comply with the Government's guidance on school expansions and their 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 and subsequent EFA baseline designs, where feasible.
- 3.2.2 The expansion of St Joseph's Catholic 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 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.
- 3.2.3 The expansion will increase the choice available to local parents and residents in an area of demand. The proposal will increase diversity of provision and enable the local authority to meet its statutory duty to provide school places to all resident pupils.
- 3.2.4 St Joseph's is a popular primary school. The local authority is confident that sufficient number of applications will be received for the permanent primary provision.
- 3.2.5 The travel arrangements for existing pupils will not change for pupils at the school. However, the expansion of provision will enable more Brent pupils to be educated in general nearer to where they live. A full traffic assessment is being carried out, which will inform the planning application and school travel plan.
- 3.2.6 Additional classrooms and facilities will be provided to support the educational standards in both schools for all pupils and staff. The expansion will provide:
- a safe and secure environment
 - a healthy environment with properly ventilated, appropriately sized classrooms with easy access to outside space (where possible and required).
 - spaces to maximise natural day lighting and control sunlight, to maximise thermal comfort, control glare and provide a suitable internal environment.
 - environmentally friendly and efficient spaces
 - minimal loss of 'down-time' i.e. travel to core facilities, toilets, etc. within at least the expanded building.
 - allow a variety of learning experiences - individual, group, class, year group, quiet spaces internal and external in line with the requirements of the EFA baseline designs.
 - Maximised use of existing outdoor playing space and enhancement where possible and required.
 - Enhanced opportunity for the community to become involved in the school and support the children's learning
 - Classrooms to support easy access to ICT provision.
- 3.2.7 Area analysis of the sites has been carried out to ensure the new accommodation would meet the guidelines for new school accommodation. The target of 'very good' is being aimed for, Building Research Establishment Environmental Assessment Method (BREEAM) accreditation subject to planning requirements.
- 3.2.8 Subject to planning application approval and detailed programme review, it is anticipated that, the building works for both schools will commence in February 2014.

- 3.2.9 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 St Joseph's Catholic Primary School

- 3.3.1 St Joseph's Catholic Primary School is located at Goodson Road, Harlesden, NW10 9LS. It is a Voluntary Aided school and their own admissions authority. It offers Catholic mixed gender places for students aged 3-11 years.
- 3.3.2 The governing body of St Joseph's in agreement with the Diocese of Westminster and in partnership with Brent Local Authority published a proposal to expand St Joseph's Catholic Primary School by one form of entry from September 2014.
- 3.3.3 Upon implementation of the proposal, St Joseph's Catholic Primary School would provide 30 new permanent Reception places from 1 September 2014, subject to planning permission due to the building constraints. The expansion will provide an additional class in each year group (210 new primary places in total per school) with an increase of 30 permanent places in each year group starting at Reception age in September 2014 and rising to Year 6 by September 2020.
- 3.3.4 If the proposals are accepted conditional upon the granting of planning permission under Part 3 of the Town and Country Planning Act 1990 by December 2013, St Joseph's Catholic Primary School will offer 3FE provision from September 2014. 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.
- 3.3.5 The proposed accommodation for the expansion by one form of entry would be of a permanent high quality construction linked to the existing school building. The EFA Baseline Designs will be used as a guideline for constructing the new extensions to the existing school with Building Bulletin 99 used where appropriate
- 3.3.6 The new Reception class is planned to be available from September 2014. When all building works are also expected to be complete, thereby providing the full capacity of 210 new school places required under the statutory proposal.

3.4 **Statutory Process**

Stage One Consultation

- 3.4.1 St Joseph's Catholic Primary School
The Governing Body of St Joseph's Catholic Primary School in agreement with the Diocese of Westminster and in partnership with the Local Authority consulted with key interested parties on the alteration proposals. The consultation document is attached as Appendix 1. Over 1200 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, a private company was commissioned to hand deliver approximately 500 copies to homes in the areas surrounding the school.
- 3.4.2 A consultation meeting with parents and the community was held at the school on 14 May 2013, details of which can be found in Appendix 2 as an attachment.
- 3.4.3 The statutory consultative stage of the proposal to expand by one form of entry thereby increasing the provision to 630 Reception to Year 6 places, completed on 7 June 2013. All applicable statutory requirements to consult in relation to these proposals have been complied.

- 3.4.4 The St Joseph's Catholic proposal received 26 responses to the consultation. 19 (73%) consultees support the proposal, 2 (8%) consultees expressed concerns and were against the proposal, whilst 5 (19%) remained undecided.
- 3.4.5 Following the end of consultation, the Council agreed to publish the statutory notice (Appendix 3) and full proposal (Appendix 2).

Publication of Statutory Notice and Representation Period

- 3.4.6 Following the consultation stages outlined above, governing body of St Joseph's Catholic Primary School with the support of the Diocese of Westminster and in partnership with the Local Authority published the Statutory Notice in two local newspapers on 26 September 2013 for altering the school by one form entry from September 2014.
- 3.4.7 The Council is estimating that the planning permission would be granted under Part 3 of the Town and Country Planning Act 1990 by December 2013. Hence, the Executive is requested to approve the expansion of St Joseph's Catholic School from September 2014, conditional upon the granting of planning permission and in accordance with Schedule 3 Regulation 38 (1) (a) of the School Organisation Regulations.
- 3.4.8 The full statutory proposal is attached as Appendix 2.
- 3.4.9 The statutory notice was followed by a 4 week statutory period (Representation stage), which ended on 24 October 2013, 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.

Responses received during the Representation Stage:

3.4.10 0 representations were received during the 4 week statutory period as outlined below:

3.5 Next Steps

3.5.1 The anticipated dates for the key project milestones following a decision by the Executive to determine this proposal to alter St Joseph's Catholic School are set out in the timetable below:

Milestone	Date
Executive Decision to expand the school	11 November 2013
Planning Application submitted	20 September 2013
Planning Approval anticipated by	11 December 2013
Building works complete	15 August 2014
Reception class with 30 new places commences on	1 September 2014
Building work finishes	31 July 2014
Full New Capacity (R-Y6) available from	1 September 2014

4.0 Financial Implications

- 4.1 The report submitted to the May 2013 meeting of the Executive detailed the total main capital allocation available to spend by the end of 2014/15 on new school places as £87.99m from secured resources. From the available resources an initial allocation of £3.2m has been made to the proposed expansion of St. Josephs Catholic Primary School. It should be noted that this is a provisional budgetary allocation to the scheme which could be amended as more definitive cost forecasts are provided. Any variations to this figure will be contained within overall capital budget provisions.
- 4.2 The proposed expansion of pupil numbers at the school will result in increased revenue costs associated with the additional provision. These costs will be met from the individual school's budget, which will increase proportionately based on the formula allocation from the DfE. However, the proposed intake of additional pupils from September 2014 will mean that the school will not receive the increased grant until the following academic year as the calculation is based on the previous October's pupil numbers. As such the school will require funding equivalent to 7/12's of the total additional grant to meet the costs of the expanded pupil numbers until the following years allocation is received. This shortfall in funding will be provided from existing Children and Families Dedicated Schools Grant revenue budget as funding has been set aside for additional classes.

5.0 Legal implications

- 5.1 The procedure for the enlargement of St Joseph's Catholic Primary School is as required by The Education and Inspections Act 2006 (as amended by the Education Act 2011) and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 as amended. The Local Authority is entitled to make prescribed alterations to St Joseph's Catholic 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.
- 5.2 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.

- 5.3 Under sections 13 and 14 of The Education Act 1996, as amended by The Education and Inspections Act 2006, a local education authority has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area. LA must promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. They must also ensure that there are sufficient schools in their area and promote diversity and increase parental choice. To discharge this duty the LA has to undertake a planning function to ensure that the supply of school places balances the demand for them.
- 5.4 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.
- 5.5 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 is applicable.
- 5.6 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.
- 5.7 Decision Making:**
- 5.8 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 24 October 2013.
 - 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?

St Joseph's Catholic Primary School and Harlesden Primary School proposals are being carried out at the same time but are not dependent or 'related' to each other or other proposals.
- 5.9 Types of Decision**
- 5.10 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.
- 5.11 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.

- 5.12 The following bodies may appeal against an LA decision:
- The local Church of England diocese;
 - The Bishop of the local Roman Catholic diocese;
 - The governing body of the Community School that is proposed for expansion.
- 5.13 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.
- 5.14 Procurement: The construction contract/s associated with these expansions will be addressed as part of the wider primary school expansion, with preference to undertake one procurement exercise for a construction contract covering all schemes within the same phase of the programme. Appropriate procurement routes are currently being reviewed with LBB Procurement and Legal Services and a further report will be brought to the Executive in accordance with Council Standing Orders for approval to procure and approval to award any contract.

6.0 Diversity Implications

- 6.1 The schools proposed for expansion have an ethnically diverse pupil population and catchment of pupils who need places. Expanding St Joseph's would enable the Council to provide additional new places required for Brent's growing pupil population.
- 6.2 The expansion will improve choice and diversity. The impact on Equalities will be kept under review and reported as the school expansion programme is reviewed.
- 6.3 The joint Equality Impact Assessment for the schools has been completed for St Joseph's Primary School.

7.0 Staffing Issues

- 7.1 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.

8.0 Background Papers

- Equality Impact Assessment for all schools consulting during 2013 to change their character
- Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form
- Research Study - A Good School Places for Every Child in Brent, 2008
<http://intranet.brent.gov.uk/consultation.nsf/0/38c39cab7915e95c802573b8003feb74?OpenDocument>

9.0 Appendices

Appendix 1	St Joseph's Catholic Primary School – consultation document
Appendix 2	St Joseph's Catholic Primary School – full statutory proposal document
Appendix 3	St Joseph's Catholic Primary School – statutory notice

Contact Officers:

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SARA WILLIAMS
Acting Director of Children and Families

ANDREW DONALD
Strategic Director of Regeneration and Growth

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Brent



Diocese of Westminster

EDUCATION SERVICE

Appendix 1

In conjunction with the London Borough of Brent

Proposed Expansion of St Joseph's Catholic Primary School Goodson Road, NW10 9LS

1.	Introduction St Joseph's Catholic Primary School is a voluntary aided school within the trusteeship of the Diocese of Westminster. It is located in the southern half of the London Borough of Brent. It provides school places to 420 boys and girls between the ages of 4 – 11. There is also a nursery with 60 part time places. Currently, the demand for school places in Brent is increasing. The demand for primary places in the Harlesden area specifically has led to the proposal to expand St Joseph's Catholic Primary School. Therefore the Governing Body of St Joseph's Catholic Primary School in agreement with the Diocese of Westminster and in partnership with Brent Local Authority is consulting with staff, parents and the community on the option to expand the school by one form of entry (1FE). The expansion will provide an additional 30 places in each year group (210 new primary places in total). The increase of 30 places in each year group is intended to start at Reception age in September 2014 and rise to Year 6 by September 2020.
2.	The proposal The Governors of St Joseph's Catholic Primary School, Goodson Road, Harlesden, NW10 9LS propose to expand the school by one form of entry (210 additional places), taking the school capacity from 420 places (Year R – Year 6) to 630 (Year R – Year 6). The school will continue to provide a nursery with 60 part time places. The expansion of the school is intended to commence in September 2014 with an increase of 30 places per academic year at Reception age and rise to Year 6 by September 2020. The proposed accommodation for the expansion by one form of entry would be of a permanent high quality construction linked to the main school building. It will be built to optimise educational standards.

3.	<p>The growing number of primary school pupils</p> <p>The number of children seeking a primary school place in the Diocese of Westminster is growing each year and this expansion will enable more children in the local area to obtain places at the Catholic school of their choice.</p>						
4.	<p>New primary school places</p> <p>In June 2011 the Local Authority consulted with all primary schools in the borough to explore the possibility of increasing the number of school places. It has been evident that the demand for Reception places would be greater than the number of places available. This assessment was based on the number of on-time and ad hoc admissions applications received by the Local Authority, the current forecast of student numbers and local factors such as feedback from schools.</p> <p>Subsequently, the Local Authority reviewed capacity constraints at all primary schools and identified the maximum need for school places in the local areas. Discussions took place with those schools which were considered suitable and were interested in expansion. This was followed by an initial feasibility assessment.</p> <p>Since 2005 the Local Authority has analysed the increased demand for school places and created a programme to increase primary places through permanent expansion of schools and temporary classes. The table below demonstrates how many permanent and temporary primary places have been created since September 2006.</p> <table><tr><th>Total number of additional places (Reception to Year 6)</th><th>Permanent places (Reception to Year 6)</th><th>Temporary places (Reception to Year 6)</th></tr><tr><td>4164</td><td>3423</td><td>741</td></tr></table> <p>Despite adding new places, there remains a shortfall of Reception places in the borough. As at 4 April 2013, there were 265 primary aged children without a school place for the 2012/13 academic year. Of which 64 were Reception age (4 years old).</p>	Total number of additional places (Reception to Year 6)	Permanent places (Reception to Year 6)	Temporary places (Reception to Year 6)	4164	3423	741
Total number of additional places (Reception to Year 6)	Permanent places (Reception to Year 6)	Temporary places (Reception to Year 6)					
4164	3423	741					
5.	<p>The need for more primary school places in the future</p> <p>In August 2011, Brent Council carried out a review of primary school places which estimated that an additional 15 forms of entry (15FE) will be required in Brent by 2014/15 - an estimate of 450 places in each year group. The pressure of increasing demand is already evident with few places available in Brent's 60 primary schools. Brent Council submitted the proposal to St Joseph's Catholic Primary School and is supportive of the proposed expansion to help address the shortage of primary school places.</p>						

	<p>Demand continues to increase in the Harlesden area and a permanent increase from 2 to 3 forms of entry will help satisfy some of that demand. It is also anticipated that the increased demand for primary school places will eventually create a shortage of secondary school places.</p> <p>Brent Council is working closely with local schools and together we are doing everything we can to provide more places for the borough's pupils.</p> <p>Over the next four years, we will be investing around £90 million with aim of offering a primary place to every local child who needs one.</p>
6.	<p>We would like to hear from you</p> <p>The Governors of St Joseph's Catholic Primary School are currently consulting all interested parties including parents and staff at the school, all schools in Brent, Brent Council and neighbouring boroughs in order to receive feedback on the proposal.</p> <p>The Governors would welcome your views on the proposal to expand the school by 1FE. If you have any comments that you would like to make in relation to this proposal, you can either use the attached tear-off response form or write to:</p> <p style="text-align: center;">The Headmistress, St Joseph's Catholic Primary School, Goodson Road, Harlesden, NW10 9LS</p> <p style="text-align: center;">Or</p> <p>Send an email to: admin@stjo.brent.sch.uk</p> <p>Copies of this consultation document are also available at the school reception and from Brent Council at Chesterfield House, 9 Park Lane, Wembley, HA9 7RH.</p> <p>Alternatively, this document can be downloaded from:</p> <p>http://www.brent.gov.uk/currentconsultations</p> <p>A limited translation service can be provided for this document on request to judith.joseph@brent.gov.uk</p> <p>All written comments must be received by: Friday 7 June 2013</p>

7.	<p>You can also attend a drop-in session for parents, carers and the community which has been arranged to discuss the proposed expansion of St Joseph's Catholic Primary School.</p> <p>Date: Tuesday 14 May 2013</p> <p>Time: 6pm</p> <p>Venue: The Ground Floor Hall St Joseph's Catholic Primary School, Goodson Road, Harlesden, NW10 9LS</p>
8.	<p>The procedures for reorganisation</p> <p>St Joseph's Catholic Primary School in partnership with the Diocese of Westminster and with Brent Council intends to meet with staff, parents and the local community, to receive their views.</p> <p>If, after the consultation, the school's Governing Body decides to proceed with the expansion then a statutory proposal will be published in the local papers and will also be placed at public places e.g. the Town Hall and on the main entrances to St Joseph's Catholic Primary School.</p> <p>Thereafter a 4 week representation period will commence during which anybody can write to make formal representations on the proposals. Representations can be in the form of support, suggestions or objections to the proposal. All representations will be presented to Brent Council's Executive Committee which will make a decision on the proposal.</p>

9. Consultees

This document is being sent to:

St Joseph's Catholic Primary School: parents, staff, governors and student council

All maintained schools and Academies in Brent

Brent Council

Diocese of Westminster Education Service

London Diocesan Board for Schools

London Borough of Ealing

London Borough of Barnet

London Borough of Camden

London Borough of Harrow

London Borough of Hammersmith and Fulham

London Borough of Westminster

Royal Borough of Kensington and Chelsea

Local Resident Associations

All Councillors

Local Member of Parliament

All Brent Customer Service Shops

All Brent Libraries

All Brent Children Centres

Sport England

Secretary of State, School Organisation Unit

Local private nurseries

Any trade unions who represent staff of St Joseph's Catholic Primary School

Representatives of main trade unions in Brent

Early Years and Family Support Service

Early Years Quality and Improvement Team

Parent and Toddler groups in the area

St Joseph's Catholic Primary School Consultation Response Slip

Please tear off and return by: **Friday 7 June 2013**

I agree / disagree with the Governors of St Joseph's Catholic Primary School to expand the school by one form of entry (1FE).

Delete as appropriate

Comments:

(Please use the back of this form if you require more space)

Signed

Parent / member of staff / otherplease specify

Please send to:

**The Headmistress
St Joseph's Catholic Primary School,
Goodson Road,
Harlesden, NW10 9LS**

Or email: admin@stjo.brent.sch.uk

**St Joseph's Catholic Primary School consultation meeting
to expand by one form of entry
Tuesday 14 May 2013**

Present: Dawn Titus, Headteacher
Nigel Spears, Diocese of Westminster
Clive Romaine, Chair of Governors
Terry Butler, School Consultant
Carmen Coffey, Local Authority Representative
Cheryl Painting, Local Authority Representative
Judith Joseph, Local Authority Representative
Omar Villalba, Local Authority Representative
10 residents, staff members and governors

Background information

- Carmen gave background information about the demand for Catholic places and the need for additional school places.
- Judith explained the consultation process.
- Omar spoke about the feasibility study of the school grounds and buildings.
- Cheryl spoke about the work with the architects and the planning application process.
- The team stressed that this is an educational consultation and that more detailed building issues can be raised in a separate consultation.
- Nigel explained that the Diocese is in full support of the expansion as they receive many complaints from Catholic families in Brent who cannot get a Catholic place for their children.

	Issues \ comments	Response given
1.	Will the leadership team be involved in the building process?	Yes, at every stage.
2.	Will there be any staff parking?	There may not be any increase in the current parking provision. The school has some parking permits which costs the school £160 each. The parking costs doubled last year to £3000. Every school has issues with parking. Every school also has a travel plan. The plan needs to reflect the actual situation of the school.

3.	When will building work commence?	Most likely around October 2013 (subject to planning permission being granted).
4.	How will you minimise disruption to the school pupils and staff?	We will speak with the contractors to ensure that the day to day operation of the school is not affected. Contractors are used to the challenges that schools bring.
5.	Where will the building work take place?	At the Northcote Road end. We will recommission classrooms and expand internally.
6.		<p>This is an exciting period for the school and the Catholic community.</p> <p>There is a massive expansion programme taking place across Brent to create sufficient school places due to the huge increase in the London population and the lack of migration out of London as in previous years.</p> <p>There will be another consultation soon for the planning process for the physical changes to the building.</p>

Statutory Notice**Alteration to St Joseph's Catholic Primary School**

Notice is given in accordance with section 19(3) and 21(2) of the Education and Inspections Act 2006 (as amended by the Education Act 2011) that the Governing Body of St Joseph's Catholic Primary School intends to make a prescribed alteration to St Joseph's Catholic Primary School (Voluntary Aided), Goodson Road, Harlesden, NW10 9LS. (DfE number 3045203).

St Joseph's Catholic Primary School is a voluntary aided school within the trusteeship of the Diocese of Westminster. The Governing Body in agreement with the Diocese of Westminster and in partnership with Brent Local Authority is proposing to expand St Joseph's Catholic Primary School by creating a new one form of entry permanent provision (30 additional children in each year group). If this proposal were accepted St Joseph's Catholic Primary School would offer a one form of entry permanent provision from 1 September 2014 through yearly progression; this would mean that the school would admit (30 additional children) in Reception class from September 2014 and this cohort would progress to Year 6 by September (2020/21). This means that the school will become a three form of entry provision and its admission capacity will increase from 420 permanent to 630 permanent Reception to Year 6 places. The current admission number for the school is 60 (2 classes in each year group) and the proposed admission number will be 90 (3 classes in each year group). In addition the school has a nursery with 60 part time places. The number of children on roll excluding the nursery according to the May 2013 school census was 442. These numbers are made up of 420 permanent places and 22 bulge/ temporary places. The temporary places will officially become permanent places when the school expands.

The proposal will be implemented by the Governing Body of St Joseph's Catholic Primary School with Local Authority support. St Joseph's Catholic School will expand to provide one additional class in each year group (210 new permanent primary places in total) from September 2014, subject to planning permission. The enlarged St Joseph's Catholic Primary School will continue to offer mixed provision for pupils in Reception to Year 6 and the school will remain a voluntary aided school within the trusteeship of the Diocese of Westminster. There will be no change to the existing admissions arrangement at the school.

The Local Authority has completed a feasibility study which confirms that the provision of one additional form of entry primary provision is possible within the current school site, subject to planning permission. All applicable statutory requirements to consult in relation to these proposals have been complied with. There will be no change to the existing Special Educational Needs arrangements at the school.

This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from: Judith Joseph, School Place Planning Officer, Children and Families, London Borough of

Brent, 5th Floor, Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ. Email: judith.joseph@brent.gov.uk. Alternatively a copy of the complete proposal can be obtained from:

<http://brent-consult.limehouse.co.uk/portal/candf/schexpansion?tab=files>

A limited translation and interpretation service is available upon request from Carmen Coffey on 0208 937 3033.

Within four weeks from the date of publication of this proposal any person may object to or make comments on the proposal in writing by sending them to Judith Joseph, School Place Planning Officer, Children and Families, London Borough of Brent, 5th Floor, Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ. Email: judith.joseph@brent.gov.uk. The last date for representations is Thursday 24 October 2013.

Signed: The Governing Body, St Joseph's Catholic Primary School

Publication Date: 26 September 2013

Explanatory Notes

- **The proposed accommodation for the expansion by one form of entry would be of a permanent high quality construction linked to the main school building. It will be built to optimise educational standards.**
- **The proposed building works are due to be completed by September 2014**
- **All children currently on roll at St Joseph's Catholic Primary will remain pupils of St Joseph's Catholic Primary School.**
- **The nursery will continue to offer 60 part time places.**

Appendix 4

This appendix will be completed on 25 October 2013 once the representation period ends.

Depending on what is written this appendix may not be necessary.



Executive
11 November 2013

Report from the Strategic Director of Environment and Neighbourhoods

For Action

Wards Affected: ALL

Authority to tender a contract for a cycle training provider

1.0 SUMMARY

- 1.1 This report concerns the procurement of a cycle training provider for adults and children in Brent. It seeks authority to invite tenders and delegate authority to the Strategic Director of Environment and Neighbourhoods to award a contract.

2.0 RECOMMENDATIONS

- 2.1 That the Executive gives approval to officers to invite tenders to provide cycle training for adults and children.
- 2.2 That the Executive agree the proposed evaluation criteria set out in paragraph 5.1 of this report.
- 2.3 That the Executive gives approval to delegate authority to the Strategic Director of Environment and Neighbourhoods to award the contract, subject to notification of the award on the Executive Forward Plan.

3.0 BACKGROUND

- 3.1 Each year the Council receives funding from Transport for London (TFL). The funding is made available through section 159 of the GLA Act 1999 ("the Act") and is called Local Implementation Plan (LIP) funding. This is for investing in transport related programmes and, in line with the Act, cannot be spent on other activities.
- 3.2 The LIP funding includes a budget for activities to help deliver school travel plans, workplace travel plans, travel awareness, cycle training and education, training and publicity programmes.
- 3.3 Brent's Sport and Physical Activity Strategy 2010-2015 aims to increase physical activity amongst our residents. The strategy includes cycling as one of the priority sports for

development. There is a very proactive steering group including British Cycling and local cycling clubs who lead the cycling development plan. This plan has led to the council:

- Funding 10 Sky Rides this summer with an average of 20 residents a ride.
- Investing in a new BMX track at Chalkhill, opening in summer 2014.
- Supporting the 'cycling on prescription scheme', a GP referral scheme providing a 6 week programme to learn how to cycle and a discounted rate on buying a bike to encourage people to carry on.

3.4 Cycle training is also key as it encourages more people to cycle as well as making sure that children and adults are properly trained in managing a bicycle and cycling safely. Cycle training is currently available for anyone living, working or studying in Brent and is available for groups and individuals, adults and children. Our training programmes are promoted through schools and through workplaces via their travel plans. Training packages are designed to meet the needs of individual cyclists and are available for people of all abilities, from those learning to ride to experienced cyclists requiring safety awareness training. We currently charge a nominal £5 as a contribution and commitment towards the training.

3.5 There are many benefits to cycling, including:

- Improves general health, helps to lower both blood pressure and improves heart health, as well as improving mental health and wellbeing;
- Helps with weight and stress management;
- Improves fitness;
- In congested areas cyclists and pedestrians breathe in less fumes than drivers;
- Saves resident's money over driving;
- Produces no pollution so good for the environment and tackling climate change;
- Often quicker to get around in towns and cities; and
- Fewer cars on the road and more cyclists and pedestrians means safer roads.

3.6 Brent's cycle training programme has been managed by Cycle Training UK (CTUK) for the past five years and the contract is due to expire on 31st March 2014. This contract was originally signed for three years and later extended for a further two years.

3.7 Over the past five years a significant amount of cycle training has been delivered within the Borough, including:

- 32 courses per year within Brent schools (164 in total);
- 736 training sessions for individuals; and
- In total, 2,540 schoolchildren and adults have received cycle training.

3.8 The LIP spending submission has just been submitted to TFL for the next three years (2014/15 to 2016/17) and includes a budget of £100,000 pa for an adult and child cycle training programme. Subject to approval, up to £300,000 could therefore be invested in cycle training over the coming three years.

3.9 The launch of the 'Mayors Vision for Cycling' in London could result in significant additional funding being made available for all London Boroughs, particularly for infrastructure improvements. Our "Ways to Wembley" cycle vision has been well received by the Mayor's office and we are currently discussing how we can take our plans forward. Along with investment in infrastructure, there may also be additional funding made available for other cycle measures, including an enhanced cycle training programme. It is therefore important to have a cycle training provider in place that can deliver the service that Brent requires in a cost effective and efficient manner.

4.0 CONTRACT REQUIREMENTS

- 4.1 It is proposed to re-tender the service for a three year period using an updated version of the current specification, with the option to extend for a further two at one year periods if funding is available.
- 4.2 The intention is to ensure that we select a service provider who will deliver high quality cycle training and maximise the take-up of the training that we offer. The contract requirements will include:
- Delivering training programmes to children and adults;
 - Managing promotion and marketing campaigns; and
 - Developing a strategy for community engagement to encourage more people to take up cycling.
- 4.3 The contractor will be required to deliver the training to the Bikeability standard in schools and to individuals. This means that all training will be delivered to a nationally agreed standard designed to give trainees skills and confidence to cycle on road.
- 4.4 The contractor will be carefully monitored to evaluate value for money and levels of customer service, with regular reports to demonstrate the number of people being trained, customer satisfaction of the service delivered and the numbers of courses booked. Information on age, gender and ethnicity will also be collected for equalities analysis purposes.

5.0 PRE-TENDER CONSIDERATIONS

- 5.1 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response
(i)	The nature of the service.	Provision of cycle training for anyone living, working or studying in Brent to equip people new to cycling with the skills to share the road with motor vehicles and develop their skills to reduce their risk of accident.
(ii)	The estimated value.	Estimated value for Brent of £100,000 pounds per annum would equate to a maximum value of £500,000 over the proposed full 5 year term of the contract.
(iii)	The contract term.	The initial contract term will be for three years with the option to extend for a further two years in one year increments at the sole discretion of the Council. The contract will commence on 1 st April 2014.
(iv)	The tender procedure to be adopted.	Due to a constricted marketplace, a one stage open tender process will be used in accordance with the Council's Standing Orders.

Ref.	Requirement	Response	
(v)	The procurement timetable.	<p>Indicative dates are:</p> <p>Adverts placed</p> <p>Invite to tender</p> <p>Deadline for tender submissions</p> <p>Panel evaluation</p> <p>Delegated approval report signed and intention to award published in Executive Forward Plan for minimum 5 days</p> <p>10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers</p> <p>Contract start date</p>	<p>December 2013</p> <p>December 2013</p> <p>31 January 2014</p> <p>10 February 2014</p> <p>22 February 2014</p> <p>4 – 14 March 2014</p> <p>1 April 2014</p>
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines. As this is an open tender process the pre-qualification questionnaire will be issued alongside the tender documents to ensure any potential suppliers meet the Council's financial standing requirements, health, safety and environmental standards, technical capacity and technical expertise.</p> <p>The panel will evaluate the tenders to establish the Most Economically Advantageous Offer based upon the following criteria:</p> <ul style="list-style-type: none"> • Price – 60% • Quality – 40% <ul style="list-style-type: none"> ▪ Customer Service ▪ Equalities ▪ Information systems/bookings ▪ Health and safety ▪ Monitoring ▪ Staffing/instructors ▪ Training standards ▪ Continuous improvement 	
(vii)	Any business risks associated with entering the contract.	<p>Withdrawal of funding from TFL will result in early termination of the contract and reduction in funding will result in the scope of the services being reduced. Brent Council funding will not be diverted into this area.</p>	

Ref.	Requirement	Response
(viii)	The Council's Best Value duties.	The Council has a duty under Best Value to secure cost-effective and efficient services that meet the needs of the Borough's customers.
(ix)	Any staffing implications, including TUPE and pensions.	Approximately 2 staff currently deployed by the incumbent Brent provider may be entitled to TUPE. See section 9 of this report.
(x)	The relevant financial, legal and other considerations.	See sections 6, 7 and 8 of this report.

5.2 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

5.3 Delegated approval is being requested to ensure that the tender and contract award process can be completed in time for the 1st April 2014 contract start date. Prior to award, the delegated decision will be published on the Executive's forward plan for a minimum period of 5 days. A standstill period would also be held for a period of 10 days after award to notify tenderers and debrief unsuccessful bidders.

6.0 FINANCIAL IMPLICATIONS

6.1 Cycle training is completely funded by Transport for London via the LIP programme. £100,000 per annum has been allocated for the next three years to invest in cycle training.

6.2 Changes to TfL funding levels will result in a reduction or increase in cycle training activity, and this flexibility will be embedded within the contract.

6.3 Contract management and monitoring will be undertaken through existing establishment staff, therefore there are no revenue implications resulting from this contract re-tender.

7.0 LEGAL IMPLICATIONS

7.1 The contract for a cycle training provider is a Part B (residual) service under the Public Contracts Regulations 2006 ("EU Regulations") and thus only subject to partial application of the EU Regulations when tendering to include technical specifications and the need to publish a Contract Award Notice. Where such services are of interest to providers located in other EU Member States, they must be procured in line with the Treaty on the Functioning of the European Union in respect of non-discrimination, equal treatment, fairness and transparency in the award process.

7.2 The estimated value of the contract proposed to be tendered in this report over its term (including possible extensions) is in excess of £250,000. As such the contract, once let, will be deemed a High Value contract for the purposes of the Council's Contract Standing Orders and Financial Regulations and thus Executive approval is required to invite and evaluate tenders for the contract.

- 7.3 In the present case, there is an incumbent provider currently providing the service being procured. As a result, the Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE") may apply if the contract is awarded to a new provider, where immediately before the change of contractor, there is an organised grouping of employees situated in Great Britain which has, as its principal purpose the carrying out of the activities concerned on behalf of the Council and where the employees are assigned to that organised grouping. Subject to the right of the employee to object to transferring, the employee's contract of employment will transfer to the new contractor. Further information concerning the staffing issues is detailed in paragraph 9 of this report.
- 7.4 Officers are seeking delegated authority to be given to the Strategic Director of Environment and Neighbourhoods so as to enable the decision to award the proposed contract to be implemented in time for the anticipated commencement date. However, should Members be minded to approve delegation of award to the Strategic Director, the subsequent award decision will be a Key Decision and as such, officers will be required to make an entry on the Forward Plan and publication of the delegated authority report 5 clear days prior to a decision to award being taken.

8.0 DIVERSITY IMPLICATIONS

- 8.1 The public sector duty is set out at Section 149 of the Equality Act 2010. It requires the Council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic.
- 8.2 A protected characteristic is defined in the Act as:
- Age
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race (including ethnic or national origins, colour or nationality)
 - Religion or belief
 - Sex
 - Sexual orientation
- 8.3 Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination. The previous public sector equalities duties only covered race, disability and gender.
- 8.4 The proposals in this report have been subject to screening and there are considered to be no negative equalities implications (see Appendix 1). There are potentially significant positive benefits as statistical evidence suggests that cycling participation amongst Black and Minority Ethnic (BME) groups is substantially lower than among other groups. The new contractor will be required to specifically target this group and find ways to engage with these communities to increase the number of people participating in cycle training.

9.0 STAFFING / ACCOMMODATION IMPLICATIONS (IF APPROPRIATE)

- 9.1 The current provision of cycle training to the council is delivered by Cycle Training UK (CTUK) and as such there are no implications for Council staff, or accommodation arising from the tendering of these services.

- 9.2 Following re-tender of the services, if a contractor other than the incumbent is successful, the Transfer of Employment (Protection of Employment) Regulations 2006, ("TUPE") is likely to apply to existing CTUK staff so as to "transfer from the current to the new contractor those employees of the current contractor who spend all or most of their working time on the activities taken over by the new contractor".
- 9.3 These TUPE arrangements would have no implications for Council staff or accommodation requirements for the Council.

10.0 PUBLIC SERVICES (SOCIAL VALUE) ACT 2012

- 10.1 Since 31st January 2013, the council, in common with all public authorities subject to the EU Regulations, has been under a duty pursuant to the Public Services (Social Value) Act 2012 to consider how the services being procured might improve the economic, social and environmental well-being of its area; and how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation. This duty applies to this procurement of a service contract over the threshold for application of the EU Regulations and as such is subject to the requirements of the Public Services (Social Value) Act 2012.
- 10.2 The services being procured promote social well being, increase physical activity and help reduce obesity.
- 10.3 There is a limited market for the delivery of these services; however, officers will endeavour to describe the scope of services in such a way as to further meet the requirements of the Act during the procurement process.

BACKGROUND PAPERS

None

CONTACT OFFICERS

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Strategic Director of Environment and Neighbourhoods

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Executive
11th November 2013

Report from the Strategic Director of Environment and Neighbourhoods

For Action

Wards Affected: ALL

Appointment of Certified Bailiffs for the collection of Penalty Charge Notice debts

1.0 SUMMARY

- 1.1 This report seeks approval of the Executive to award contracts for the provision of certified bailiff services for the collection of unpaid debts in relation to parking and traffic Penalty Charge Notices as required by Standing Order 88. This report summarises the procurement approach followed by the London Borough of Ealing in collaboration with the London Borough of Brent and seeks approval to an exemption from the usual tendering requirements of Contract Standing Orders for the direct award of these service concession contracts.
- 1.2 The report also outlines why this approach to selecting certified bailiff services represents good value for the Local Authorities involved in the process on the basis that the method of allocating warrants attracts added value commitments from the Primary Bailiff.

2.0 RECOMMENDATIONS

- 2.1 That the Executive approve the award of a contract for the recovery of parking debts, to Collect Services Limited (who will initially act as Primary Bailiffs) subject to satisfactory performance, for a period of 3 years with the option of extending the contract for a further 2 years.
- 2.2 That the Executive approve the award of contracts for the recovery of parking debts, to Newlyn PLC, Task Enforcement Limited, and J.B.W. Group Limited (who will initially act as Secondary Bailiffs) for a period of 3 years with the option of extending the contracts for a further 2 years.
- 2.3 That the Executive note the process proposed for changing the appointment of Primary Bailiffs described in paragraph 3.9 and delegate future decisions around this process to the Director of Environment and Neighbourhoods.

- 2.4 That the Executive approve an exemption from the usual tendering requirements of Contract Standing Orders in respect of the direct award of contracts as detailed in Recommendations 2.1 and 2.2 for the good financial and/or operational reasons set out in paragraphs 3.7 and 3.8 of the report.

3.0 DETAILS

Background

- 3.1 Certificated Bailiffs play an important role in the recovery of unpaid debts in relation to Parking Penalty Charge Notices issued under the Traffic Management Act 2004, The London Local Authorities Act 1996, and the Transport for London and London Local Authorities Act 2003.
- 3.2 Each debt-type whether issued for parking, bus lane, or moving traffic contraventions, follows a slightly different statutory progression inclusive of a series of notices served by hand, fixed to vehicles, or served by post, designed to prompt payment of outstanding debt, or to encourage prompt discharge of liability.
- 3.3 Should debtors fail to discharge liability or settle outstanding debts, the Council follows a process of registering outstanding debt at County Court in advance of issuing warrants to Certified Bailiffs in order to collect debts on the Council's behalf.
- 3.4 Bailiffs recover debt by following a process regulated under The Enforcement of Road Traffic Debts (Certificated Bailiffs) (Amendment) Regulations 2003 in which a schedule of fees is applicable depending on the level of enforcement action undertaken by the Bailiff to recover the outstanding debt (actions may range from, initially sending a letter to a debtor to levying distress - each process has an associated cost). Should the bailiff successfully recover the outstanding debt, he/she will return the monies owed to the local authority and retain fees recovered in relation to the cost of providing the service.
- 3.5 The Council's last contracts with Bailiffs, Newlyn PLC and Task Enforcement, expired at the close of the last fiscal year, and Officers are keen to commence a new service in order to release a backlog of warrants.

Collaborative borough working

- 3.6 Further to the collaborative procurement of a Parking Services contract by Brent, Ealing and Hounslow, discussions have subsequently explored scope for further collaboration on bailiff arrangements. Brent and Ealing agreed to collaborate further.
- 3.7 Officers at both Ealing and Brent considered it would be appropriate to approach selected market leading certificated bailiff firms with a view to establishing whether any additional value could be obtained by the authorities. This approach, as opposed to a full tender exercise, was deemed appropriate for a number of reasons. The fees charged by bailiffs are regulated and therefore standard for all firms. Bailiff firms would not therefore be able to bid competitively on this aspect. There was concern therefore about entering into an expensive tender exercise when there would be little financial benefit to the council. Also, there were difficulties in valuing the contract as there is no guarantee as to the numbers of cases to be passed to bailiffs, particularly at the current time following the letting of the Parking Services contract to Serco. Officers anticipate a higher level of recovery at an earlier stage in the Penalty Charge Notice cycle which will significantly reduce the volume of debt being registered at County Court and thus pursued by bailiffs. The level of evidence

recovered and accuracy of modern traffic enforcement systems that have been in use since mid-2013, mean that the authority is likely encourage settlement of more debts prior to the Bailiff stage.

- 3.8 It was also considered that the offering from certificated bailiff firms would be broadly comparable; with each of the firms having an established place in the market with sufficient experience of recovering local authority parking and traffic debt. It was felt that what would set firms apart from one another would be the “added value” elements that they were prepared to provide to the authorities and offers from bailiff firms could be obtained on this aspect without tendering.
- 3.9 A specification was produced with the intention of producing additional value to the local authorities. This was to be achieved through the creation of a primary bailiff and three secondary bailiffs. The Primary Bailiff would be offered first refusal on all warrants on the basis that they maintain appropriate levels of performance. Warrants declined by the Primary Bailiff or returned to the Council as unrecoverable will be reallocated (equally apportioned) to the Secondary Bailiffs. Should the Primary Bailiff fail to meet agreed levels of performance, the best performing Secondary Bailiff would become the Primary Bailiff.
- 3.10 Ealing approached six of the leading bailiff firms (including both Ealing and Brent’s then incumbent bailiffs) regarding Ealing and Brent’s predicted requirements. The outcome of this was that Collect Services Limited was considered to have offered the best “added value” elements (3.12.1 – 3.12.3) and should be awarded the contract as Primary Bailiff. Collect Services Ltd was Ealing’s then incumbent bailiff. The three secondary bailiffs selected to be recommended for award were Newlyn PLC (Brent’s joint incumbent until 31.3.13), Task Enforcement Limited (Brent’s joint incumbent until 31.3.13), and J.B.W. Group Limited.
- 3.11 It should be noted that all Bailiff’s firms approached as part of this exercise are of high repute and are already engaged in similar activities for other London local authorities. All companies employ the services of Certificated Bailiffs, which are not to be confused with less regulated Debt Collectors. Bailiffs are required to be certificated every two years by a County Court, deeming that they meet certain conditions (and are a fit and proper person for the work); if they do not act properly they risk losing their certificate. The Conditions of Contract require participating firms to adhere to the Civil Enforcement Association’s Code of Conduct and Good Practice guide. Council officers will investigate any allegation of misconduct using the Council’s normal complaints procedure.

Contract method

- 3.12 The Primary Bailiff will be allocated every warrant, in consideration of the following requirements:
- 3.12.1 The Primary Bailiff is required to declare all debts they believe to be recoverable, and will be required to achieve a recovery rate (the number of warrants closed as recovered / the number of warrants issued) of at least 50%, should they wish to retain their Primary Bailiff status. This level of performance has not been achieved by Brent or Ealing bailiffs in the past and is seen as an ambitious recovery rate.

- 3.12.2 The Primary Bailiff also agrees that for those warrants they cannot collect, they will pay for the costs incurred for registering the debt at the Court; the fee for which currently stands at £7 per registration. (Where a Penalty Charge Notice is not paid or contested and the Council registers the debt at County Court; a £7 fee is incurred by the Council which is added to the debt payable. Where bailiffs successfully recover the debt, the court registration fee is recovered from the customer at the same time. This proposed arrangement means that whereas currently this fee is always lost when the bailiff does not make a recovery, in future, the fee will be reimbursed by the Primary Bailiff if they accept the debt and then are not successful in collecting it. It should also be noted that this arrangement does not apply to debts allocated to Secondary bailiffs.
- 3.12.3 The Primary Bailiff also now agrees to deal with customer contact about cases whilst the case is being handled by the Bailiff. Currently such correspondence is processed by the Council's Appeals Team, during which period, enforcement action is placed on hold. The new arrangement has the advantage that correspondence outside the statutory process will not delay bailiff enforcement, as currently is sometimes the case.
- 3.13 Warrants declined by the Primary Bailiff or returned to the Council as unrecoverable will be reallocated (equally apportioned) to the Secondary Bailiffs. At the close of the first year of the Contract, should the Primary Bailiff fail in its bid to attain a recovery rate of 50%, the highest performing secondary bailiff shall be offered the opportunity to become the Primary Bailiff for year two of the Contract. Performance of the Primary Bailiff will be reviewed each year and failure to attain the stipulated recovery rate will lead to replacement of the Primary Bailiff. Officers representing the participating boroughs shall review performance in collaboration.
- 3.14 The benefits of working in this way are twofold:
- 3.14.1 The performance of the Contract is self-regulating on the basis that the Primary Bailiff will always strive to achieve a high level of performance to retain their position; whereas the secondary bailiffs will benchmark performance levels against one another in the anticipation that they may become the Primary Bailiff in year 2.
- 3.14.2 The potential to realise a high volume of work means that Bailiff Firms are prepared to offer commitments to the local authorities (those commitments identified and applicable to the Primary Bailiff in 3.11, above) at their own risk.

4.0 FINANCIAL IMPLICATIONS

- 4.1 It is difficult to estimate the value of the Contracts, although estimates based on historic debt recovery imply that should a single contract be awarded, the value to the Primary Bailiff may be in the region of £500,000 per annum for Brent. Assuming that the Primary Bailiff will receive 50% of the work, and the other participating contractors 16.7% each, the annual value of the contracts may be approximately £750,000 to the Primary Bailiff and £250,000 to each of the Secondary Bailiffs over the initial 3 year term.

- 4.2 In the worst case, the implication of Contract Award will mean that the Council's revenue profile will remain steady, on the basis that this concession is being re-let rather than as a new service. Revenues returned to the Council in relation to debts recovered by bailiffs for the last two fiscal years were £391k in 2011/12 and £726k in 2012/13.
- 4.3 In the best case scenario, the new performance mechanism will pay dividends, encouraging a higher recovery rate to the Council based upon improved levels of performance. The return of debt registration fees to the Council (see 3.11.2) are also desirable as a new means to net off unnecessary expenditure. Of the 17,983 warrants issued in 2012/2013, 13,877 were not recovered. As the current fee for registering debts is £7 per warrant, £97,139 was spent on chasing debts without any return to the council. This highlights the potential added value to the Council through allocating warrants to a Primary Bailiff.
- 4.4 Further to the return of registration fees described at 3.12.2 above, better reporting and cleansing routines (through the Council's new parking IT system), means that the Council are able to avoid expenditure arising from registration of debts unnecessarily. Prior to registering debts at County Court, the Council may undertake a cleansing exercise, referencing debt against historical collection attempts. If the Council, or another local authority, have made unsuccessful attempts to collect from a debtor in the past; assessing the likelihood of the collection of live debt against a historical profile will enable the Council to determine whether or not to proceed (and incur the cost of registering debt at the County Court). Alternatively, should one vehicle have multiple debts, it makes good business sense to register one debt and hold all others until outcome of the first debt is known. Cleansing debt in this manner will also mean that the volume of warrants issued to contractors declines over the contract term (hence the difficulty in guaranteeing a volume of work or precisely determining the financial value of this service).
- 4.5 The award of these contracts will not present the Council with any net cost, the fees are deducted from additional revenue collected from registered keepers.
- 4.6 The Bailiff must charge fees strictly in accordance with the Schedule set out in The Enforcement of Road Traffic Debts (Certificated Bailiffs) Regulations 1993 (as amended 1998) and/or other current Regulations issued by the Lord Chancellor and as prescribed by Traffic Management Act 2004. Should existing fee structures and regulations be superseded by new regulations, the new regulations will take precedence. All warrants held by the Bailiff in respect of the debtor will ordinarily be dealt with as one execution to minimise inconvenience, distress and cost to the debtor.
- 4.7 The significant differences in approach recommended in this report, mean it is not possible to model the expected differences in PCN recovery and costs. Not least because we cannot predict the proportion of Warrants that the Primary bailiff accept or reject. Nevertheless, the new arrangements are intended to both improve the collection rate from debts that reach the Warrant stage, and to reduce the level of non-productive Debt Registrations. Thus it is expected that the recommended changes will increase revenue and reduce expenditure.

5.0 LEGAL IMPLICATIONS

- 5.1 Legal powers to enforce debts are provided for primarily in the Traffic Management Act 2004 and the Civil Enforcement of Parking Contraventions General Regulations 2007 (as amended).

- 5.2 These contracts are service concession contracts under the Public Contracts Regulations 2006 (“the EU Regulations”). As such this procurement process is not subject to the EU Regulations. This is because there is a specific exemption in the EU Regulations for service concession contracts. Service concession contracts are defined within the EU Regulations as a contract under which the consideration given by the contracting authority consists of or includes the right to exploit the service or services to be provided under the contract. This is the case for bailiffs because they get paid by the debtor only when a successful recovery of debt is made.
- 5.3 The estimated total value of the Primary Bailiff contract over its lifetime is in excess of £250k and thus is classified as a High Value Contract under the Council’s Contract Standing Orders and Financial Regulations. If the contractor initially named as the Primary Bailiff fails to perform in accordance with contractual requirements as set out at paragraph 3.12, the role of Primary Bailiff will pass to one of the other three firms recommended for appointment as bailiffs. As such there is a potential for the total value for all three contracts with the reserve bailiffs to be in excess of £250k and thus all are classified as High Value Contracts.
- 5.4 As these contracts will be High Value contracts under the Council’s Contract Standing Orders, Executive approval to the award of the contracts is required.
- 5.5 As this procurement process is not subject to the EU Regulations there is no requirement that a standstill period be observed before contracts are awarded.
- 5.6 This report also requests approval for an exemption from the usual tendering requirements of Contract Standing Order 84 (f) for High Value Contracts, in order to allow a direct award of contracts to the four bailiff firms. The Executive has the power to do this by virtue of Contract Standing Order 84(a), provided that Members are satisfied that there are good operational and/or financial reasons for doing so. Members are referred to paragraphs 3.7 and 3.8 and should be satisfied that these provide good operational and/or financial reasons.
- 5.7 In addition, Members may only grant an exemption from tendering where there is no breach of domestic or European legislation. As the contracts are service concessions, they are exempt from the full tendering requirements of the EU Regulations. Most importantly, there is no strict requirement to advertise in accordance with EU Regulations. However award of service concession contracts is subject to over-riding obligations of non-discrimination, fairness and transparency and there is certainly EU case law to suggest that service concessions should be subject to some form of advertised process. However this is subject to an analysis of the nature of the service and whether there is likely to be cross-border interest. Given the requirement for the bailiff to be a Certified Bailiff, it is considered that there is likely to be limited cross-border interest and so the risk of successful challenge to award is considered limited

6.0 DIVERSITY IMPLICATIONS

- 6.1 The service is a by-product of earlier enforcement activities, a service which applies indiscriminate enforcement of parking and traffic regulations. There is no aspect which is intended to impact on any group other than drivers that do not comply with the law. However, it may well be possible that one or more groups with Protected Characteristics may drive or park inappropriately, or find themselves more likely subject to Bailiff action because perhaps they are less likely to understand written notices.

- 6.2 The existing Bailiff arrangement has not collected equalities data, which would allow the Council to better understand whether any groups receive disproportionately different treatment. The new contractors will be required to develop arrangements for monitoring the equalities characteristics of customers at key stages of its service, for future analysis by the Council. Bailiffs are also contractually obliged to adopt a policy to comply with the requirements of all equal opportunities legislation and shall not treat any individual or a group of people less favourably than others because of colour, race, nationality, ethnic origin, religion, faith or belief, sex, sexual orientation, disability or age and, further, shall seek to promote equality among its personnel and generally.
- 6.3 Further, the Bailiff Code of Conduct governs the actions for vulnerable sections of the community and additionally the Bailiff is required to refer any contentious issues or vulnerable cases back to the Council for the Council to decide whether to continue enforcing the debt.

7.0 STAFFING / ACCOMMODATION IMPLICATIONS (IF APPROPRIATE)

- 7.1 This service is currently provided by external contractors and there are no implications for Council staff arising from the tendering of the services.

BACKGROUND PAPERS

There are no applicable background papers.

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 <p>Brent</p>	<p style="text-align: center;">Executive 11 November 2013</p> <p style="text-align: center;">Report from the Strategic Director of Environment and Neighbourhoods</p>
<p>For Action</p>	<p style="text-align: right;">Wards Affected: ALL</p>
<p>Approval of Delegation of Functions to Birmingham City Council for the Enforcement of Illegal Money Lending under the Consumer Credit Act 1974</p>	

1.0 SUMMARY

- 1.1 This report seeks approval for the London Borough of Brent to authorise Birmingham City Council to investigate and institute proceedings against illegal money lenders operating within the Brent Council area.

2.0 RECOMMENDATIONS

- 2.1 That the Executive:-

- i. Delegate to Birmingham City Council the function of the enforcement of Part III of the Consumer Credit Act 1974 within the London Borough of Brent and delegate to Birmingham City Council the power to institute criminal proceedings for any matters associated with illegal money lending or discovered during investigations by the Illegal Money Lending Team (ILMT) at Birmingham City Council.
- ii. Agree the "Protocol for Illegal Money Lending Team Investigations" attached as Appendix 1 and delegate authority to Strategic Director of Environment and Neighbourhoods in consultation with the Head of Consumer & Business Protection to enter into the protocol agreement on behalf of the London Borough of Brent with Birmingham City Council and, if required, approve minor alterations.

3.0 DETAILS

- 3.1 The primary legislation governing the consumer credit industry is the Consumer Credit Act 1974. The Trading Standards Service enforces this in each Local Authority area. The Act is based on a licensing system and all consumer credit and consumer hire businesses operating in the UK (with certain exemptions) must possess an appropriate licence issued by the Office of Fair Trading (OFT).

The OFT must be satisfied that an applicant for a consumer credit licence is a fit and proper person before issuing that person with a licence to trade.

- 3.2 To operate a consumer credit business without being licensed is a criminal offence and carries a maximum penalty of £5,000 and/or up to two years imprisonment. Licences can be revoked where it can be established that the licensee has acted inappropriately. Warnings and conditions can be added to the licence where necessary. Illegal money lending covers a range of activities, from persons that are actually licensed but are acting unlawfully, to the extreme of a person offering cash loans without being licensed at all (loan sharks). Loan shark activity is characterised by deliberate criminal fraud and theft, with extortionate rates of interest on loans that mean borrowers face demands for payment of thousands of pounds more than they borrowed and can often never pay off the loans. Borrowers who fail to pay or refuse to pay may be subject to intimidation, theft, forced prostitution and other extreme physical violence.
- 3.3 An Illegal Money Lending Team (“IMLT”) was established within Birmingham Trading Standards as a pilot project in England, one of only two in Great Britain; the other pilot area being Glasgow – covering Scotland. The remit of the team is to investigate illegal money lending activity, establish if a problem exists and, if so, bring to justice those persons carrying on this activity. The team is made up of highly experienced investigators with a broad range of backgrounds and investigative skills.
- 3.4 The scheme, initially working across the Midlands, has already been extended to cover the North West, East of England, South East and Yorkshire and Humber areas.
- 3.5 Research funded by the Department of Business Innovation and Skills (BIS) and using information gathered by the Birmingham pilot project has been published which identifies the extent of this type of activity as well as the reasons that people use illegal money lenders. Funding for the project is provided from the Financial Inclusion Fund administered by the Treasury and managed by BIS. The Treasury and BIS announced that due to the success of the Birmingham pilot, funding will be continued and can be used to roll out to other Authorities.
- 3.6 On 29th December 2010, Business Minister, Edward Davey announced that £5.2 million in funds was to be made available to continue the national illegal money lending project for 2012/13 through the trading standards service.
- 3.7 In addition, the Minister also announced that BIS intended to restructure the project by moving it to a three national team model. The Minister indicated that BIS were looking to maintain front line services whilst providing a value for money project. The England team is now hosted by Birmingham City Council and will continue to provide resources to investigate and prosecute illegal money lending across England.
- 3.8 Beyond investigation, detection and prosecution, partnership working in this area is recognised as being essential. Effective branding and publicity of the work of the IMLT has included extensive promotion within both the local and wider community. Evidence suggests that this has been achieved because it can be

evidenced that victims are willing to contact the hotlines, and to provide further evidence to help achieve prosecutions.

- 3.9 The team has used injunctions, backed by the power of arrest under the Anti-Social Behaviour Act 2003, to remove lenders from their area of operation. Injunctions are reinforced with an agreement from the local police to flag the matter on their system and respond immediately if they receive a call from one of the victims.
- 3.10 The IMLT will help victims of illegal moneylenders with practical help and support through and in conjunction with the services of local Debt Advice Teams and the National Debtline. It has been noted that victims often need more than simple money advice and so face-to-face advice is considered the most helpful way forward and is the route normally adopted.
- 3.11 Links are also established with credit unions and their associations and where practicable these agencies are also called upon to provide help and advice. The IMLT offers money management to all victims of moneylenders who contact them for advice and assistance.
- 3.12 The benefit that the work of this team can bring to the London Borough of Brent is significant. Brent Trading Standards Service, like most Local Authorities, is not able to provide the level of specialist resource to deliver this function. This is an excellent example of how sharing resources on specific issues can bring benefits otherwise unavailable in providing support to vulnerable consumers and tackling rogues.
- 3.13 Although the delegations proposed in this report will have clear benefits in allowing Brent to access the specialist skills and additional resource of the IMLT, that resource will be spread over an increasingly wide area of the country. While it is anticipated that the IMLT will be able to identify and tackle relevant crime in Brent, the scale of the problem is such that these interventions will not be able to eliminate all the very serious problems associated with illegal money lending in this borough.
- 3.14 The pilot project conducted by the IMLT highlighted the following key statistics:-
- nearly 3,000 illegal lenders Identified
 - over 650 illegal money lenders (loan sharks) arrested
 - over £40 million of illegal debts written off (money that victims would have paid back to illegal lenders if the IMLT had not acted)
 - over 218 prosecutions secured, resulting in prison sentences totalling over 140 years and helped over 19,000 victims of loan sharks, including the most hard to reach individuals
 - over 1000 victims referred to alternative (legal) sources of financial support
- 3.15 Information is not available about the scale of the problems in Brent. The crime reported to Brent and Harrow Trading Standards largely relates to credit related scams which the service can and does investigate from its own resources. The more serious offences associated with loan sharks are rarely reported because victims often feel shame or feel under threat of harassment, violence or

- community exclusion if they are identified. Effective action relies, therefore, on the kind of intelligence led operations carried out by the IMLT.
- 3.16 The evidence so far indicates that illegal moneylenders are widespread and prevalent. They often operate in areas that have a high proportion of rented accommodation and target the most vulnerable members of society.
- 3.17 Evidence shows illegal moneylenders vary from those who lend £10 over a few days and demand £12 on repayment, to those who provide substantial loans to those looking to set up businesses. Interest rates range from 100% to over 100,000% APR in some instances.
- 3.18 Information gathered so far suggests that illegal money lending is being operated across all sectors of the community. The majority of people using moneylenders are in receipt of income support or benefits and are introduced through word of mouth. However, evidence also suggests that money lenders operate within the wider community and the pilot has identified illegal money lending within the business community. In many of the investigations it has been established that the moneylenders resort to intimidation and violence in order to secure payment. Other identified areas of concern include: adding indiscriminate charges, targeting single mothers and payment through sexual favours.
- 3.19 Moneylenders often use victims of money lending to assist them with maintaining their criminal lifestyle and anonymity, for example illegal money lenders' vehicles may be registered at a clients' address.
- 3.20 There is also anecdotal evidence which suggests that illegal moneylenders have an impact on the wider community in which they operate, with victims resorting to petty crime to enable them to meet payments. Reducing the activities of illegal money lenders or removing them altogether may, therefore, help to reduce levels of other criminal activity within a community.
- 3.21 With regard to enforcement activity, the investigation of illegal money lending has proven to be very resource intensive. Target individuals need to be observed and monitored to determine their activity and to identify them and, if possible, establish their address. A significant proportion of targets are also what are termed "lifestyle criminals", which means that evidence of other illegal activity can surface during the course of an investigation. This may not only involve other agencies but can also extend the life of an investigation, thereby adding to the pressure on resources.

Conduct and Control of Investigations

- 3.22 The conduct and control of all investigations undertaken and prosecutions by the IMLT in Brent will be the responsibility of Birmingham City Council ("Birmingham CC"). Investigations will be undertaken in line with the Birmingham CC's published Enforcement Policy and subject to the policies and procedures approved and adopted by Birmingham Trading Standards.
- 3.23 Birmingham CC will be responsible for all aspects of the investigations (relating to illegal money lending and related illegal activities) and responsibilities under the Criminal Procedure and Investigations Act 1996, Regulation of Investigatory

Powers Act 2000, the Data Protection Act 1998, the Freedom of Information Act 2000 and the Enterprise Act 2002.

- 3.24 Birmingham CC will be solely responsible for the Health and Safety of IMLT officers and any other officer or person within the direct management of the IMLT providing support and assistance in any investigation undertaken by the IMLT.
- 3.25 Where breaches of Part III of the Consumer Credit Act 1974 are identified, action will be taken in accordance with the enforcement policy and procedures adopted by Birmingham Trading Standards.
- 3.26 When the Head of Service of IMLT at Birmingham CC recommends a prosecution under Part III of the Consumer Credit Act 1974, if required, Brent Council's Trading Standards Department will be provided with a copy of the relevant prosecution file, which will consist of a detailed case summary, schedule of issues, aggravating and mitigating factors, reasons justifying prosecution and any other material fact that Brent Council's Trading Standards Department ought reasonably to be aware of. Brent Council's Trading Standards Department will be invited to communicate any comments it considers appropriate and necessary concerning the intended prosecution to the Director of Regulation and Enforcement of Birmingham CC, who will be the informant for Birmingham CC when issuing prosecution proceedings. Such comments will be given due attention and consideration by the informant for Birmingham CC.
- 3.27 After the relevant delegated power is granted to Birmingham CC, all decisions concerning the pursuance of relevant investigations, decisions to prosecute and the laying of charges and/or information in relation to relevant investigations within Brent, shall be taken by Birmingham CC and in accordance with the relevant Code for Crown Prosecutors and Birmingham CC's Enforcement Policy.
- 3.28 The delegation of authority and powers to Birmingham CC is intended to be additional to the existing delegations to Brent officers, and it is not intended that this delegation will prevent Brent officers from investigating or prosecuting offences under Part III of the Consumer Credit Act 1974. However, such investigations would normally be referred to the IMLT.

4. Financial Implications

- 4.1 There are no financial implications for the London Borough of Brent as a result of this proposal. All major costs will be funded by the Treasury. Incidental costs in providing a work base for officers operating in the London Borough of Brent will be contained within the Consumer and Business Protection service's budget.
- 4.2 All prosecutions arising from the IMLT's investigations will be undertaken by Birmingham City Council with no liability for costs to the London Borough of Brent.
- 4.3 This proposal, if agreed, will add to the Council's resources and will enable the London Borough of Brent Trading Standards Service to have access to a team of highly trained experts from the IMLT.

- 4.4 This area of law enforcement requires specialist resource, expertise, techniques and facilities which the London Borough of Brent Trading Standards Service would not otherwise have access to. Members of the IMLT include officers with high-level training and expertise in surveillance techniques as well as security operations. The team includes, amongst others, ex-police officers and security services personnel.
- 4.5 The recommendations will support performance of the Authority's duty in relation to enforcement of the provisions of the Consumer Credit Act 1974.

5. Legal Implications

- 5.1 By virtue of Section 161 of the Consumer Credit Act 1974, it is the duty of each 'local weights and measures authority' to enforce the provisions of the Act within their Local Authority boundary. This is an executive function for the purposes of the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and, therefore, it is necessary for the Executive to formally delegate this function under Part III of the Consumer Credit Act 1974 to Birmingham City Council under Section 13 of the Local Government Act 2000 and regulation 7 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 and section 101 of the Local Government Act 1972. Birmingham City Council is also required to formally accept the delegation.
- 5.2 In order to expand the scheme into the London Borough of Brent, Birmingham City Council requires formal delegation of functions to carry out the investigations under the Act within the boundaries of the borough of Brent and to prosecute any matters relating to illegal money lending and Part III of the Consumer Credit Act 1974 in the area of Brent.
- 5.3 In order to ensure clarity in respect of the operation of these arrangements, the attached draft protocol sets out the processes and practices to enable Birmingham City Council and its officers to undertake investigations and institute legal proceedings.
- 5.4 This delegation does not preclude the London Borough of Brent's Trading Standards Service from undertaking its enforcement functions under Part III of the Consumer Credit Act 1974.

6.0 DIVERSITY IMPLICATIONS

- 6.1 It is often the poorer and more vulnerable members of society who become victims of illegal moneylenders and find it difficult to access appropriate support and help.
- 6.2 Illegal moneylenders invariably target low-income households and the most vulnerable members of society. This can mean that their activities have greater implications for the more deprived areas. Therefore, any action taken against these illegal money lenders will support the crime and disorder priorities and protect the more vulnerable members of our community.

- 6.3 Illegal money lending has a detrimental effect on individuals and the community as a whole. Tackling the root causes and providing legitimate alternative sources of credit will contribute to reducing stress and pressures on many individuals and communities.
- 6.4 Marginalising rogue traders will create an environment which will support and encourage legitimate credit providers and reduce the fear of crime. But mostly importantly of all, action taken against illegal money lenders will enable the most vulnerable members of our society to escape from a continuous cycle of debt and poverty.

7.0 STAFFING / ACCOMMODATION IMPLICATIONS (IF APPROPRIATE)

- 7.1 There are no staffing or accommodation implications for London Borough of Brent as all the costs will be borne by the IMLT.

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APPENDIX 1

DEPARTMENT FOR BUSINESS INNOVATION AND SKILLS (DBIS) ILLEGAL MONEY LENDING PROJECT

PROTOCOL FOR ILLEGAL MONEY LENDING TEAM INVESTIGATIONS

Interpretation

For the purposes of this Protocol –

“BCC” means Birmingham City Council

“LBBTS” means London Borough of Brent Trading Standards Service

“IMLT” means the Illegal Money Lending Team

“Delegated Power” means the discharge of the function of the Enforcement of Part III of the Consumer Credit Act 1974 granted to BCC by LBBTS in pursuance of section 101 and 222 of the Local Government Act 1972, Regulation 7 of the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2000, sections 13 to 19 of the Local Government Act 2000 and any other legislation enabling the discharge

“Commencement Date” means the date the Delegated power is granted

“Term” means from the date of signing of this protocol to 31st March 2015

“Birmingham Trading Standards” means Regulatory Services of BCC

“Brent Contact Officer (LBBTSCO)” means the relevant person appointed by the Head of Trading Standards of LBBTS to liaise with the Head of Illegal Money Lending Team on matters relating to and in connection with the Illegal Money Lending Project

“Appropriate Contact Officer” means The Director of Regulation and Enforcement or the Head of Illegal Money Lending of Birmingham Regulation and Enforcement or any person nominated by the Council or authorised by them

1. Application

1.1 This Protocol applies to the DBIS / HM Treasury funded 'Illegal Money Lending Project' and covers the following issues:-

- The conduct of investigations and associated working practices for the IMLT officers when conducting investigations or operating in Brent Council
- The mechanisms whereby Brent Council is updated on the progress of the project and any significant issue relating thereto.
- The exchange of intelligence and information between the IMLT and LBBTS
- The institution of legal proceedings.

2. Protocol

2.1 The purpose of this protocol is to facilitate the delegation of powers to BCC and officers employed within BCC's IMLT to enforce the provisions of the Consumer Credit Act 1974 within the area of Brent Council. The protocol encourages the exchange of information and a working partnership approach between BCC and LBBTS in relation to the Consumer Credit Act 1974.

2.2 This Protocol will come into force on the Commencement Date and terminates at the end of the Term.

2.3 Notwithstanding the terms and conditions of this Protocol, this Protocol does not prejudice the right of LBBTS to withdraw the delegated power at any time during the Term. However, LBBTS undertakes not to withdraw the delegated power unless it considers there is good reason to do so. The delegated power is not to be unreasonably withdrawn by LBBTS.

3. The IMLT

3.1 It is recognised that officers in the IMLT will need authority to initiate and/or undertake investigations and/or the prosecution of potential offences falling within the scope of the 'Illegal Money Lending Project' where such potential offences fall entirely outside of the BCC boundaries. This protocol and also the delegated power is deemed to provide such authority to BCC and its officers regarding all matters.

3.2 The IMLT will comprise of a Head of Service and up to 55 staff directly employed by BCC. The Head of Illegal Money Lending Team will be responsible for the day-to-day operation and supervision of the IMLT.

3.3 The Head of Illegal Money Lending Team will report directly to the Director of Regulation and Enforcement or nominated officer, as appropriate.

- 3.4 The Head of the Illegal Money Lending Team BCC will, when required, provide quarterly progress reports, from the commencement date, to the Head of LBBTS giving details of investigations (unless there is a significant risk that any such disclosure may jeopardise an investigation, such a decision is within the discretion of the Director of Regulation and Enforcement or Head of Trading Standards BCC) prosecutions being pursued or concluded and developments concerning or affecting the Illegal Money Lending Project in Brent.
- 3.5 It is recognised that after delegated power is granted to BCC, all decisions concerning the pursuance of relevant investigations, decisions to prosecute and the laying of charges and/or information on such relevant matters within Brent, shall be taken by BCC and in accordance with the relevant Code for Crown Prosecutors and BCC's Enforcement Policy.

4. Working Arrangements in the Brent Council Area

- 4.1 LBBTS will designate and appoint a Brent Council Contact Officer (LBBTSCO).
- 4.2 The Head of Illegal Money Lending Team will at any time the Head of Illegal Money Lending Team considers necessary and prudent, or at the request of the LBBTSCO, brief the LBBTSCO on any intelligence gathered, any progress made on investigations and/or prosecutions pending or otherwise, relating to or affecting Brent and/or its residents.
- 4.3 Further to Clause 4.2 above, all reasonable steps will be taken by the Head of Illegal Money Lending Team to keep the LBBTSCO updated on the progress of investigations and enquiries being carried out in Brent and any changes made or introduced by Government concerning the 'Illegal Money Lending Project'. It is incumbent on the Head of Illegal Money Lending Team to maintain regular dialogue/communication with the LBBTSCO.
- 4.4 The IMLT will have regular contact with the Police and other Government agencies. The Head of Illegal Money Lending Team will consult the LBBTSCO to identify any local arrangements, investigations and protocols before any investigation is commenced in pursuance of the 'Illegal Money Lending Project'. Wherever possible, the Head of Illegal Money Lending Team will actively involve the LBBTSCO and seek to develop close links between those agencies and BCC.
- 4.5 The Head of Illegal Money Lending Team will as soon as reasonably practicably inform the LBBTSCO of the outcome of any concluded prosecution proceedings conducted within Brent.
- 4.6 BCC, where possible, will consult with LBBTS in good time before issuing any press release concerning any prosecution pursued by BCC pursuant to this Protocol.
- 4.7 Any contact with local government bodies, other police forces, credit unions or similar organisations that may be locally funded or may involve local sensitivities

will be agreed with the LBBTSCO in advance. Upon being notified of an intention to contact such a body, Brent Council Trading Standards may arrange for one of their own officers to accompany the relevant officer of the IMLT on any visit.

- 4.8 Where the Head of Illegal Money Lending Team and the Head of Trading Standards of Brent Council agree that an officer or officers of Brent Council Trading Standards will be actively involved in an investigation, that officer will remain an employee of LBBTS but for the purpose of that investigation, will come under the control of the IMLT team manager. Such agreement will be subject to the Head of Illegal Money Lending Team being satisfied that the officer's or officers' participation will not compromise any investigation or endanger any member of the IMLT, supporting staff or witnesses, that the officer has the appropriate training and experience to undertake the task; and upon any other terms that the Head of Illegal Money Lending Team and the Head of Trading Standards of Brent Council consider necessary and/or appropriate.
- 4.9 Unless there is prior agreement with the Head of Illegal Money Lending Team for assistance in an investigation, which is accompanied by an official purchase order from BCC, no reimbursement will be made for time spent on activities supporting the 'Illegal Money Lending Project' or expenditure incurred by any LBBTS officer.
- 4.10 The exercise by BCC of these arrangements shall be at no cost to LBBTS
- 4.11 BCC shall have an Appropriate Contact Officer.
- 4.12 In the absence of the IMLT Head of Service, the role, duties, and responsibilities of the Head of Illegal Money Lending Team shall be discharged and carried out by the other Appropriate Contact Officers as nominated.

5. Referral of Information/Intelligence to the Project Team

- 5.1 It is recognised that the IMLT will rely on receiving information about Illegal Money Lender activities.
- 5.2 LBBTS will endeavour to provide as much relevant information and intelligence as reasonably and practicably possible to the IMLT concerning any investigation being carried out within Brent having regard to any statutory limitations/restrictions.
- 5.3 Information and intelligence will be provided by the LBBTSCO to the Head of Illegal Money Lending Team or a person designated by him/her.
- 5.4 BCC IMLT will not, as a matter of routine, investigate individual complaints received concerning alleged Illegal Money Lender activities. However, such complaints may be used by the IMLT as a source of intelligence.

- 5.5 BCC, IMLT and LBBTS agree to process personal data only in accordance with the requirements of the Data Protection Act 1998 and to disclose information only in accordance with the requirements of the Enterprise Act 2002.

6. Conduct and Control of Investigations

- 6.1 The conduct and control of all investigations undertaken and prosecutions by the IMLT in Brent will be the responsibility of BCC. Investigations will be undertaken in line with the BCC's published Enforcement Policy and subject to the policies and procedures approved and adopted by Birmingham Trading Standards.
- 6.2 BCC will be responsible for all aspects of the investigations and responsibilities under the Criminal Procedure and Investigations Act 1996, Regulation of Investigatory Powers Act 2000, the Data Protection Act 1998, the Freedom of Information Act 2000 and the Enterprise Act 2002.
- 6.3 BCC will be solely responsible for the Health and Safety of IMLT officers and any other officer or person within the direct management of the IMLT providing support and assistance in any investigation undertaken by the IMLT.
- 6.4 Where breaches of Part III of the Consumer Credit Act 1974 are identified, action will be taken in accordance with the enforcement policy and procedures adopted by Birmingham Trading Standards.
- 6.5 When the Head of Service, IMLT BCC, recommends a prosecution under Part III of the Consumer Credit Act 1974, if required, LBBTS will be provided with a copy of the relevant prosecution file, which will consist of a detailed case summary, schedule of issues, aggravating and mitigating factors, reasons justifying prosecution and any other material fact that LBBTS ought reasonably to be aware of. LBBTS will be invited to communicate any comments it considers appropriate and necessary concerning the intended prosecution to the Director of Regulation and Enforcement, the informant for BCC. Such comments will be given due attention and consideration by the informant for BCC.

7. Responsibilities and Actions of the Authorities

- 7.1 BCC shall be liable for the actions and competence of the persons employed within the IMLT and shall ensure that the IMLT shall comply with all legislative requirements and take all reasonable steps to ensure any actions taken are lawful and within the spirit of the protocol.
- 7.2 LBBTS shall be liable for the actions and competence of persons within its employ and shall take all reasonable steps to ensure the competence of those persons in carrying out their functions and that they comply with legislative requirements and the spirit of this protocol.

- 7.3 Information / intelligence provided between BCC and LBBTS shall be used for the purpose intended and shall not be divulged to third parties unless to do so would be lawful and in pursuant of an investigation / enquiry subject to this protocol.
- 7.4 BCC and LBBTS endorse a joined up working approach to the enforcement of the Consumer Credit Act 1974. The partners will attempt to promote consistency in enforcement. However, this protocol does not attempt to restrict the powers of authorised officers of the IMLT or BCC from discharging their duties, as appropriate.

Commencement date: ??2013

Signed

Brent Council

Signed

Jacqui Kennedy
Director of Regulation and Enforcement
Birmingham City Council.

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 <p>Brent</p>	<p style="text-align: center;">Executive 11 November 2013</p> <p style="text-align: center;">Report from the Strategic Director, Regeneration and Growth</p>
<p>For Action</p> <p style="text-align: right;">Wards affected: ALL</p>	<p>HRA Asset Management Strategy</p>

1.0 Summary

- 1.1 The HRA Asset Management Strategy sets a long-term approach to the maintenance and development of the Council's housing assets in order to best meet its housing objectives.
- 1.2 A draft of the strategy was prepared and the Executive agreed in July for consultation to proceed on the approach proposed. The HRA Asset Management Strategy encompasses plans for:
 - Stock Investment – to improve and maintain the condition of the existing housing stock
 - Stock Reform – to raise the performance and improve the balance of the stock to better align with housing demand
 - Development – to provide additional affordable housing to increase the capacity to meet housing need
 - Rent Policy – to provide the income required to fund the investment in existing and new council homes
- 1.3 Brent tenants and leaseholders and the wider public were consulted on the draft strategy over an eight week period from early August to early October.
- 1.4 Overall there was a high-level of endorsement for the approach proposed in the draft strategy. The responses received are summarised in the report and these have been taken into account in finalising the strategy.
- 1.5 Subject to the agreement of the Executive implementation of the strategy will commence from April 2014 and preparatory work is underway to facilitate this.

2.0 Recommendations

The Executive agree:

- 2.1 The HRA Asset Management Strategy which is appended to this report and authorise its implementation from 1 April 2014.
- 2.2 An indicative five-year capital budget of £86.3m for stock investment, with the final budget being reported annually to the Executive for approval.
- 2.3 To proceed with an initial programme for the development of between 75 and 100 new affordable homes within the HRA estate for let at Affordable Rents with local consultation and scheme development to be managed by Brent Housing Partnership and with the final schemes to be subject to approval by the Executive.
- 2.4 That capital receipts that are realised from the disposal of HRA stock are ring-fenced for the development and acquisition of affordable housing through the HRA subject to annual approval in the capital programme, and that replacement receipts that have arisen from Right-to-Buy sales since April 2012 and that arise in the future, are additionally ring-fenced for the development or acquisition of affordable housing through the HRA.
- 2.5 That further examination is made of approaches to maximise the provision of new affordable housing with the intention being to develop one thousand affordable homes, including replacement homes, from 2014-2022, with this including examination of the use of corporate land-holdings, prudential borrowing, the contribution of BHP and relevant partnership arrangements to achieve this, and to report further to the Executive in respect of specific projects in relation to this.
- 2.6 The rent policy set out in the Asset Management Strategy for the period 2014-19 with actual rent increases being subject to annual approval by the Executive.
- 2.7 That under the HRA prudential borrowing regime, additional HRA borrowing of up to £20.6m be approved, to be used by March 2016.
- 2.8 To note the responses to the consultation regarding the draft HRA Asset Management Strategy which are set out in Appendix 2 to this report.
- 2.9 To note the content of the Equality Impact Assessment which is set out in Appendix 3 to this report.

3.0 Detail

Background

- 3.1 In April 2012 the Government implemented reform of Local Authority Housing Revenue Accounts (HRAs) through a one-off debt settlement. This reform provided for significant devolution of control and responsibility to each stock-

owning authority. This enables the Council to plan for the effective maintenance and development of its stock over the long-term.

- 3.2 An Asset Management Strategy is required to set clear strategic priorities to improve and develop the Council's housing assets and to assure the financial sustainability of the HRA.
- 3.3 On 15 July 2013 the Executive agreed to consult on the proposals set out in a draft Asset Management Strategy.

Consultation

- 3.4 Consultation was undertaken from August to early October 2013 and was open to both Brent tenants and leaseholders and to residents generally in the borough. Over 600 people in total responded to the consultation and the great majority of these were existing Brent tenants and leaseholders.
- 3.5 The majority of consultation responses were received in reply to a postal survey sent to all Brent tenants and leaseholders. The survey provided a brief summary of the proposals and invited response to a number of specific questions on these. Almost 500 responses were received to this survey.
- 3.6 The draft Asset Management Strategy and a set of consultation questions were posted on the Council's website and a further 50 responses were received.
- 3.7 Two consultation events were held, at the start and end of the consultation period. The first, organised by BHP was exclusively for Brent tenants and leaseholders and this provided an opportunity for group discussion of the proposals, and was attended by over 80 residents. A consultation event on the Asset Management Strategy and the draft Housing Strategy was held at the Civic Centre in early October and included presentations and question-and-answer sessions. This was attended by a further 40 borough residents.
- 3.8 The overall consultation responses are summarised in the following sections, with more detail provided in appendix 2.

Stock Investment

- 3.9 The draft strategy proposed a 7-year programme across all properties of external painting and repairs and roof and window renewal where required. Maintenance of the Decent Homes standard was committed to, and targeted provision was made for environmental and energy efficiency work.
- 3.10 The overall approach to investment was endorsed by 80% of those who responded. Energy efficiency works to reduce fuel poverty were identified as the highest priority followed by roof and window works and then by external painting and repairs. The strategy has been amended to give a higher priority to energy efficiency works and this will additionally be supported by the procurement of an ECO-partner which was authorised by the Executive in August 2013.

- 3.11 The investment programme length of 7 years was supported by half of respondents but two-fifths felt that this was too long. There is a need to strike a balance between funding for stock investment and for the development of new homes and it is important that there is a high level of confidence that the timetable committed to can be achieved within available resources and for these reasons a 7-year duration has been maintained.

Stock Reform

- 3.12 An active approach was proposed to improve the performance and balance of the Council's stock through selective disposal and re-investment in more suitable properties. This includes appraisal and disposal of some properties with high investment needs or to release value, and in order to improve management efficiencies, and the disposal of selected smaller units to provide more, larger family homes.
- 3.13 This approach was supported by a majority of respondents but a significant proportion – some 2 in 5 – were not in favour with the predominant concern being the loss of smaller units.
- 3.14 The final strategy makes clear that changing profiles of demand over time will continuously inform decisions about disposals and re-investment, and in particular about the scale and focus of rebalancing, and these will be subject to periodic approval by the Executive.
- 3.15 Stock reform depends on the re-investment of proceeds from disposal of existing homes in more suitable homes through acquisition or new development. This requires that capital receipts arising from disposals of HRA dwellings are ring-fenced for this purpose.

Development

- 3.16 The draft strategy proposed commitment to maximise the provision of new council homes. This includes a programme of infill development within the HRA estate and consideration of redevelopment of some existing estates to provide better quality homes.
- 3.17 The construction of new council homes was strongly supported by respondents – with 4 in 5 in favour. Building new homes on existing estates was supported by two-thirds of respondents and there was a very high level of support for estate redevelopment. The importance of consultation with local residents was stressed.
- 3.18 Priorities for the type of homes to be built were evenly-spread with similar levels of priority for smaller homes and larger family homes and for provision for people with disabilities and for older persons. The final strategy maintains a focus on provision of larger family homes as these are most acutely under-supplied while recognising the need for provision for people with disabilities.

- 3.19 Further examination has been made in recent months of the scope for infill development within the HRA estate and initial capacity for 75 to 100 units has been identified. It is anticipated that, subject to consultation and further scheme development that an initial phase of new affordable housing development can be brought forward in 2014. The final schemes proposed will be reported to the Executive before proceeding.
- 3.20 The scale of affordable housing development that can be realised through the HRA is limited by the debt cap that was imposed at the time of the self-financing settlement. In addition to the initial infill phase it is estimated that a further 175-200 units could be directly funded by the HRA over the next seven years.
- 3.21 In order to make a significant impact on the scale of unmet housing need it is proposed to set a demanding but realisable target of providing 1,000 affordable homes over the first 7-year cycle of the Asset Management Strategy.
- 3.22 This target will primarily see additional new affordable homes provided but it will include the investment of receipts arising from stock reform and Right-to-Buy disposals to provide replacement homes.
- 3.23 In order to bring forward new affordable homes at this scale it will be necessary to examine the use of suitable General Fund sites. It may also require the support of prudential borrowing to fund development provided that such schemes are financially self-supporting and do not impose any additional financial burden on the Council. The potential for BHP to bring forward additional development will be explored as will a range of partnerships with 3rd parties in order to maximise development opportunities.
- 3.24 Officers will develop proposals to support realisation of the target level of development and report on these individual projects for consideration by the Executive.

Rent Policy

- 3.25 In order to provide the funding within the HRA for the proposed investment in existing and new homes it was proposed to commit to a 5-year rent policy. This would provide for rents for existing tenants to increase in line with the Government's rent convergence regime. New properties would be let at 'Affordable Rents' in line with the Council's Tenancy Strategy guidance.
- 3.26 There was an even split between those who supported and did not support this approach.
- 3.27 Since the preparation of the draft strategy the government has issued new guidance to local authorities on rent increases. This recommends that from 2015 rent increases are linked to a different inflation measure – CPI rather than RPI – and that increases to achieve rent convergence should cease from 2015. Further clarification of the government's approach, and the extent of

discretion that will remain to councils in relation to rent convergence, is expected to be provided over the next few months.

- 3.28 Pending this clarification, the final strategy sets a policy that, from 2014/15-2019/20 rent increases will be based upon the government's previous rent convergence regime, and from 2015 will be based on the CPI index.
- 3.29 New homes will be let at Affordable Rents, with thresholds set in line with the Council's Tenancy Strategy. Where possible GLA grant support will be obtained. In order to maximise the viability of new development the agreement of the GLA will also be sought to convert a corresponding number of existing smaller properties from social rent to Affordable Rent levels in order to provide an element of cross-subsidy to new-build development.

Implementing the Asset Management Strategy

- 3.30 The Asset Management Strategy will be implemented through an Asset Management Plan which will set out the constituent programmes and arrangements required. Preparatory work has commenced in readiness for the implementation of the strategy from April 2014. Brent Housing Partnership (BHP) will take leading responsibility for the implementation of many elements of the strategy, in particular the management of the stock investment programme and the initial phase of development on existing HRA estates.
- 3.31 The commitment to a major programme of stock investment provides the opportunity to secure significant economies and efficiencies and to maximise employment and training opportunities for borough residents and supply-chain opportunities for local businesses. BHP has recently commenced a major procurement exercise for contractors to deliver the stock investment programme, and to support a new development programme.

4.0 Financial Implications

- 4.1 Significant additional borrowing will need to be undertaken by the HRA to fund the implementation of the Asset Management Strategy and in particular the approach to stock investment and development.
- 4.2 The table below provides a summary of the current HRA baseline position and the anticipated spending and borrowing position for 2014-2022 as a consequence of the Asset Management Strategy.

Asset Management Strategy – Financial Summary 2014/15 to 2018/19		£m
HRA Budget	Current projected borrowing at March 2014	141
Stock Investment	Capital expenditure	86.3
Initial Development	Capital expenditure	16.2
Asset Management Strategy	Capital works expenditure	102.5
	Peak debt	165.6
	Peak debt year	2018/19

- 4.3 Members are asked to agree additional HRA borrowing of up to £20.6m to be used by March 2016, on the basis that the associated debt charges are met by the HRA. The HRA business plan demonstrates that the HRA can meet these additional charges. This additional borrowing can be accommodated within the HRA borrowing headroom, which is currently approximately £58m.
- 4.4 The proposed approaches set out in the Asset Management Strategy and their funding through the Housing Revenue Account are predicated on future rent increases for the existing stock for the period 2014/15 to 2019/20 continuing on the basis of the Government's previous Rent Restructuring policy, but using the Consumer Price Index (CPI) instead of the Retail Price Index (RPI) from 2015. In the event that further guidance is issued by the Government, this will be updated accordingly.
- 4.5 It is currently council policy that all capital receipts (except those subject to RTB pooling arrangements) are taken centrally. The strategy proposes that receipts arising from HRA disposals would instead be ring-fenced and expended through the HRA in order to develop or acquire new affordable housing. This ring-fencing will be subject to annual approval through the Capital Programme. It should be noted that ring-fencing the capital receipts to the HRA will preclude any such receipts being used for other Council priorities (e.g. to provide school places).
- 4.6 All expenditure association with the HRA Asset Management Strategy will be met from the Council's HRA. Further reports to the Executive on specific elements of the strategy will contain, for Member agreement, the detailed financial impact(s) on the HRA and the HRA budget. Some of the options being explored may involve the general fund (such as GF sites, and GF prudential borrowing), but it is anticipated that this will be on a self funding basis, with no net impact on the General Fund. In the event that there is an impact on the Council's General Fund, this will be reported to the Executive for prior approval.

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 (HRA) 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.
- 5.2 Sections 167 to 175 and schedule 15 of the Localism Act 2011 includes provisions for a new self-financing HRA system from April 2012. This new system enables the Council to operate a Housing Revenue Account which will allow the Council to keep all of its rental income and use it to support its own housing stock. The Localism Act 2011 includes powers for the Secretary of State to set a maximum limit on the amount of housing debt that each authority can hold.
- 5.3 Under section 11 of the Landlord and Tenant Act 1985, the Council as the landlord has a duty to keep in repair and proper working order the structure and the exterior of the residential properties it owns as well as certain installations for the supply of water, gas and electricity.
- 5.4 Consent from the Secretary of State is required under section 32 of the Housing Act 1985 for local authorities to dispose of housing land. However, in March 2013, the Department of Communities and Local Government issued “The General Housing Consents 2013 – Section 32 Housing Act 1985” which sets out the circumstances in which the General Housing Consents can be relied by local authorities to dispose of properties without the need to obtain specific consent from the Secretary of State. Legal advice will be provided on a case by case basis as to whether it is necessary to obtain specific consent under section 32 of the Housing Act 1985 or whether it is sufficient to rely on the General Housing Consents 2013.
- 5.5 Under section 105 of the Housing Act 1985, the Council as a local authority landlord has a duty to consult with those of its secure tenants who are likely to be substantially affected by matters of housing management, which includes the management, maintenance and improvement of dwelling houses let by the Council under secure tenancies and the provision of services in connection with such dwelling houses. The consultation requirements under section 105 of the Housing Act 1985 must enable the secure tenants likely to be affected to be informed of the Council’s proposals and to make their views known to the Council within a specified period. The necessary consultation has been carried out with secure tenants and leaseholders of Council owned properties.
- 5.6 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, the Council will need to give consideration to the Government’s policy aims of introducing social housing

rents that will ultimately produce rents being set (both in the council and Registered Provider/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.

- 5.7 From April 2012, the “Regulatory Framework for Social Housing in England from April 2012” (“the Framework”) has been in force and this has been issued by the Homes and Communities Agency (HCA), the social housing regulator. This framework implements the amendments to the Housing and Regeneration Act 2008 that were introduced by the Localism Act 2011 and the Secretary of State’s directions on specific standards. This Framework has to be followed by Registered Providers of Social Housing, which includes local authorities. The Council will need to take into account the guidance given by the Framework and Annex 1 to that framework regarding rent standards when setting a rental policy

6.0 Diversity Implications

- 6.1 The rebalancing of the stock from smaller to large homes, through selective disposal and re-investment and through new development will increase the council’s capacity to provide housing for larger households, which constitute a higher proportion of those in housing need in some BAME communities than in the population as a whole.
- 6.2 An Equality Impact Assessment has been carried out and is provided as Appendix 3 to this report

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no staffing or accommodation implications. BHP will be responsible for the management of the stock investment and initial development programme and are in the process of revising their staffing structure to provide for this.

Background Papers

None

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Appendix 1

HRA Asset Management Strategy

November 2013

Introduction

HRA Reform has in effect created a new housing business within Brent Council which has considerable assets comprising almost 9,000 rented properties and significant associated land- holdings. The Asset Management Strategy is central to the successful operation of this business.

The Asset Management Strategy is an important corporate document which sets out how the Council will manage, develop and make best use of its assets in order to achieve its objectives. It sets out a strategic approach for the medium to long-term that directs stock investment and development in order to provide quality housing to meet present and future housing needs, to contribute to the achievement of the council's housing and regeneration priorities, and to assure the sustainable and optimum performance of the HRA business plan. The Asset Management Strategy will determine the future size of the Council's housing stock, its mix, quality and performance.

Consultation was undertaken on the draft Asset Management Strategy from early August to early October 2013 and the responses to the consultation were taken into account in its finalization.

The Strategy's scope is comprehensive and encompasses stock investment and new housing development, and reform and improvement of the stock and its performance. The strategy is focused on a first seven-year period commencing in 2014 but within the context of a 30- year HRA business plan. It provides a strategic framework for:

- Active management of the HRA assets
- Investment to assure long-term sustainability
- Investment to develop the asset-base
- And supports the wider strategic aims of the business and the Council

The strategy and its implementation are predicated on the continuation of the current rent policy of the Council for existing tenants and this is set out within this document.

The Strategy will be implemented through an Asset Management Plan. This will set out the arrangements for the strategy's implementation including arrangements for the constituent programmes and a performance management framework to assure its delivery.

The strategy will need to be reviewed and adapted in response to significant changes in the internal and external environment including revised corporate priorities, the performance of the HRA business plan and wider housing policy changes and their impact. The strategy, its implementation and the outcomes achieved will need to be reviewed after five years.

Strategic Context

The Asset Management Strategy is aligned with the Council's overall corporate and strategic objectives.

The strategy supports the Council's Corporate strategic objectives through providing for investment in existing and new housing to provide a sustainable built environment and to provide quality housing services through the provision of decent, well-maintained affordable housing. It supports the Regeneration Strategy's objective to deliver transformational change through new housing growth and estate regeneration and provides for significant public investment.

A new Housing Strategy is currently being prepared by the Council. The Asset Management Strategy will support the emerging objectives of this: These include the priority of increasing social housing supply through the development of new affordable homes and by increasing the capacity to meet housing need and alleviate overcrowding through reform of the mix of the Council's stock. The stock investment plans also include provision to reduce fuel poverty supported by external funding.

Strategic Objectives

The overall objectives of the Asset Management Strategy are:

- To ensure that the housing stock and its environs are maintained and improved so as to provide quality accommodation in a sustainable environment for existing and future residents
- To provide a balance and mix of stock that is best suited to meet the Council's housing objectives and housing need priorities
- To expand the Council's housing stock to increase the capacity to meet housing need
- To improve the financial sustainability of the assets and to raise their aggregate performance

These objectives will be achieved through the combination of strategic approaches, which are summarised below:

STOCK INVESTMENT

Implementation of an investment standard that provides for the maintenance and selective improvement of the housing stock

- This standard will meet all current statutory, regulatory and health and safety requirements and maintain the Decent Homes standard across the stock.
- The standard will be implemented through a seven-year programme commencing in 2014/15 which will encompass all the retained stock and will be maintained thereafter
- A rolling five-year budget for capital, cyclical and planned maintenance works will be set to maximise efficiency and value-for-money in the programming and delivery of the works

STOCK REFORM

Reform of the Council's housing stock to improve its overall performance and composition through selective disposal of units and re-investment

- Stock optimisation - Appraisal and selective disposal of poorly performing and high value units
- Stock rationalisation - Disposal of freehold-only interests and selected minority interests in order to improve management efficiency.
- Stock Rebalancing – Disposal of smaller units and the re-investment of resources in larger family and other homes that are under-represented in the stock.

DEVELOPMENT

The provision of new affordable housing to increase the capacity to meet housing needs and in particular to provide family housing

- A programme of HRA funded infill development on HRA land
- Maximising new affordable housing development working where appropriately with partners.
- The re-investment of proceeds released from stock reform
- Redevelopment of existing estates where there is a strong business case to do so

Risk Management

There are a range of risks that could impact adversely on the Asset Management Strategy and its implementation and the main risks and mitigation measures are outlined below.

Risk	Mitigation
AMS not aligned with changed Corporate priorities or national policy developments	<ul style="list-style-type: none"> Regular monitoring of internal and external policy environment and refresh or full re-set if required
AMS not adhered to or effectively implemented	<ul style="list-style-type: none"> Establish governance arrangements The Asset Management Plan will set out the programmes and performance management arrangements to assure implementation
Adverse HRA Business Plan performance, (e.g. arising from impact of direct payments) reduces funding available	<ul style="list-style-type: none"> Anticipation and mitigation through HRA business planning review Re-profile investment or review standard; accelerate asset appraisal and disposal
Increased investment programme costs arising from under-estimation or tender price inflation	<ul style="list-style-type: none"> Review and extrapolation from out-turn costs on first phase of contracts Re-pricing and profiling of works
Inadequate programme management resources and expertise to effectively deliver investment programme	<ul style="list-style-type: none"> Procurement and delivery strategy and performance management framework Increase in use of external programme management resources
Failure to reach or maintain properties at required standard	<ul style="list-style-type: none"> Periodic condition surveys to check standard Tenant satisfaction surveys
Responsive repairs expenditure rising due to insufficient planned maintenance	<ul style="list-style-type: none"> Active monitoring of responsive repairs expenditure and impact of investment works
Failure to raise performance and maximise value of assets	<ul style="list-style-type: none"> Initial appraisal of all assets to identify where disposal is appropriate Ongoing appraisal
Changed profile of housing demand requires varied approach to stock reform/rebalancing	<ul style="list-style-type: none"> Inherent flexibility in rebalancing programme Revise parameters and selection criteria
Insufficient expertise to deliver development programme	<ul style="list-style-type: none"> Establish and build capacity within BHP, initially through infill programme Procure external consultancy call-off resources

Stock Investment

Strategic Approach

To adopt and implement an investment standard that will provide for the maintenance and selective improvement of the housing stock.

- This standard meets all current statutory, regulatory and health and safety requirements and for the maintenance of the Decent Homes standard across the stock.
- The standard will be implemented through a seven-year programme commencing in 2014/15 which will encompass all the retained stock and will be maintained thereafter.
- To support optimum planning and delivery a rolling five-year budget for capital, cyclical and planned maintenance works will be set.
- The standard will be reviewed after a seven-year period, or as required in response to changes in statutory or regulatory requirements.

Context

From 2002-2006 over £125m was invested in the stock in order to bring it up to the Decent Homes standard supported by additional government funding. Brent was one of the first authorities to achieve the Decent Homes standard across its stock. This investment was particularly centred on internal improvements through kitchen and bathroom renewal.

Over the last five years capital investment has been constrained by the HRA Subsidy system and has been at a markedly lower level of around £60m. This has required some works to be deferred. A significantly increased capital works programme of £15m is being progressed in the current year of which almost half the expenditure relates to fire safety improvements.

A stock condition survey was undertaken by Savills in 2010 based on a 17% internal sample and a 100% external sample of purpose-built blocks which provided industry standard cost estimates and profiles over 30 years for capital and maintenance works, based upon standard life-cycles for key components.

Approach

There is considerable room for discretion in setting the investment standard for the Council's stock and the timing of investment after taking account of statutory, regulatory and related requirements.

A range of approaches has been considered and the financial implications of these. The standard adopted strikes a balance between funding for the development of additional housing and for investment in the existing stock.

A central feature of the standard is the delivery across the stock of a seven-year package of external decorations and repairs and roof and window renewals where required. There is a recommitment to the maintenance of the Decent Homes standard with spending in this area arising mainly after year

10 through a programme of kitchen renewals.

A programme of energy efficiency improvements will be developed and implemented in order to reduce fuel poverty and carbon emissions. This will draw on external ECO-funding as well as HRA funding and be targeted on the worst performing units. There is limited provision for environmental improvements to estate grounds.

The main elements of the standard are summarised in the table below.

Investment Standard

- Decent Homes – To maintain the Decent Homes standard across the stock including the programmed renewal of kitchens after twenty years.
- Health and Safety – To prioritise the maintenance of health and safety standards including the completion of a major programme of fire safety improvements over the first three years of the strategy
- Programmed Renewals – To replace all key building elements including windows and roofs at the end of their economic life to an appropriate specification
- External Decorations – To carry out a 7-year cycle of external decorations and repairs, in accordance with contractual requirements
- Environmental Improvements – To make environmental improvements in order to raise the standard of the worst estates to that of the remainder
- Energy Efficiency – To raise the energy performance of the stock and reduce fuel poverty through retrofitting works with the support of external ECO funding
- Mechanical and electrical – Timely renewal of communal and dwelling heating systems and a ten year cycle of electrical testing and remedial works across the stock
- South Kilburn – For those properties that are to be redeveloped provision is not made for capital works or external decorations but only for responsive repairs, other cyclical and health and safety works

Funding

The stock investment standard will be funded through the Housing Revenue Account from a combination of capital and revenue expenditure. The projected costs have been developed from the stock condition information and have been moderated by BHP's analysis of contract pricing for relevant works and through their efficient packaging for delivery.

The profile of investment and the expenditure on the main categories of expenditure is shown in the first table below.

Stock Investment Profile	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30
Year	2013-14	14-15	15-16	17-18	18-19	19-20	20-21	21-22	22-23	23-24				
Health & Safety Works	7.0	15.6	4.6	4.0	1.5	1.3	1.4	1.8	1.2	0.5	2.8	2.4	2.6	1.9
Major Repairs including external decorations	7.1	7.9	10.4	10.2	10.2	10.2	9.5	9.5	4.5	6.3	35.6	31.4	33.5	24.2
Environmental Improvements	0.0	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	3.2	2.8	3.0	2.2
Disabled Adaptations	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	3.0	3.0	3.0	3.0
Contingencies	0.7	1.2	0.8	0.7	0.6	0.6	0.6	0.6	0.3	0.4	2.1	1.8	2.0	1.4
Responsive & Cyclical	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	57.0	57.0	57.0	57.0
Total	26.9	37.3	28.5	27.6	25.0	24.8	24.1	24.5	18.5	19.7	103.6	98.6	101.1	89.7
Capital Expenditure	15.5	25.9	17.1	16.2	13.6	13.4	12.7	13.1	7.1	8.3	46.6	41.5	44.1	32.7
Revenue Expenditure	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	57.0	57.0	57.0	57.0

Expenditure in 2014-15 is particularly high because of the costs of undertaking remaining fire safety improvement works of £11.5m in that year.

Expenditure over the first seven years to 2022 is higher than in subsequent years. This is due in particular to the estimated cost of external decorations and repairs, roof and window renewals in the first cycle, following a period of limited investment in these areas in recent years.

Stock Reform

Strategic Approach

The objective is to progressively reform the Council's housing stock to improve its overall performance and composition through selective disposal of units and re-investment.

- Following appraisal, poorly performing and high-value units will, where appropriate, be disposed of when void.
- Appraisal will be undertaken of freehold-only interests and selected minority interests in blocks and houses and where appropriate these units will be disposed of in order to improve management efficiency.
- A programme of selective disposal of void bedsit and 1-bed units will be undertaken with the proceeds being re-invested to improve the alignment between housing demand and available supply through provision of larger family homes and housing for people with disabilities and to meet other housing needs.
- The proceeds from all disposals will be ring-fenced and re-invested, through acquisition and new development in an appropriate mix and type of accommodation.

Context

The Council's current tenanted stock has resulted from an extended period of stock loss through Right-to-Buy purchases and the regeneration and redevelopment of particular estates. The resulting stock raises a number of issues in relation to quality and performance, distribution and mix of units.

The financial performance of individual units varies widely across the stock, largely reflecting the extent of stock investment expenditure required, relative to the rental income generated by the units. Over the 30 year HRA business plan period the majority of the stock makes a significant positive contribution to the business plan but a minority of units have a negative financial impact or make a minimal contribution. There are in addition units which are not able to provide accommodation of sufficient quality, or not without an uneconomic level of investment. The housing stock also includes some units with a high open market value which, if realized, could support the provision of additional homes.

Right-to-buy has fragmented the council's stock ownership. Positively, perhaps, this has diversified tenure on estates but it has also added the complexities of large-scale leasehold management and undermined management efficiencies. Across the stock as a whole the degree of Council stock ownership varies widely. Council tenants account for 50% or less of the dwellings in over half the owned blocks/houses. There are 200 blocks and converted houses where all the individual flats have been sold with the Council retaining only the freehold interest. Council ownership is 30% or less in more than 80 other blocks and houses.

A primary function of the Council's housing business is to provide affordable housing to those in housing need in accordance with its housing priorities and allocations scheme. Its ability to do so depends on the relationship between the mix of the council's stock and the profile of housing demand. The Council's is the largest single provider of social rented accommodation with its stock representing around 40% of the total social housing stock in Brent and a similar proportion of social lettings.

There is a marked disparity between the balance of lettings available within the Council's stock and the profile of demand by bed-size. Bedsit and 1-bed units constitute over a third of the Council's housing stock currently and represent over half of all lettings but under a third of demand. In contrast available lettings to meet 3 and 4-bed need are half of the relative demand for these units. The impact of welfare reforms – in particular the 'spare-room subsidy' and the overall benefit cap – is likely to have a significant but uncertain impact on the profile of housing demand.

Approach

An active approach will be taken to the reform of the stock in order to:

- Increase management efficiencies through stock rationalisation
- Improve the balance between housing demand and available supply through stock rebalancing
- Improve financial performance and quality through appraisal and selective disposal, and release value for re-investment

Stock Rationalisation

In the 200 blocks and houses where the Council has no leasehold interests the freehold will be disposed of, subject to an appraisal to identify where there are development opportunities or other relevant considerations. In the first instance the freehold will be offered to the existing private leaseholders. Such an approach will apply where further freehold-only interests arise.

Where the Council has a minority leasehold interest of 30% or less these units will, subject to individual appraisal, be earmarked for disposal and be sold when they become void through normal turnover or where the existing tenant accepts an offer to move to suitable alternative accommodation.

Enfranchisement

The housing stock includes almost 200 properties where the Council is not the freeholder but holds a long-term leasehold interest. Where appropriate the Council will undertake enfranchisement – through purchase of the freehold or a lease extension - for continued use as affordable housing or as a precursor to disposal where this is financially advantageous. A pro-active approach will be taken to enfranchise in advance of lease expiry where this is financially beneficial.

Stock Rebalancing

A stock-rebalancing programme will be undertaken to provide for a significantly improved alignment between available lettings and housing demand.

This will entail the disposal of a proportion of bedsit and 1-bed units while maintaining a supply of these units for re-let that is in balance with the proportionate demand for them. The proceeds from the disposal of these units, and other stock reform disposals will be ring-fenced and invested in the development or acquisition of larger units and other types of accommodation that are under-provided for including housing for people with disabilities.

The parameters for this programme, and the arrangements for its implementation, will be developed as part of the Asset Management Plan. These will need to be kept under review over the course of the strategy in response to any changed priorities in relation to the Council's allocations scheme, changes in the profile of demand, and changes in new supply arising from new development by the Council and other providers in the borough.

Stock Performance and Optimisation

In the context of the agreed investment standard the financial performance of units across the stock will be appraised. Where units are not economic to retain because of the extent of investment required under the standard, or where units are of inherently poor quality, an appraisal will be undertaken to identify whether disposal rather than retention is the most advantageous option. If disposal is the appropriate course this may be at the time that the property naturally becomes void or, where practical, the property may be decanted through the provision of suitable alternative accommodation.

Appraisal

Whether the purpose is to rationalise ownership, improve financial performance, release value or to rebalance the stock an appraisal will need to be undertaken prior to disposal. This will take account of a number of factors including the:

- Financial performance of the unit
- Quality of the accommodation
- Impact on the balance and mix of the stock
- Impact on management efficiencies
- Impact on options if estate redevelopment is under consideration

An appraisal methodology that provides for the above will be set out within the Asset Management Plan.

Disposal and Re-investment

Capital receipts arising from disposals will be ring-fenced for affordable housing and will be invested directly or through a third party in the acquisition or development of larger family units and other types of accommodation that are under-supplied.

Selective disposal of individual units will either be through their open market disposal or through transfer to another party and it is expected that a combination of these approaches will be most advantageous:

- Market Disposal - Selected void units may be disposed of through open market sale and the proceeds ring-fenced and re-invested. This approach does not require government consent and will generate the maximum receipt.
- Transfer Disposal - Units may be disposed of by transfer to another party with the units being let at affordable or market rents. The transfer could be to BHP or to a Housing Association partner. The transferred units would generate a receipt, based on the higher rents. After allowing for HRA debt on the disposal unit the remaining receipt could be used to acquire or develop larger units, either within the HRA or through the recycling of the receipt to the other party. The option of transfer disposal depends on obtaining specific government consent.

Development

Strategic Approach

To maximise affordable housing development to increase the capacity to meet housing needs. To set a target to develop a thousand affordable homes over the first seven-years of the strategy through a variety of approaches.

- A programme of HRA funded infill development on HRA land will be implemented by BHP over the first three years of the strategy.
- The intent will be to maximise new affordable housing development within the context of other strategic priorities and the resources available within the HRA.
- This may be achieved through direct HRA development or through working in partnership with others or a combination of approaches. The most advantageous means to provide additional affordable housing will be evaluated and implemented.
- There is limited capacity to build within the HRA estate and the potential for affordable housing development on suitable General Fund sites will be appraised, taking full account of the overall financial implications for the Council.
- Stock reform will generate additional resources from disposal that will be ring-fenced and applied to new development, alongside acquisition where this is more advantageous.
- RTB replacement receipts will be contributed to support the Council's HRA development programme and s106 commuted sums will also be used where appropriate.
- Development will expressly be weighted towards the provision of larger units and other accommodation to meet identified housing needs that are least well provided for.
- Where appropriate estate regeneration and redevelopment in order to provide better quality and additional homes will be undertaken.

Context

In recent history new affordable housing has been brought forward by Housing Associations developing in Brent. GLA funding to 2018 programme will be very largely committed to the provision of Affordable Rent units. The GLA intends that 35% of these units are for 3 bed or larger units but there is concern that development will be skewed towards smaller units whereas the most acute shortage of supply in Brent is for larger family units.

There is very limited capacity for development within the existing HRA estate. An assessment has identified scope for approximately 75-100 units to be built on former garage and other infill sites.

The Council has a successful track record in enabling estate regeneration to replace failing and poor quality estates with higher quality housing developments, with redevelopment programmes currently underway at Barham Park and South Kilburn. A small number of existing estates have been provisionally identified where there may be a case and opportunity for such an approach to provide better quality and, potentially, additional affordable housing.

Approach

The development of new affordable housing is a central business objective and a core element of the Asset Management Strategy. Development will increase the Council's capacity to meet housing need, to re-balance its stock and to maintain and increase management efficiencies.

The Council's ambition is to have a significant impact on its capacity to directly meet housing need through the development of new affordable housing. The target will be to provide 1,000 new homes over the first seven-year cycle of the Asset Management Strategy from 2014/15 to 2021/2.

New development will primarily provide additional new homes but will include the re-investment of receipts from disposals in replacement homes. The target will guide the design and development of different approaches to finance and provide new housing and may include working through BHP to increase provision and with external partners.

The type and mix of new homes will be weighted towards the provision of family homes including larger family homes which are in particularly short supply. Housing for people with disabilities and specialist housing will also be a priority in order to increase the Council's capacity to meet these housing needs and to provide alternatives to residential care.

Funding

The capacity of the HRA to fund development is currently limited by the fixed debt cap imposed by Government as part of the HRA self-financing settlement. Relaxation or removal of the cap would significantly increase the scope for HRA-funded development but it is current government policy to maintain the cap.

Additional capital resources for development will be generated from disposals under stock reform and from the 'new provision' receipts arising under the Right-to-Buy. GLA grant support will also be sought and, where appropriate s.106 funding for new affordable housing will also be committed. New homes will be let at Affordable Rents and, subject to agreement with the GLA, a number of existing smaller homes will be re-let at Affordable Rents. These measures will improve the financial performance of the HRA and provide greater funding capacity in the longer-term for further development.

The use of corporate, General Fund land assets will be explored, including through appropriation of such sites into the HRA, while taking account of the overall financial implications for the Council. The use of General Fund borrowing for new development, in order to supplement HRA resources, will also be explored provided such approaches are self-funding and do not impose a financial burden on the Council. Access to third-party finance through partnership arrangements with external Registered Providers, developers and investors will also be examined.

Development Programme

In order to maximise new affordable housing development a range of approaches and arrangements will be considered and applied and opportunities to draw in external funding will be exploited. The approaches to be taken are not pre-determined. In deciding which approaches to take account will be taken of the quantity and timing of additional housing that will be realised and the financial implications for the HRA and the Council more generally, and these will be subject to future consideration by the Council's Executive.

Initial Programme

A first phase of development, funded by the HRA, will be undertaken through infill development on HRA land from 2014-16, subject to design, consultation and planning. The implementation of these schemes will be led by BHP. It is estimated that this will provide upwards of 75 units, including a high proportion of larger family homes. These properties will be for let at affordable rents and supported by the re-letting of a number of existing homes at affordable rents, subject to GLA agreement.

Further HRA-funded Development

There is financial capacity to undertake additional HRA-funded development, after taking account of the initial infill programme, within the constraint of the HRA Debt Cap. It is estimated that approximately 175-200 further units could be directly funded after allowing for land costs over the first seven years of the strategy. Suitable sites will need to be identified and secured to bring forward this development and options to increase its scale through partnership arrangements will be explored.

Estate Regeneration

A limited number of estates have been identified where it may be appropriate to replace existing housing with better quality homes and where there is potential to provide additional housing to provide cross-subsidy and potentially additional affordable housing. Such schemes could be undertaken through the HRA or by working with partners as the Council is currently doing at South Kilburn and Barham Park. Initial development capacity and viability studies are being progressed to examine further the case for adopting a regeneration approach. Where potential is confirmed more detailed feasibility studies will be progressed in consultation with local residents.

Rent Policy

Strategic Approach

For rents to continue to increase in line with the rent convergence regime- a maximum annual increase in 2014 of RPI +0.5% plus £2 per week and from 2015 CPI+ 1% plus £2 per week for existing tenants - subject to any direction by Government

Following rent convergence for the annual increase to be set at CPI+1%

For properties to be re-let at target rents

For consideration to be given annually to restraint in rent increases for 4-bedroom and larger properties in order to assure affordability under the overall benefits cap

For new-build and newly-acquired properties (except where required for decant) to be let at affordable rents in line with the thresholds set out within the Council's Tenancy Strategy.

Context

Rents are the primary income to the HRA business plan and provide the funding to support stock investment and for new development.

In recent years the Council has increased rents in line with the government's rent convergence regime. The government has recently issued guidance that rent convergence should end from 2015/16 at which point the majority of the HRA stock will not have achieved convergence. Currently the Council retains the discretion to not follow the recent guidance. Further clarification of the position by Government is expected by early 2014 and account will need to be taken of this.

The government has also issued recent guidance that from 2015 rent increases will be linked to a different inflation index – and be based on CPI plus 1% rather than RPI plus 0.5% as previously.

Approach

In order to provide a secure basis for the funding of the Asset Management Strategy, a rent policy for the next five-year period will operate. The policy will be for rents for existing tenants to continue to rise in line with the principles of the government's previous Rent Convergence regime unless government directs otherwise. For 4-bed and larger units rent increases may be constrained in order to assure affordability under the Overall Benefits Cap.

In order to support viability, new homes will be let at Affordable Rents. These will be limited to varying percentages of the market-rent depending on the size of the unit in order to assure affordability for those affected by the Overall Benefits Cap.

Debt Profile Graph

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Asset Management Strategy Consultation Summary

1. Consultation Method

- 1.1. Consultation on the draft Asset Management Strategy took place over a ten week period with Brent Tenants and Leaseholders and borough residents more generally. A variety of different approaches were used:
 - a) A BHP talkback event for Brent tenants and leaseholders was held at the start of the consultation with a presentation and discussion groups. 80 residents attended.
 - b) An online consultation was conducted on Brent's website from 6 August to 4 October 2013. An email circular with a link to the survey was sent to all those on the Citizens Panel mailing list, to Registered Providers and to Voluntary and Community groups in the borough. 40 responses were received online.
 - c) A freepost postal survey was sent to all 12,500 Council tenants and leaseholders in mid-September (The survey form is appended below). 477 responses have been received.
 - d) A consultation event was held at the Civic Centre on 3rd October. Approximately 45 residents attended.
- 1.2. Each of these consultation methods asked residents for their views on the main strands of the draft asset management strategy
 - Stock Investment
 - Building New Homes and stock reform
 - Rent Policy

2. Consultation Responses

An outline of the consultation responses from the postal and online surveys and the consultation events are provided below.

3. Tenure and Property Type

- 3.1. Charts 1, 2 and 3 below show the responses by tenure and also by type of property where known.

Chart 1

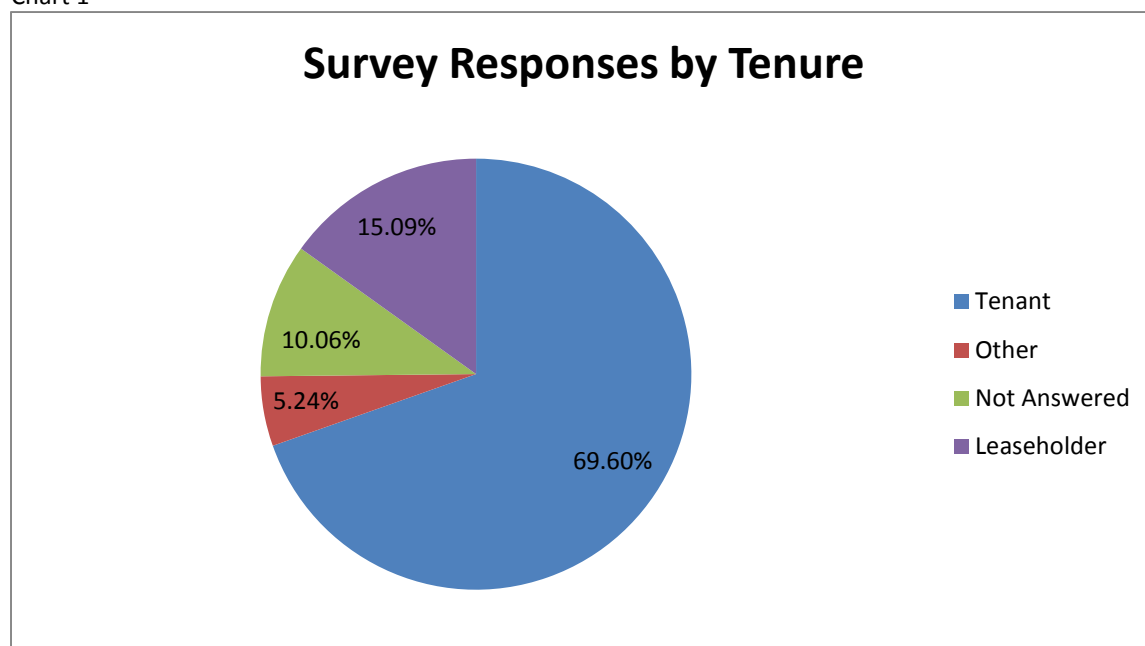


Chart 2

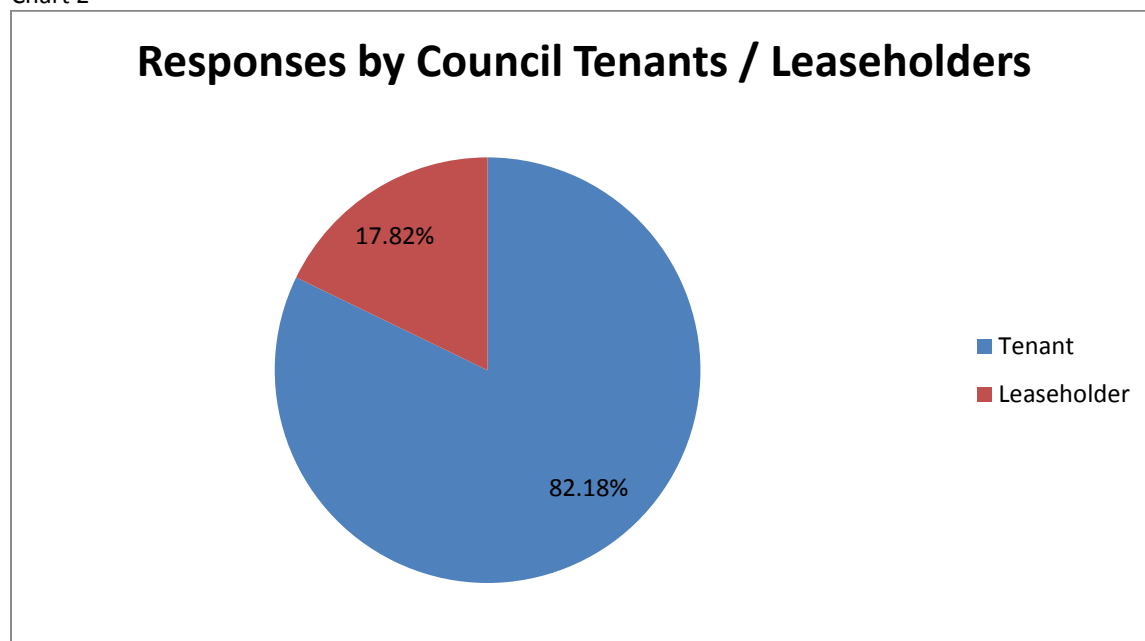
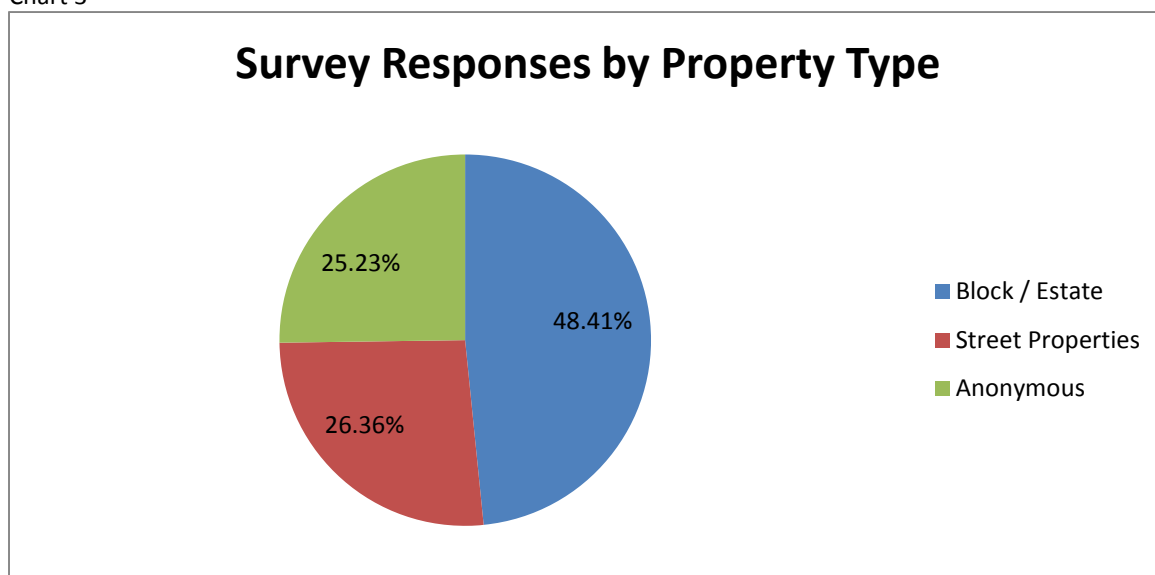


Chart 3

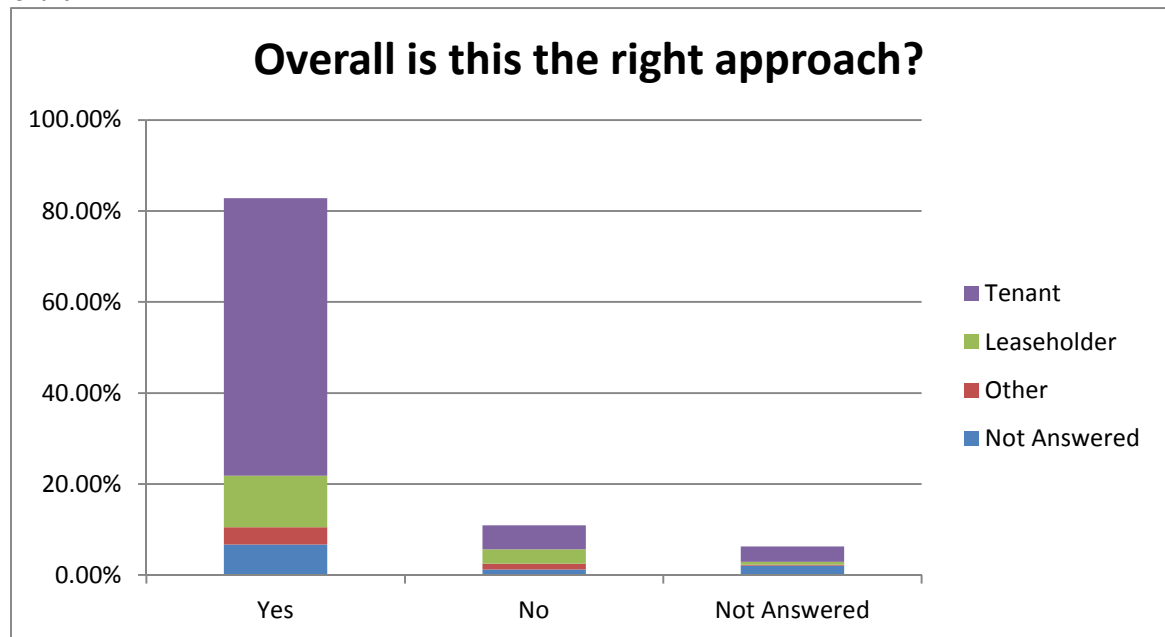


- 3.2. Chart 2 shows the proportional split of respondents that identified themselves as either Council tenants or leaseholders. The proportion of respondents that identified themselves as tenants (82%) is greater than their proportion across the Council housing stock (71%). Whilst the proportion of respondents that identifying themselves as leaseholders (15%) is lower than their respective proportion (28%) across the Council stock.

4. Stock Investment

- 4.1. The postal survey explained the approach suggested for stock investment in the draft asset management strategy and asked three questions. The survey stated:
- 4.2. *'A higher level of investment in major repairs is planned that has been possible in recent year. A seven year programme across all council homes is proposed. This will focus on painting and repairs to the outside of your homes and window repair and replacement where it is needed. There will be a small amount of funding for environmental improvements for those estates in greater need.'*
- 4.3. Question 1 asked whether residents felt that the proposal was overall the right approach. Almost 83% of respondents answered yes that they agreed this was the overall right approach. The main comments received relating to this question were:
- It has been too long since the properties have been painted and maintained
 - It is important to maintain and invest to keep properties in good repair and looking good
 - Properties haven't been painted externally for many years

Chart 4



- 4.4. Proportionally a higher number of leaseholders at 21% said that this was not the right approach overall. Leaseholders commented that the main reason for this was the costs that leaseholders would incur.

- 4.5. Question 2 asked residents to rank types of repairs and improvements in order of priority with some interesting results. Chart 5 below shows the results received. Chart 6 shows weighted results where works stated as priority 1 were allocated 6 points and works stated as priority 6 were allocated 1 point.

Chart 5

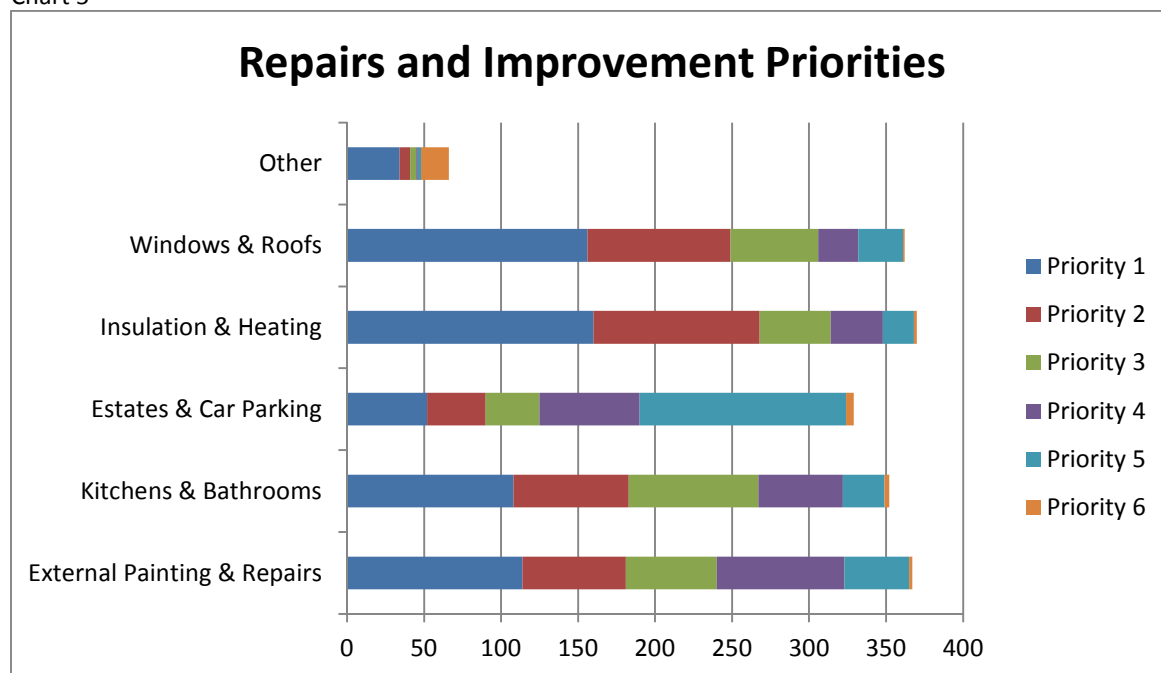
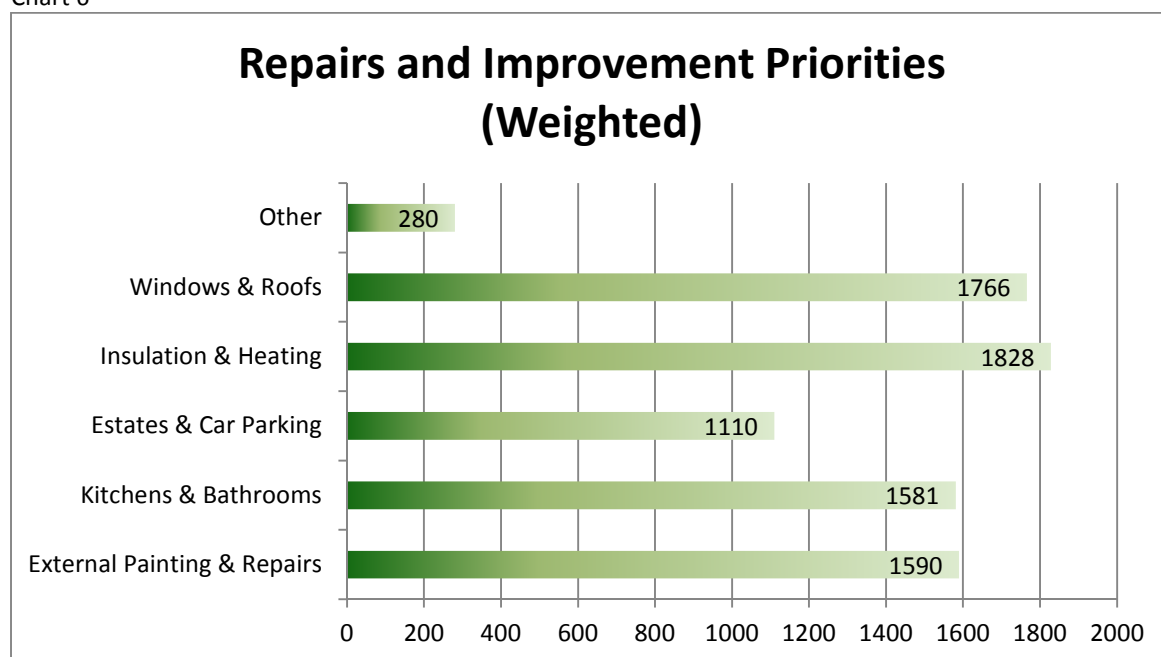


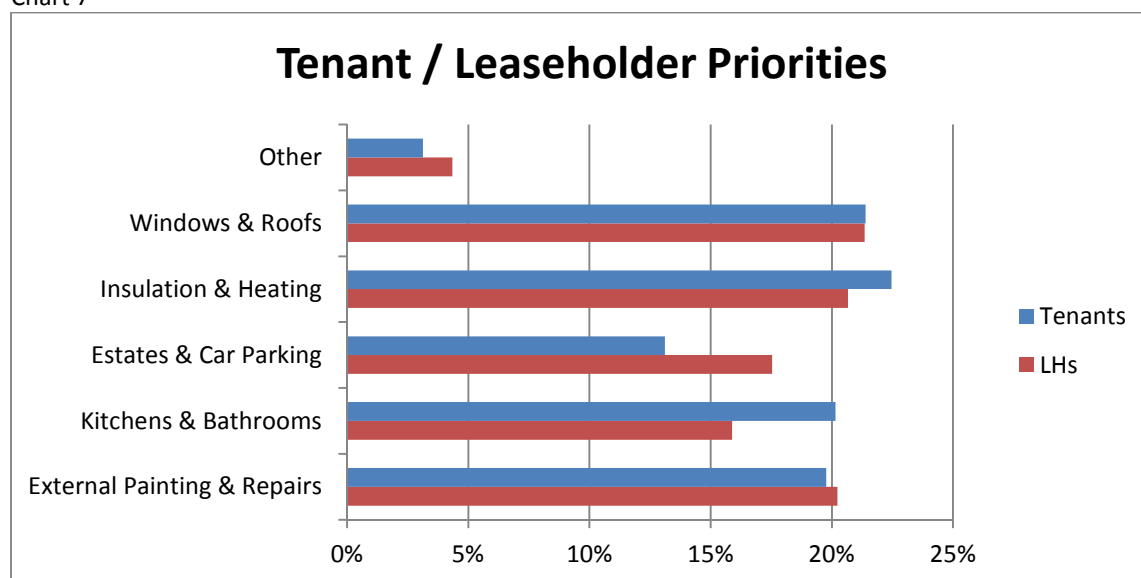
Chart 6



- 4.6. Residents ranked improving insulation and heating to reduce fuel bills as their highest priority followed by replacing windows and roofs when they are in poor repair. The lowest priority was improving estate and block grounds and car park areas. Surprisingly replacing kitchen and bathroom was ranked closely with painting and repairs to outside of homes despite the majority of kitchens and bathrooms having been replaced during Brent's Decent Homes Programme from 2003 to 2007.

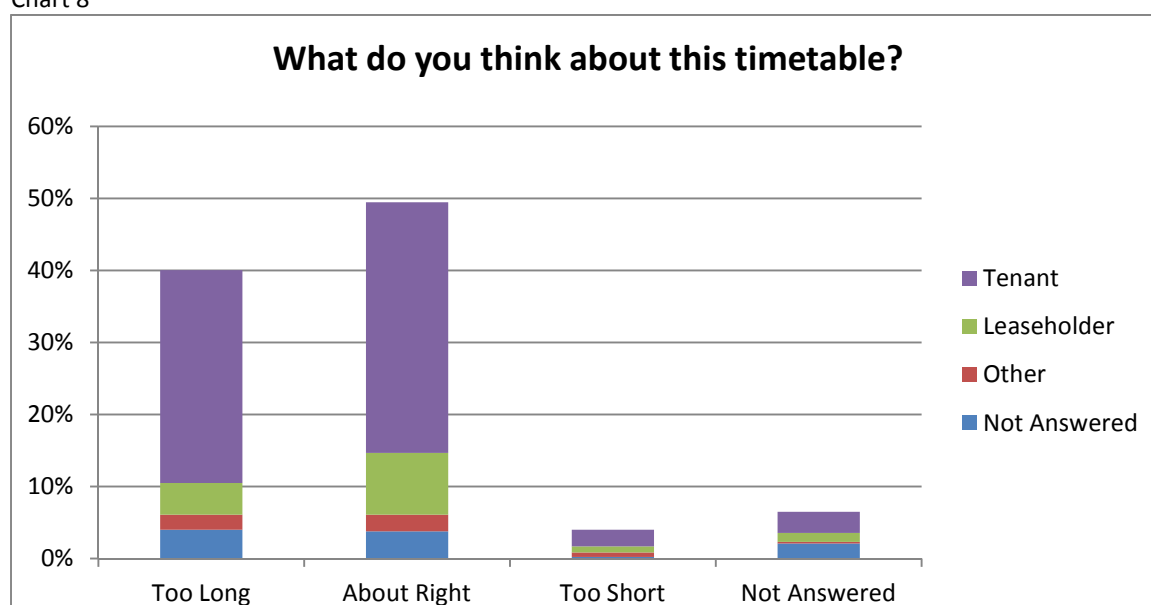
- 4.7. Chart 7 below shows weighted results separately for respondents that identified themselves as tenants or leaseholders. The results are shown as percentages. Overall there are no significant differences and leaseholders also recognise the value of improvements that would not affect them such as kitchens and bathrooms. The most noticeable differences are that leaseholders considered estate grounds and car parking a greater priority than tenants. Tenants considered kitchens and bathroom replacements a greater priority.

Chart 7



- 4.8. Question 3 asked specifically about the timetable of seven years. 49% of respondents felt that the timetable was about right. 39% respondents felt that the timetable was too long.
- 4.9. The majority of leaseholders felt the timetable was about right at 57% and 29% felt it was too long; whilst 42% of tenants felt it was too long and 44% that it was about right.

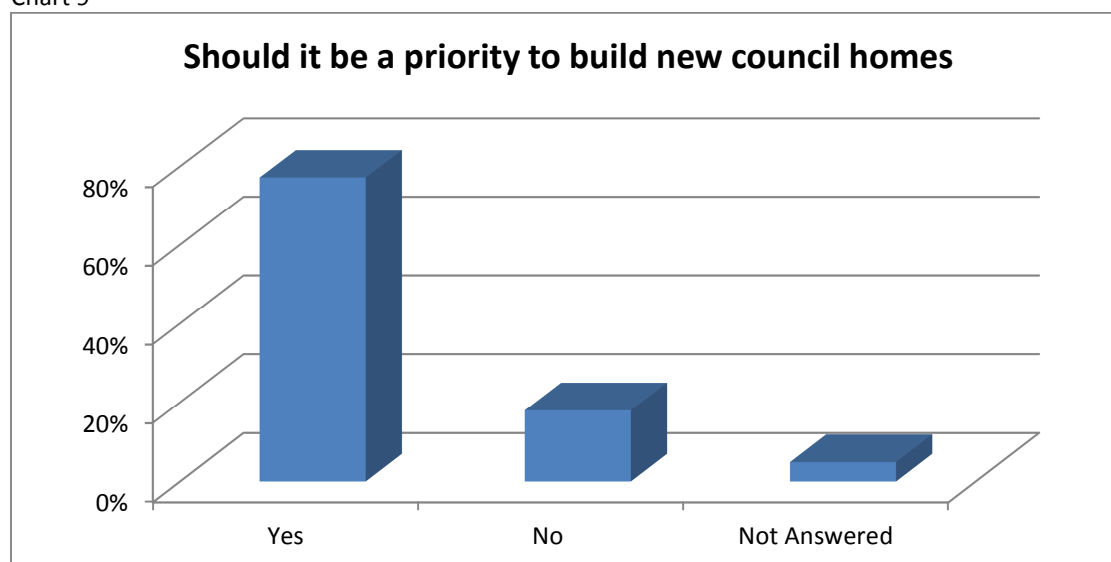
Chart 8



5. Stock Reform & Building New Homes

- 5.1. The postal survey explained the approach suggested for stock reform and building new homes in the draft asset management strategy and asked five questions about this (questions 4-8). The survey stated
- 5.2. *'It is suggested that the building of new council housing, and in particular larger family homes, should be a priority. This could include building a small number of new homes on existing estates and rebuilding some existing council housing to provide more and better homes. Some vacant smaller homes and those with high maintenance costs could be sold to provide funds to build larger family homes which are in short supply.'*
- 5.3. Question 4 asked residents if they agreed that it should be a priority to build more council homes. 78% of respondents felt that it was a priority.

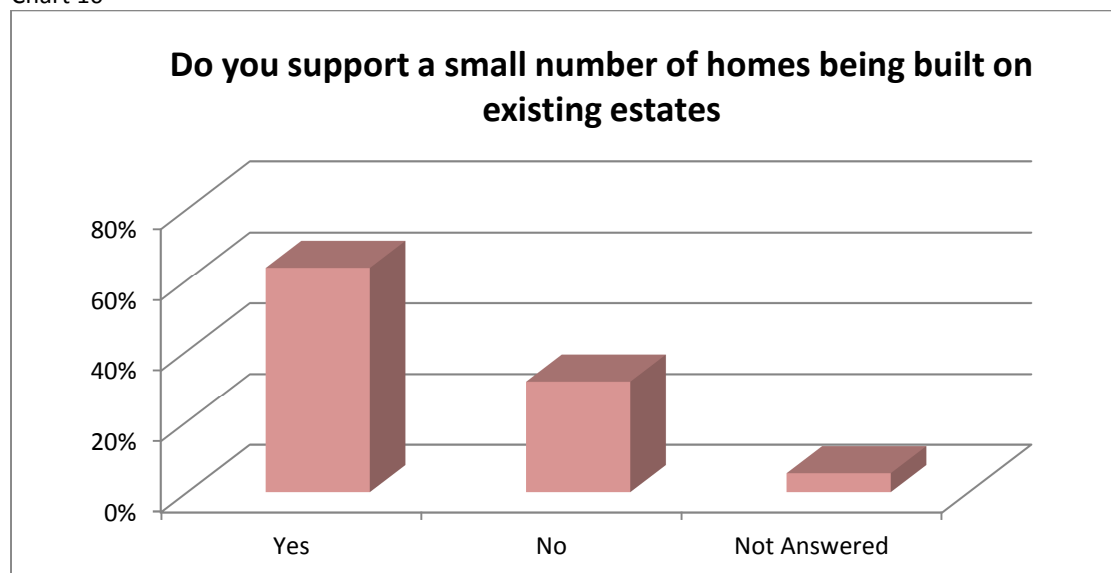
Chart 9



- 5.4. A number of respondents that said yes to question 4 commented the as follows:
- There is a shortage of housing. Not enough for demand.
 - There aren't enough Council homes
 - New homes are needed because of increasing population
 - Small homes are needed for downsizing
- 5.5. A number of respondents that said no to question 4 commented as follows:
- Brent should spend the money on existing housing
 - Existing estates and the borough was too overcrowded
 - Infrastructure cannot cope
 - Already a lack of open space

- 5.6. Question 5 asked residents if they supported a small number of new homes being built on existing estates where there was land available. 65% of respondents supported this proposal. Both respondents that replied Yes and No asked where this land was and requested further information.

Chart 10



- 5.7. A number of respondents that said yes to question 5 commented as follows:

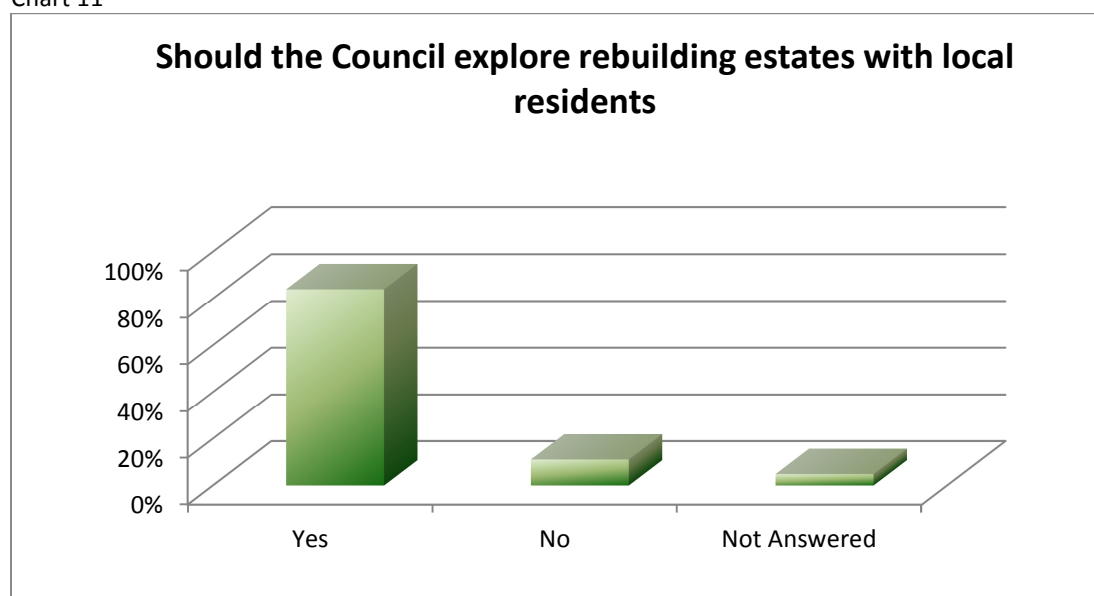
- If land is available and supported by community
- If it does not lead to overcrowding
- To reduce the waiting list
- More Council homes are needed
- Green spaces and playgrounds are important
- To help ease overcrowding

- 5.8. A number of respondents that said no to question 5 commented as follows:

- Estates will become overcrowded & lead to crime / ASB
- Local infrastructure is struggling to cope with population increase
- There is not enough green space. It is important and must be retained
- Should utilise other land that is available

- 5.9. Question 6 asked residents if the Council should in consultation with local residents explore rebuilding some estates to provide more and better quality homes. 84% of respondents said yes to this proposal.

Chart 11



- 5.10. A number of respondents that said yes to question 6 commented as follows:

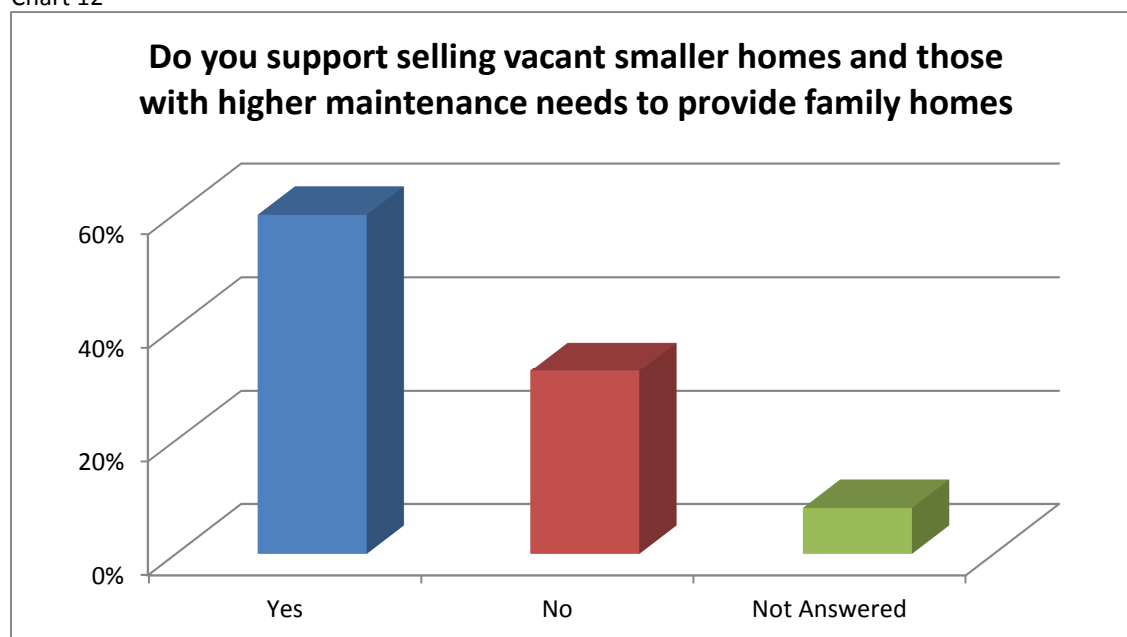
- If land is available and supported by community
- If it does not lead to overcrowding
- To reduce the waiting list
- More Council homes are needed
- Green spaces and playgrounds are important
- To help ease overcrowding

- 5.11. A number of respondents that said no to question 6 commented as follows:

- Would like to know the areas under consideration
- Overcrowding on estate is a problem
- New developments are too dense
- Existing housing should be modernised

- 5.12. Question 7 asked residents if residents would support the sale of some vacant smaller homes and those with high maintenance needs to provide funding for more family homes. 60% of respondents said yes to this proposal.

Chart 12



5.13. A number of respondents that said yes to question 7 commented as follows:

- Larger homes are needed as people are on the waiting list for years
- Smaller homes are needed, There is also a shortage of these
- This will help to finance new Council homes
- As long as the money is used to build new Council homes

5.14. A number of respondents that said no to question 7 commented as follows:

- Smaller homes are needed, There is also a shortage of these
- Why are smaller homes vacant?
- There will be more single and older tenants so smaller homes will be needed

5.15. Question 8 asked residents to prioritise what types of homes the Council should build. Chart 13 shows the results received. Chart 14 shows weighted results where the type of homes ranked as priority 1 were allocated 5 points and works stated as priority 5 were allocated 1 point.

Chart 13

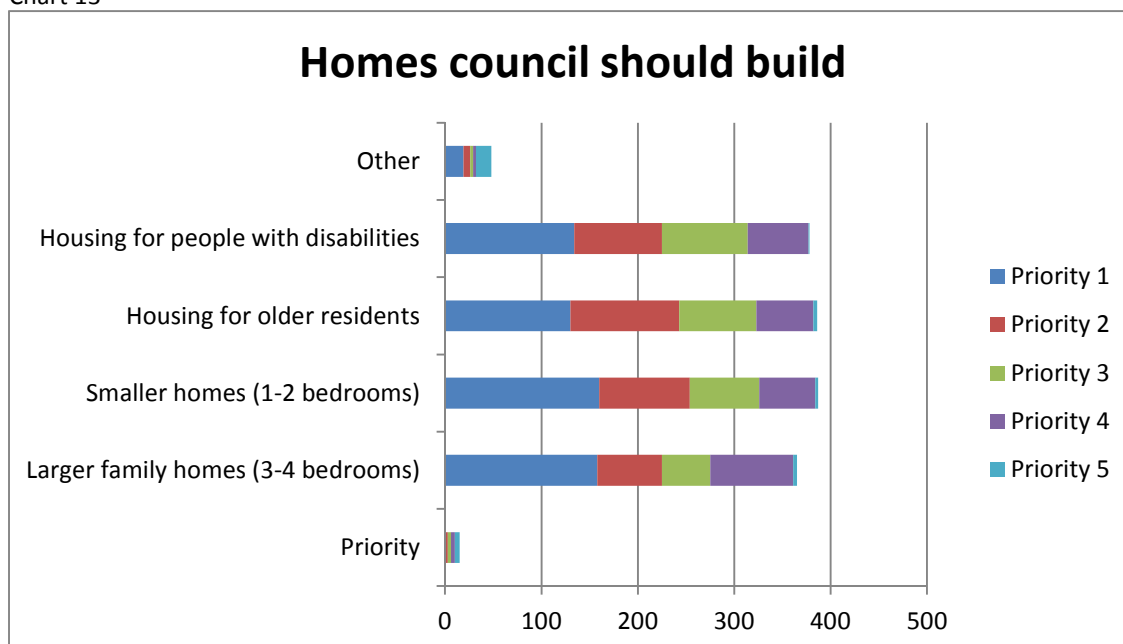
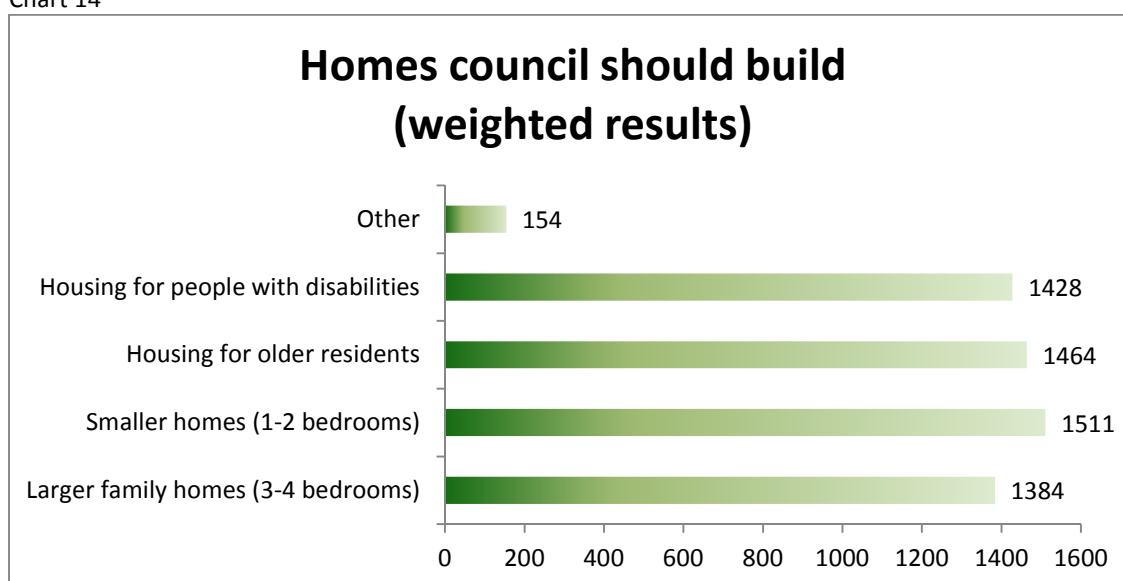


Chart 14



5.16. There is very little difference between the four main options.

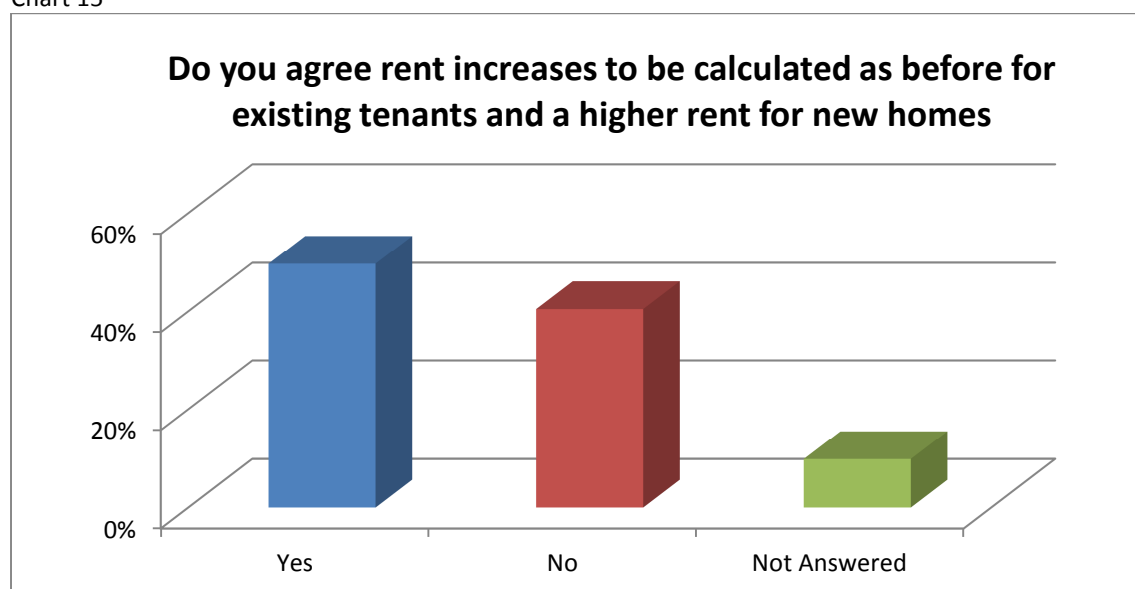
6. Rent Policy

6.1. The postal survey explained the approach suggested to rent policy in the draft asset management strategy and asked one question about this. The survey stated:

6.2. *'The proposed investment in existing and new homes depends upon rental income. For existing tenants, rent increases will continue to be calculated over the next 5 years as they have been in recent years. For new homes rents will be set at a higher level to help fund them.'*

- 6.3. Question 9 asked residents if they agreed with this overall approach. The response was mixed with 50% responding Yes and 40% responding No. 10% did not answer the question.

Chart 15



- 6.4. A number of respondents that said yes to question 9 commented as follows:
- People living in new homes should pay more rent
 - Rents should be affordable for low wage earners
 - Rent is already too high
 - New properties will have lower running costs so tenants can afford higher rent
 - As long as it is reasonable everyone should bear some of the cost
- 6.5. A number of respondents that said no to question 9 commented as follows:
- Rent is already too high. People are struggling to pay. Ages are not increasing.
 - Rents must be affordable for low wage earners
 - People living in new homes should pay more rent
 - New homes become part of the stock for everybody so rent should be uniform.
 - New build homes should be affordable

Appendix 3 – Equality Impact Assessment

1. Roles and Responsibilities	
<p>Directorate: Regeneration and Growth</p> <p>Service Area: Housing and Employment</p>	<p>Person Responsible:</p> <p>Name: Jon Lloyd-Owen</p> <p>Title: Operational Director</p> <p>Contact No: 020 8937 5199</p> <p>Signed: </p>
<p>Name of policy: HRA Asset Management Strategy</p>	<p>Date analysis started: 4 October 2013</p> <p>Completion date: 23 October 2013</p> <p>Review date: 31 March 2014</p>
<p>Is the policy:</p> <p>New <input checked="" type="checkbox"/> Old <input type="checkbox"/></p>	<p>Auditing Details:</p> <p>Name: Michael Keating</p> <p>Title: Interim Lead for Equality</p> <p>Date 31/10/2013</p> <p>Contact No: 07551143473</p> <p>Signed: MK</p>
<p>Signing Off Manager: responsible for review and monitoring</p> <p>Name: Jon Lloyd-Owen</p> <p>Title: Operational Director</p> <p>Date: 31 October 2013</p> <p>Contact No: 020 8937 5199</p> <p>Signed: </p>	<p>Decision Maker:</p> <p>Executive</p> <p>Date: 11 November 2013</p>

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

Please refer to stage 2 of the guidance.

The HRA Asset Management Strategy sets priorities for the maintenance, improvement and development of the Council's housing stock. The purpose of the strategy is to improve the condition, quality and performance of the Council's housing stock and expand the stock in order to increase the capacity of the Council to meet housing needs within the borough.

The Asset Management Strategy is not a statutory document. It supports the Council's Corporate Strategy and Regeneration Strategy and is consistent with the emerging priorities in the Council's draft Housing Strategy.

The Council does not currently have an approved Asset Management Strategy for its housing stock. The strategy amends the existing policy to invest Right-to-Buy receipts for new provision through Registered Provider partners with these receipts to be invested instead through the HRA. Capital receipts are currently pooled corporately and the Asset Management Strategy requires that receipts arising from HRA stock disposals are ring-fenced for investment in affordable housing.

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

The Asset Management Strategy will provide for an increased level of investment in the Council's Housing Stock. This will improve the housing conditions of protected groups who are currently or in the future become tenants of the Council. Households with a person with a disability are over-represented within the Council's social housing stock compared with the borough's housing stock generally. Priority investment in energy efficiency measures will assist in reducing fuel poverty which impacts particularly on vulnerable households.

The Strategy will provide for the development of additional affordable housing which will be allocated to priority groups including vulnerable persons under the Council's Allocations Scheme and will directly benefit these groups.

The Strategy will improve, through a programme of stock rebalancing and new development, the alignment between available lettings of social housing and the profile of demand and increase the Council's capacity to meet the housing needs of vulnerable households. The increase in provision of larger family homes will be beneficial to larger households in housing need, and such households are more heavily represented in some BAME communities than in the population as a whole. A priority for new development will be the provision of new housing for people with disabilities to provide greater access to affordable housing and increase the housing options and alternatives to residential care for such households.

Please give details of the evidence you have used:

Evidence to establish the impact of the policy has been drawn from the Council's Housing Register and from the Northgate system and from the Evidence base assembled to support the Councils' draft Housing Strategy 2014-19. Appendix 1 provides an excerpt of relevant evidence.

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

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

The Asset Management Strategy will be supportive of the Council's efforts in these regards through increasing the availability of secure, affordable accommodation for vulnerable individuals and households who are subject to discrimination, harassment and victimisation.

(b) Advance equality of opportunity;

Improving the condition, quality and performance of the housing stock will help provide greater security for local residents. It will play a crucial part in tackling poverty and addressing health inequalities, supporting educational attainment, meeting the needs of older people, etc.

The rebalancing of the Council's stock will redress the relative under-provision of larger family homes, which are required to meet the needs of some BAME communities to a greater extent than for the population as a whole.

The provision of additional affordable housing for people with a disability will increase housing options and access to a secure affordable home for such residents.

(c) Foster good relations

Decent housing is an important contribution to improving community cohesion. However its allocation can also undermine this especially when resources are limited. Investment in the Council's existing stock will therefore be undertaken on a transparent basis and in accordance with explicit priorities that have been endorsed through consultation with Council's tenants and leaseholders.

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

i. Who did you engage with?

Consultation was undertaken with Council tenants and leaseholders, with voluntary and community groups and with borough residents generally.

ii. What methods did you use?

The draft strategy and consultation questions were publicised through Brent Connects on the Council's website.
A postal survey was sent to all Council tenants and leaseholders
A survey link was sent to borough residents on the Council's Citizens Forum email list
An open meeting was held for Council tenants and leaseholders to consider the proposals
A consultation event open to all borough residents was held at the Civic Centre providing the opportunity for 1-1 discussion and group presentations and comment.

iii. What did you find out?

The development of additional affordable homes to increase the Council's capacity to meet housing needs was strongly supported.
The provision of larger family homes to increase the capacity to meet the needs of larger households was endorsed.
That additional housing provision for households with an individual with a disability should be a key priority
That energy efficiency measures to reduce fuel poverty should be a key priority

iv. How have you used the information gathered?

The responses to the consultation have been taken into account in the finalising the strategy. Overall, the draft proposals were strongly endorsed and the final strategy has been revised to reflect additional priorities and degrees of priority identified through the consultation.

v. How has it affected your policy?

The commitment to maximise affordable housing development, including through the use of a range of resources and approaches, has been strengthened within the final strategy. A target to develop 1,000 affordable homes over the first seven-years of the strategy has been set.
The provision of additional housing for people with a disability has been incorporated as a key priority in the final strategy.
Greater priority is given to energy efficiency works to reduce fuel poverty

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

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

No negative impact has been identified. While the strategy will increase the Council's capacity to meet housing needs including the need for decent, affordable housing for protected groups it is recognised that the scale of development that can realistically be achieved within available resources will fall far short of the scale of provision required to address unmet housing needs.

Please give details of the evidence you have used:

See Appendix 1

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

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

Sexual orientation	X		X
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8. The Findings of your Analysis

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

No major change

Your analysis demonstrates that:

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

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

*The Asset Management Strategy is consistent with the Council's legal obligations.
The assessment has not identified any adverse or discriminatory impacts
The Asset Management Strategy prioritises the development and reform of the Council's stock, within the constraint of available resources and statutory and contractual responsibilities for maintenance and repair of its housing stock.*

Adjust the policy

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

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

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

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

Continue the policy

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

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

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

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

Stop and remove the policy

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

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

9. Monitoring and review

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

The effects of the implementation of the Asset Management Strategy will be monitored by the Council and by BHP. This will include the achievement of target expenditure and required outcomes in relation to the stock investment programme, and the implementation of the first phase of new development and progress over time towards the target to develop 1,000 affordable homes. Resident satisfaction will be systematically measured. Progress and performance will be reported to the Council's Executive at least annually – and include information about how sections of the community have been advantaged or disadvantaged by the Strategy.

The Asset Management Strategy will be reviewed in response to changes in the external environment to ensure that it remains relevant and to identify and secure any additional opportunities that arise to further advance the Council's objectives.

10. Action plan and outcomes

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

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

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
Increase affordable housing	2014	BHP	Commence first phase of development	In 2014	
Achieve target stock investment	2014/15		Annual target spend, proven value-for-money and high resident satisfaction	2014/15 and annually thereafter	
Provide additional housing for larger households and for people with disabilities	2014/15		Increased provision for these groups, arising from 2014/15	2014/15	

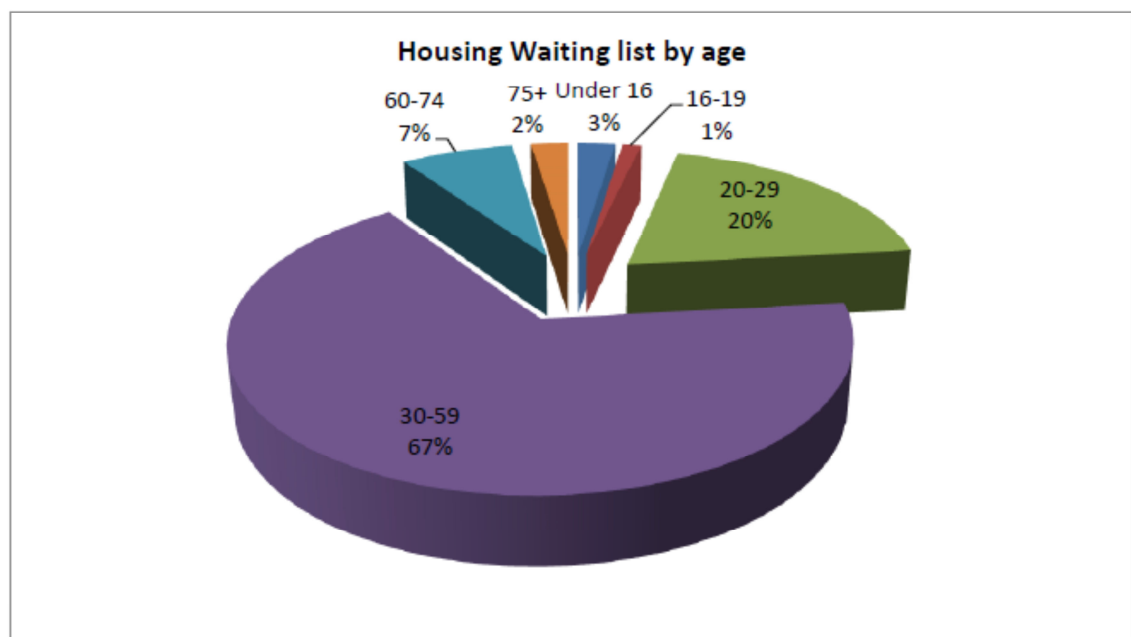
Please forward to the Corporate Diversity Team for auditing.

Appendix 1 – Evidence Base

The Housing Register and Brent Tenants

Analysis by age shows that applications for housing, including those arising from homelessness, are dominated by households in the 20-59 age group, who are more likely to have children and need larger homes. Households aged 16-19 (1% of the waiting list) and over 60 (7%) tend to be single or childless couples. A key aim of the policy is to increase the number of larger homes available to the dominant demand group.

Table 1: Housing waiting list by age



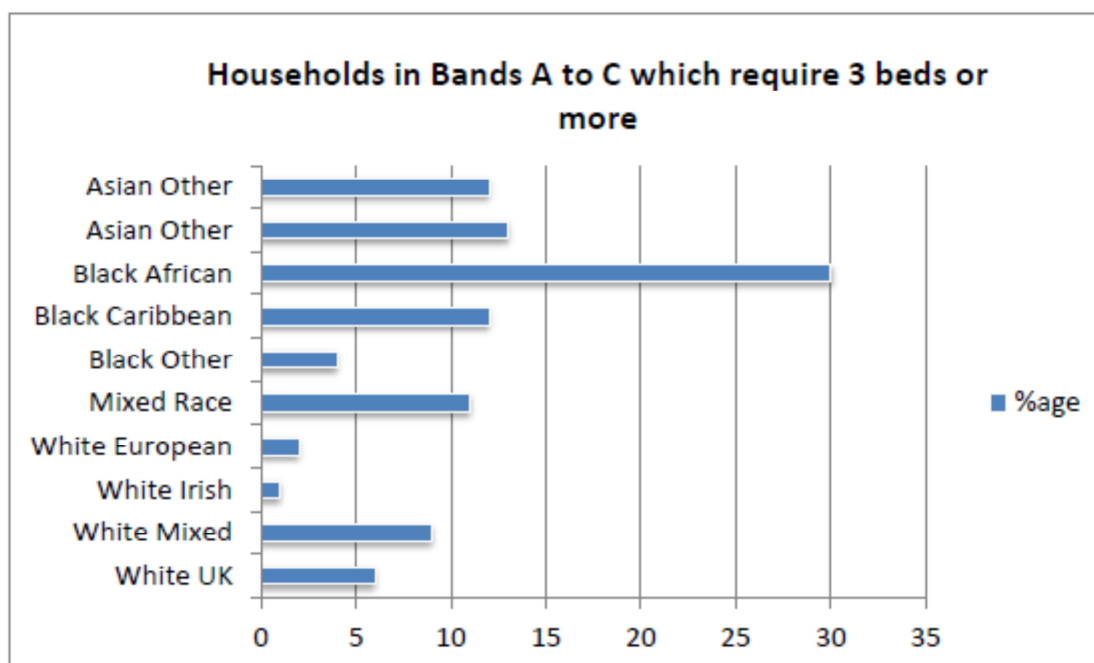
Source: Brent Council – Housing Options – Northgate April 2012

Brent Council Housing Tenants and Disability


The most recent data for Brent Housing Partnership gives the following breakdown of disability. Note that this data is for all occupants of BHP housing, not just tenants or joint tenants, since this gives a more accurate picture of the position within households.

Disability Type	Number of People
Arthritis	39
Asthmatic	55
Bad Back/Back Pains	8
Blind	19
Blood Pressure, Hypertension	20
Cancer	36
Chronic Heart Disease	56
Deaf	30
Details against Other Field	30
Diabetes	114
Epilepsy	15
Hearing impairment	60
HIV/AIDS	3
Learning difficulties	30
Long standing illness/health condition	93
Mental illness/condition	115
Mobility impaired	1031
No answer supplied	32
No disability	4040
Physical impairment	112
Progressive disability/chronic illness	75
Registered Disabled	1359
Speech impairment	22
Stroke	23
Visual impairment	65
	5862

Ethnicity



The profile of the households applying for housing reflects the overall position in the Brent population, where larger households are most prevalent among BAME Communities. In terms of meeting the most acute needs, the policy is therefore likely to provide significant benefits for this group, although projected new supply will not meet all identified need. Larger households are also most affected by welfare reform, in particular the overall benefit cap, and an increased supply of larger homes at rents below market and Affordable Rent levels will be important in mitigating the impact of benefit limitations.

 <p>Brent</p>	<p style="text-align: center;">Executive 11 November 2013</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Growth Acting Director of Children and Families</p>
<p>For Action Wards affected: ALL</p>	
<p>School Expansion Programme - Phase 2 Permanent Primary School Expansion Works Contract and General Schools Capital Portfolio Update</p>	

**Appendices 1 and 2 of this report are not for publication
(‘below the line’)**

1.0 Summary

- 1.1 This report provides an update on progress against the approvals given in earlier Executive committee meetings on the Schools Capital Portfolio/School Expansion Programme.
- 1.2 This report specifically seeks approvals for delegated authority to award works contracts for projects in the Phase 2 Permanent Primary School Expansion Programme and a consultancy services contract for the Schools Capital Portfolio.

2.0 Recommendations

The Executive is recommended to:

- 2.1 Note the update on school place planning and pupil projections.
- 2.2 Note the update on the current status of the Temporary Primary School Expansion Programme 2013/14.

- 2.3 Note the update on the current status of the Phase 1 and 2 Permanent Primary School Expansion Programmes.
- 2.4 Delegate authority to the Strategic Director of Regeneration & Growth in consultation with the Director of Legal & Procurement and the Lead Member for Regeneration & Growth to award the works contracts for the following Phase 2 Permanent Primary School Expansion projects: Harlesden Primary, St Josephs Primary, Wembley High Technology College and Preston Park Primary.
- 2.5 In the event that the current procurement process referred to in paragraphs 3.16-3.24 fails to provide a tender that can be accepted, approve a further procurement process via an open or restricted tender procedure through an OJEU advertisement as set out in Appendix 1, and agree to the pre-tender considerations for this as set out in Appendix 2.
- 2.6 Note the update on the current status of the Phase 3 and 4 Permanent Primary School Expansion Programmes, in particular the inclusion of Islamia Primary School within the Phase 3 expansion programme.
- 2.7 Note the update on the Secondary School Expansion Programme, including the Priority Schools Building Programme and free schools
- 2.8 Note the update on the current status of Schools Capital Portfolio including SEN programme.
- 2.9 Delegate authority to award a services contract for Project Management/Employers Agent services for the Schools Capital Portfolio using a framework to the Strategic Director of Regeneration & Growth in consultation with the Director of Legal & Procurement and the Lead Member for Regeneration & Growth.
- 2.10 Authorise the Borough Solicitor to finalise and complete all required legal documentation in relation to the Phase 2 Permanent Primary School Expansion projects outlined in the report and in relation to the external project manager referred to at recommendation 2.9.

3.0 Detail

Update on School Place Planning and Pupil Projections

- 3.1 In a report to the Executive in July 2013, officers reported that the council had been able to offer all on-time reception and secondary transfer applicants a school place for September 2013. Members were advised however that a significant number of late and in year applications had been and continued to be made for the 2013-14 academic year for reception and other primary year groups. There have been 683 late reception applications for the 2013-2014 academic year compared with 460 last year; the vast majority of which are new entrants to the borough. Across all year groups, there continue to be around 50-70 in year applicants per week.

- 3.2 As at the census day of 4 October 2013, there were 161 reception children who had not had offers of school places against 41 vacancies. In order to meet this significant demand, a programme of Temporary School Expansion for 2013-14 is underway in line with Executive approvals from July 2013. Officers anticipate that this will enable the council to ensure that all children that have already or who will continue to apply in year can be offered a school place. Although places are extremely tight and the high rate of in-year applications shows no sign of abating officers do anticipate being able to make offers to all children. An update on progress on temporary school expansion projects is provided later in this report.
- 3.3 In addition a large permanent primary school expansion programme is underway in line with Executive approval from August 2012. This will serve to meet demand from September 2014 onwards and an update on progress is provided later in this report.
- 3.4 Officers will receive the new GLA roll projections early in November. These will need to be reviewed alongside local intelligence of the pattern over recent years, as well as the impact of recent welfare reform and other contributory factors such as Bulgarians and Romanians gaining the same rights to work in the UK as other EU citizens as from January 2014. Early indications suggest that additional reception and year 1 places will be required for September 2014 in addition to those permanent places that will be provided in that year. This number will increase should any of the Phase 2 projects listed below become undeliverable for any reason. A business case on proposals to meet this demand will be presented to the Schools Capital Portfolio Board in January 2014 with associated Executive approvals being requested after that date as required based on the proposed solutions. Members should note that in order to achieve this officers will lobby government for additional funding.

Update on Temporary Primary School Expansion Programme 2013/14

- 3.5 In July 2013, Members approved a programme of temporary school expansion projects to refurbish and remodel three council properties: Anansi, Douglas Avenue and Strathcona in addition to previous approvals to develop the Gwenneth Rickus Building. Officers have since progressed design and procurement of the works contracts for each project. Initial work on Gwenneth Rickus to allow two reception classes to start in September 2013 was completed as phase 1, while the remainder of the works to Gwenneth Rickus (phase 2) and the three other properties will provide school places from January 2014.
- 3.6 During the design development period, on receipt of existing building condition surveys and following tender specification, the estimated costs of the projects for Gwenneth Rickus Phase 2 and the other three properties increased. This meant that the previously anticipated procurement route of obtaining quotations could no longer be used in line with existing Council Standing Orders as the larger two of the four contracts had become Medium Value as defined in Council Standing Orders, for which a formal tender exercise is required. The Director of Finance approved an exemption from CSOs on the grounds of

extreme urgency in order to allow the following of a quotation exercise for these two Medium Value projects in the same way as for the other two smaller projects. An invitation to quote was sent out for each project to a prepared list of contractors known to the council plus two others. Each invitation was sent to at least three contractors to maintain a competitive process and ensure value for money, and to comply with the minimum standing orders process for quotes.

- 3.7 Tenders were returned for all four projects on 26 September 2013 and evaluated by officers to reach recommendations to award each of the four contracts to four different contractors. The Strategic Director of Regeneration and Growth approved the award of contracts on 30 September 2013. The received tenders were within the overall Temporary School Expansion Programme budget allocation of £3.75m.
- 3.8 Work has now started on site on each of the four projects and is due to complete in time for the start of term in January 2014.
- 3.9 Table 1 below provides a summary update on all temporary class projects as reported to the Executive in July 2013:

Table 1

School/Site	Total no. of classes to be provided (across year groups)	Date for classes to be provided	Status
Gwenneth Rickus Building – Phase 1 (Managed by Leopold Primary School)	2	September 2013	Completed on time, building occupied
Gwenneth Rickus Building – Phase 2 (Managed by Leopold Primary School)	13	January 2014	Works on site, on track for completion on time
Make use of existing classrooms at Brentfield Primary	1	September 2013 Revised to October 2013	School agreement required
Ashley Gardens	2	September 2013 Revised to November 2013	Delay in obtaining planning approval for use of existing buildings – anticipated to be decided at November 2013 planning committee
Douglas Avenue	3	January 2014	Works on site, on track for completion on time
Anansi (Managed by College Green Nursery)	3	January 2014	Works on site, on track for completion on time
Strathcona	7	January 2014	Works on site, on track for completion on time

Total	31		
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Phases 1 and 2 Permanent Primary School Expansion Programmes

- 3.10 In August 2012 Members approved a four year rolling school expansion programme to address the demand for primary school places up to 2016-17. Subsequent reports have provided updates on that programme. This report provides a further update and makes explicit reference to including schools within the programme that have previously been dealt with differently.
- 3.11 Following the appointment of a Programme Manager and a dedicated Schools Capital Programme team, it has been possible to review the entire schools capital portfolio to re-confirm the previous approvals and plans and to update where necessary. Additional capital funding (Targeted Basic Need Programme) has also enabled more work to be brought forward to earlier years than previously reported; the current strategy and associated portfolio business case supports that. The Schools Capital Portfolio is clearly broken down into Programmes of work covering multiple projects. Each Programme describes a sector of work and is linked to completion date e.g. Primary schools for completion in September 2013.
- 3.12 **Phase 1 Permanent Primary School Expansion** covers four projects and has provided a total of 4.5FE. In each case for permanent primary school expansion, classes are added at reception level one year at a time until new places are all filled over a seven year period. Three projects (Fryent, Mitchellbrook and Barham) were due for completion in September 2013. Unfortunately the completion of some works was delayed and full completion is now planned for the end of October 2013. In spite of this, sufficient work was completed to enable the new intake to start as planned at the start of the school term in September 2013. The remaining project (St Robert Southwell) is part funded by Brent but commissioned and managed by the Diocese of Westminster, as reported to the Executive in August 2012. The project is on track for completion in March 2014 as planned, although places were available from September 2013. Table 2 is provided below as a summary:

Table 2

PHASE 1 PERMANENT PRIMARY SCHOOL EXPANSION			
Project	Size of Expansion (FE)	Planned End Date	Status
Fryent Primary	2	31/10/2013	Delivery
Barham Primary	1	31/10/2013	Delivery
Mitchell Brook Primary	1	31/10/2013	Delivery
St Robert Southwell RC Primary	0.5	30/03/2014	Delivery
Total	4.5 FE		

- 3.13 **Phase 2 Permanent Primary School Expansion** covers seven projects as summarised below in table 2. The permanent expansion of these schools will

take place from September 2014, although some works will be completed after that date.

Table 2

PHASE 2 PERMANENT PRIMARY SCHOOL EXPANSION			
Project	Size of Expansion (FE)	Planned End Date	Status
Uxendon Manor Primary	2	Dec 2014	High risk, Governing Body does not agree to proceed
Preston Park Primary	1	Dec 2014	Delivery
Wembley High	4	Dec 2014	Delivery
Vicar's Green (Ealing)	0.5	Dec 2014	Delivery
Harlesden Primary	2	Dec 2014	Delivery
St. Josephs RC Primary	1	Dec 2014	Delivery
Princess Frederica CE VA Primary	1	April 2015	Delivery
Total	11.5 FE		

- 3.14 Alongside the design, planning and procurement work required to deliver these expansion projects, a statutory consultation process is required in relation to the expansion of the school. Members approved in July 2013 the expansions at Preston Park and Harlesden following completion of the consultation process. Members will be asked to consider a report in this November meeting seeking approval to expand St Josephs. As Wembley High is an Academy, Members are not required to approve that expansion as the process is managed directly by the DfE. The process to expand Vicars Green is being handled by LB Ealing as it is their school, but with 50% Brent funding as set out in a funding agreement. Officers expect to seek approval from the Executive in January 2014 to expand Princess Frederica following a statutory consultation which is currently in the final stages. The Governing Body of Uxendon Manor Primary School met on 3 October to decide whether to proceed to the final stage of the statutory consultation process and decided against doing so, unless the Council were to provide additional investment of c. £800k to provide a whole school assembly/sports hall for the school. The Acting Director of Children and Families is to meet with the school to discuss ways to progress the scheme and overcome the governors' reservations within the existing budget envelope.
- 3.15 The planning application and procurement process for four of the schemes is described below in paragraphs 3.16- 3.25 in relation to the recommendation to delegate authority to award works contracts. The remaining two schools; Uxendon and Princess Frederica, are behind this timescale. For reasons described in 3.14 above the planning application has not been submitted for Uxendon and it has not been included in the procurement package covering the group of Phase 2 projects. The decision to commence the statutory consultation process at Princess Frederica was made later than all the other schools in the programme. It left a very tight timescale for design consultation with the school and as a result of the Governing Body's requirement be fully engaged in the design process the design has taken longer to achieve than on

other schemes. This has also been linked to the Governing Body's wish to take on board comments made by parents, staff and local residents through the statutory consultation process into the design process even though the two are not directly linked. The design has now been signed off by the Governing Body and a planning application is expected to be submitted at the end of October. It is anticipated that this will be decided at the January 2014 planning committee. The project will be separately procured. This is anticipated to be through a framework although officers will review and utilise the most suitable route, seeking approvals as necessary.

Phase 2 Permanent Primary School Expansion Programme – Works Contract

- 3.16 The seven schools that form the Phase 2 Permanent Primary School Expansion Programme were reported to the Executive in May 2013 (see table 2 above). At the same meeting, the Executive approved the appointment of consultants to develop the designs for each of the projects in the programme. Since May, officers have been working with the consultant design team and the schools to develop the designs for the school expansions in order to submit planning applications and to procure works contracts. This work sits alongside the statutory consultation processes to expand the schools which have already been detailed elsewhere in this report.
- 3.17 In line with the agreed timescales the schools in the Phase 2 programme will permanently expand from September 2014. In order to achieve this challenging timescale planning applications were submitted for the main package of schemes, being Preston Park Primary, Harlesden Primary, St Josephs Primary and Wembley High Technology College primary provision on 20 September 2013. An update on the remaining projects in the Phase 2 Programme is provided in paragraph 3.15 above. The procurement process is operating alongside the planning approval process.
- 3.18 Officers undertook a review of the procurement options available for this main package of four projects, the contract values for which are estimated to total approximately £22m (from a total £44.5m budget allocation to the overall Phase 2 Permanent Primary School Expansion Programme). The constrained timescale meant that a conventional procurement of the works contractor was not feasible and therefore it was decided that a framework option was preferred. LBB Legal Services reviewed the various framework options available to the Council and concluded that the London Housing Consortium (LHC) Framework provided the most appropriate procurement route.
- 3.19 It is intended that one contractor will be appointed under the LHC Framework to manage each and all of the projects, with the works to be carried out under a programme of simultaneous construction, using the Framework and four JCT Design & Build contracts (Revision 2011).
- 3.20 In line with Council Standing Orders, Legal Services approved the use of the Framework as legally permissible and Chief Officer approval to use the framework was obtained.

- 3.21 The procurement of the works contracts for these four projects commenced on 7 October 2013 with the issue of the Invitation to Tender to four contractors on the available Lot within the Framework.
- 3.22 Tenders for this procurement will be returned on 13 November 2013. A period of tender evaluation will be required after tender return before a recommendation for the award of contract can be made. No contract can be awarded unless planning approval is granted and it is anticipated that these projects will be decided at the 11 December planning committee. In order to maintain the programme for delivery by September 2014 works contracts need to be awarded in December 2013. As the planning committee falls just after the Executive committee in December, an Executive decision to award the works contracts would ordinarily have to wait until the meeting in January 2014.
- 3.23 In order to maintain programme, the Executive is asked to delegate authority to the Strategic Director of Regeneration & Growth in consultation with the Director of Legal & Procurement and the Lead Member for Regeneration & Growth to award the works contracts for the four projects listed in 3.17 above to one contractor following a tender evaluation process and only if planning approval is obtained. This is anticipated to be in December 2013. The report recommending award of contracts in exercise of this delegated authority would be a key decision and will go on the Forward Plan and published via the Council's website with at least 5 clear days' notice.
- 3.24 A summary timetable is provided below for ease of reference:

Table 3

Task	Date
Submitted Planning Applications	20 September 2013
Issued Invitation to Tender	7 October 2013
Tenders Returned	13 November 2013
Key Decision to Award Contract Published	5 December 2013
Executive Committee	9 December 2013
Planning Committee	11 December 2013
Approval by Strategic Director of Regeneration & Growth in consultation with the Director of Legal & Procurement and the Lead Member for Regeneration & Growth to award the works contracts subject to planning approval	12 December 2013
Contractor Design and Lead In Period	Minimum 6 weeks required from award of contract 12 December 2013 – 3 February 2014
Contractor Start on Site	3 February 2014
Completion of Section 1 on each project (Section 1 is the minimum accommodation requirements for the expansion in September 2014)	22 August 2014
Phase 2 Schools Open with operational Permanent Expansion	4 September 2014

Completion of Section 2 (all works)	27 October 2014
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- 3.25 As this main Phase 2 works package carries a high degree of risk associated with the programme and in relation to available budgets (detailed later in financial implications), officers consider it prudent to seek approval to a further procurement process for these works contracts via an open or restricted tender procedure through an OJEU advertisement in the event that the current procurement process fails to provide a tender that can be accepted. Further details are provided in appendix 1 about the legal situation (not for publication) and in appendix 2 (pre-tender considerations for approval).

Update on Phases 3 and 4 Permanent Primary School Expansion

- 3.26 **Phase 3 Permanent Primary School Expansion** covers five projects as summarised below in table 4. The permanent expansion of these schools will take place from September 2015, although some works may be completed after that date.

Table 4

PHASE 3 PERMANENT PRIMARY SCHOOL EXPANSION			
Project	Description	End Date	Status
Islamia Primary	Expand by 1FE	Dec 2015	Start Up
Elsley Primary	Expand by 2FE	Dec 2015	Delivery
Stonebridge Primary	Expand by 1FE	Dec 2015	Start Up
Malorees Infant & Junior	Expand by 1-2FE	Dec 2015	Start Up
Oriental City	New 2FE school	Dec 2015	Start Up
Total	7-8 FE		

- 3.27 The schools listed in Phase 3 are as previously approved, with the exception of Islamia Primary School which was not included. The proposed development and expansion of Islamia Primary School has been discussed and reported to the Executive on various occasions over recent years. The acquisition of additional capital funding from the DfE (as detailed in the financial implications section of this report) means officers have brought this existing project into the schools capital portfolio with a target completion date in September 2015, in line with the funding deadline. It is essential that the Council utilises all capital funding available in order to create additional school places and fulfil the statutory duty, formalising this project as part of this programme helps to ensure that happens.
- 3.28 In general, work on phase 3 projects is progressing at an appropriate rate. Members should note that agreements are yet to be made in full with Governing Bodies so there remains a risk that one or more of these projects may become undeliverable and have to be replaced with alternative schemes. The Governing Body of Elsley Primary has agreed in principle to statutory consultation but will further confirm the commencement of the statutory consultation process in a meeting in November. Some design work has already been undertaken with Elsley Primary alongside this. The Governing Bodies of Malorees Infant and Juniors will meet again in the Autumn term to review proposals and decide to commence statutory consultation or not.

Similarly the Governing Body of Stonebridge Primary will meet in November to make that decision.

- 3.29 In relation to the new school at the Edgware Road/Oriental City site; officers are progressing the development of a school design and planning submission for the site to ensure a well-designed school delivering two forms of entry school can be provided alongside the other developments. Decisions about how to provide the school are yet to be made, but Members are reminded that in order to open a new school the Council would need to open a competition to school providers interested in setting up a new free school/academy. At present, no capital funding is allocated to the development of this school.
- 3.30 **Phase 4 Permanent Primary School Expansion** will need to provide 1FE in order to meet requirements (assuming that all projects listed above are delivered). Currently officers envisage that this would be provided by the re-location and expansion of the two schools in South Kilburn as part of the South Kilburn masterplan, however this is at an early stage of discussions with Governing Bodies.
- 3.31 The four permanent primary expansion programmes would deliver in excess of the requirement for 21FE. This means there is a 4FE contingency in the strategy (assuming the demand/pupil projections do not change). In the event that any of the projects listed above becomes undeliverable and there remains a requirement to provide those places, officers will review those projects which were presented to the Executive in earlier reports as future possible projects, alongside any new opportunities that may have arisen. Further recommendations would then be made to the Executive as a revised strategy as required. The same applies for developments after 2016/17 such as the sites for new schools within the Quintain development land.

Update on Secondary School Expansion

- 3.32 In January 2013, Members approved the strategy for providing sufficient secondary school places subject to availability of funds. The requirement is to deliver 19FE by 2020/21. This report provides an update on that position.
- 3.33 The Council was successful in securing places for both Alperton and Copland Community Schools in the Government's Priority Schools Building Programme. In January 2013 this was announced by the DfE to be a PFI programme and the new school buildings (with 1FE expansion each) were not anticipated for delivery until September 2017. In the spending review of June 2013, the Government decided to fund the programme via allocation of capital funding rather than PFI and to bring delivery forward by one year. The rebuild and 1FE expansion of both Copland and Alperton Community Schools is now expected to be completed by the DfE/EFA for September 2016. Initial start up meetings have been arranged by the EFA with the two schools direct. Whilst the Council will have little formal engagement except, in due course, via the Planning application process officers are assisting the EFA with information and are prepared to support the schools with technical and educational advice if required.

- 3.34 Three secondary free schools have now been approved to open in Brent. In January 2013, officers reported that it was likely that two applications for secondary free schools would be made for opening in September 2014. This was anticipated to provide 10FE. This was in addition to an already approved free school providing 6FE. The following free schools are approved for Brent shown in table 5 below:

Table 5

School	No. of FE	Year of Opening	Status
Michaela Community School	4	September 2014	Site secured (Arena House, Wembley Park)
Gladstone School	4	September 2014	No site identified
Gateway Academy	4	September 2014	No site identified
Total	12		

- 3.35 The routes for providing secondary schools places detailed above will provide 14FE by September 2016. This meets the projected requirement for that time period. The first council commissioned capital project to deliver secondary school places will take place at Queens Park Community School, which was listed in the January 2013 report as Phase 1. This is planned to complete in September 2015 and will provide a further 2FE. According to current projections, these places will not be required until after 2016 however the uncertainty around free schools having sites to open from in September 2014 suggests that investing available capital in providing the additional 2FE at QPCS is a sensible strategy. The way in which the remaining 3FE that would still be required between 2016 and September 2020 are to be provided will be reviewed by officers in the context of national policy developments and available capital funding. Worst case scenario assumptions have been made about the cost of providing these places in the financial implications section below.

Overview of Schools Capital Portfolio

- 3.36 The rebuild and 1FE expansion of both Crest Boys and Crest Girls Academies are in addition to the requirement for 19FE in secondary described above i.e. the projections already take into account that these places will be provided. However, this major capital project is now coherently managed as part of the schools capital portfolio to ensure that the project is completed on time, within budget and that the benefits are achieved. Any council capital funding allocated to the Crest Academies project which remains unused at completion of the project in 2015 will be re-directed into the schools capital portfolio to achieve the wider objectives.
- 3.37 The rebuild and expansion of The Village School is now completed and the school (and Short Break Centre) fully occupied by children and young people. The project is forecast to complete within budget and any unused council capital funding will be re-directed into the schools capital portfolio to achieve wider objectives.
- 3.38 The requirement to provide 192 SEN places (in addition to the places provided at The Village School) is also captured within the schools capital

portfolio. Currently, the programme will provide 80 places at Woodfield (40), Oakington Manor ARP (20) and Alperton ARP (20). A strategy to meet the shortfall of places is being reviewed by officers in Education, Health and Social Care and will be presented to the Executive. Worst case scenario assumptions have been made about the cost of providing these places in the financial implications section below.

Project Management and Employer's Agent Consultancy Services

- 3.39 In August 2012 the Executive agreed capital funding for the establishment of a Schools Capital Programme Team. In order to supplement internal resources, officers have a requirement to procure external consultants to provide project management and on-site employer's agent services (Brent being the employer under the works contracts). This role will be in addition to the already appointed design team, cost consultant and CDMC and will ensure the contracts are administered thoroughly on behalf of the council. This reflects the value of works contracts to be awarded within the schools capital portfolio and the importance of meeting programme dates. It is anticipated that this will be best achieved through procurement via a consultants framework, although a review will be undertaken with LBB Legal Services. The value of the contract is expected to be in excess of £250,000 and therefore would, under recent amendments to Contract Standing Orders taking effect on 1st October 2013, be classified as a High Value contract under CSOs. This means that Executive approval for both pre-tender considerations and to award the contract is normally required. Given the urgent requirement to appoint consultants to assist with the Phase 2 programme, Members are asked to delegate authority to award a services contract for Project Management/Employers Agent consultancy services for the Schools Capital Portfolio from a framework to the Strategic Director of Regeneration & Growth in consultation with the Director of Legal & Procurement and the Lead Member for Regeneration & Growth. Use of a framework means that the Executive are not required to approve the pre-tender considerations either.

4.0 Financial Implications

- 4.1 A summary of the anticipated costs to meet the required demand described above alongside secured and unsecured funding for the portfolio is shown in table 6 below:

Table 6 - Summary of the Costs and Funding Allocation 2012-18

		Provision Type					Total
		Primary (FE)	Secondary (FE)	SEN Primary & Secondary (Places)	Temporary School Expansion 2013-14 (Classes)	Schools Capital Portfolio Team	
School Places Required by 2020-21							
	Forecast Demand	21.0	19.0	192	27	N/A	

	New Places Proposed (all Phases)	25	16.0	80	31	N/A	
	Balance	+4	-3	-112	+4	N/A	
Capital Programme Budget to 2017-18							
	Forecast Cost of New Places Proposed and Average Cost of Places where no proposal (£m)	103.30	20.5	15.39	3.75	2.40	145.34
	Secured Funding (£m):						
	Basic Need Settlements	93.73	4.90	0.42	3.75	2.40	
	Capital Maintenance Grant	0.74	0.00	0.00	0.00	0.00	
	School Contributions	0.75	0.00	0.30	0.00	0.00	
	Unsupported Borrowing - Self Funded	0.00	0.00	1.30	0.00	0.00	
	Targeted Basic Need Programme Funding	2.33	0.00	0.00	0.00	0.00	
	Total Secured Funding (£m)	97.55	4.90	2.02	3.75	2.40	110.62
	(Surplus)/Deficit of Funding over Expenditure	5.75	15.6	13.37	0.00	0.00	34.72
	Unsecured/Forecast Funding (£m)						
	Capital Programme/Basic Need Settlement (Forecast at £7.41m/pa for 2014-15 to 2017-18)	29.64					
	Capital Maintenance Grant	3.30					
	S106 (Quintain in 17-18)	7.15					
	Total Unsecured Funding (£m)	40.09					

- 4.2 Table 6 shows that based on current projections and using worst case scenario assumptions of the cost of meeting secondary and SEN shortfalls using capital funding, the schools capital portfolio has a total deficit of £34.72m. This does not include the cost of Temporary School Expansion in 2014-15 or 2015-16 as it is not yet possible to make assumptions about the cost of how those places (number yet to be confirmed) will be provided. It is anticipated that this deficit will increase unless additional funding is obtained.
- 4.3 The funding shown above does include a successful application to the DfE for Targeted Basic Need Programme capital funding for Stonebridge and Islamia Primary Schools (Phase 3 Permanent Primary Expansion Programme). This totals £2.33m.
- 4.4 Additional funding from S106/CIL has not been shown but it is anticipated that funding would be forthcoming in greater proportions to reflect the impact of significant housing development on the demand for school places. Officers will work to secure this funding and reduce the deficit.
- 4.5 There is insufficient funding to meet all of the requirements of the programme. Officers will continue to lobby the DfE for additional capital funding to meet this demand, particularly in view of the significant in year applications received this academic year. Officers will continue to review priorities within the programme to reconfirm the order of programmes being delivered.

5.0 Legal Implications

- 5.1 Under sections 13 and 14 of the Education Act 1996 (as amended by the Education Acts 2006 and 2011), 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. The Local Authority must promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. It must also ensure that there are sufficient schools in their area and promote diversity and increase parental choice. To discharge this duty the Local Authority has to undertake a planning function to ensure that the supply of school places balances the demand for them.
- 5.2 As a contingency, to support the admission to school of children as quickly as possible, the In Year Fair Access Protocol has been revised and schools and the Unions have been consulted on a new proposed Protocol. The new Protocol is now in place and allows for the admission of children over schools planned admission numbers in the event that a school place is not available. Schools will not be required to maintain classes over the planned admission number but will revert to the usual admission number when children leave.
- 5.3 This report is seeking delegation of powers to the Director of Regeneration and Growth to award four works contracts to one building contractor forming part of the Phase 2 Primary Expansion programme, and to award a contract for external project management and employer's agent services across the whole of the portfolio. Both of these delegations are within the Executive's powers and recommended as necessary in order to meet tight timescales for getting the contractor/consultant in place. In relation to the contractor, there is concern that the selected London Housing Consortium framework is not able to deliver the required result, and so approval is also sought for a full OJEU tender process in case this is required, on the basis of the pre-tender considerations at appendix 2. Further legal comments have been incorporated into the report, including into the two appendices exempts from publication.
- 5.4 With schools increasingly being outside local authority control, such that they own their own land, a number of the projects outlined in this report will involve the Council managing building projects on land that it does not own. Where necessary, the Council will enter into agreements with the school (e.g. Wembley High and Princess Frederica) which will give the Council a licence to build, also recognises the Council's project management role and the school's right to review key stages of the works.

6.0 Diversity Implications

- 6.1 An Impact Needs/Requirement Assessment (INRA) has been prepared as part of the four year rolling programme, which will be further reviewed quarterly.

7.0 Staffing/Accommodation Implications

- 7.1 None for the immediate purpose of this report however the establishment of a significant number of new school places brings a requirement for additional teaching and non-teaching staff.

Background Papers

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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 <p>Brent</p>	<p>Leader's Briefing Monday 28 October 2013</p> <p>Report from the Strategic Director of Regeneration and Growth</p>
<p>Wards affected: (ALL WARDS);</p>	
<p>Authority to Award Contracts for Mail Services</p>	

Appendix 2 of this report is Not for Publication

1.0 Summary

- 1.1 This report requests authority to award contracts as required by Contract Standing Order No 88. This report summarises the process undertaken in selecting the supplier for the contracts and recommends to whom the contracts should be awarded.

2.0 Recommendations

Members are requested to:

- 2.1 Note the Council's participation in a collaborative procurement under a framework agreement for contracts for mail services..
- 2.2 Approve the award of a contract for Collection and Delivery of Mail to Royal Mail Group Limited, for a period of two years from 1st December 2013 with an option to extend from 1st December 2015 to 9th August 2016.
- 2.3 Approve the award of a contract for Hybrid Mail to Royal Mail Group Limited, for a period of two years from 1st December 2013 with an option to extend from 1st December 2015 to 9th August 2016.

3.0 Detail

Background

- 3.1 The Council has a need for mail services, whereby outgoing post is collected from Council buildings and delivered to individual addressees. Whilst an increasing amount of communication from the Council is in digital only format, there are still large volumes of hard copy correspondence that need to be delivered.
- 3.2 Currently approximately two thirds of the Council's mail is delivered by TNT, with the remainder being dealt with by Royal Mail. TNT offer cheaper rates than the standard Royal Mail tariffs, but there are some services that they do not offer, such as 1st Class.
- 3.3 The Council commenced the use of the TNT service in April 2010 based on the rates available through a Government Procurement Service framework. That framework has now expired, and there is a need to put in place a new contractual arrangement.
- 3.4 The Council spent £215k on mail delivery in 2012/2013. The budget for the service in 2013/14 is £220k.
- 3.5 Hybrid mail is a service whereby outgoing letters are not printed, enveloped and posted by council officers, but are sent electronically to a hybrid mail service provider, who in turn prints, envelopes and delivers them. This reduces the costs of postage as the provider uses software that ensures that addresses are correct and mail is presorted for efficient delivery. The costs of the printing and enveloping are also low as this takes place on a large scale at out of town distribution centres. Sending out mail in this way will require organisational changes, and it is not planned to use this service in the short term. The contract will however include this in its scope, should Brent wish to use the service in the future.

The selection process

- 3.6 It is proposed that a supplier is appointed using the outcome of a further competition exercise carried out on behalf of London Local Authorities from a framework established by the Government Procurement Service ("GPS").

The Framework

- 3.7 The GPS framework RM782 Mail Services (the "Framework") commenced on 10th August 2010, and expires on 9th August 2014. The rules of the Framework permit a contract called off from the Framework to run until a maximum of 2 years after the expiry date, i.e. 9th August 2016.
- 3.8 The process adopted by the GPS for the procurement of the Framework was based upon the Open (one-stage) tendering procedure under the EU rules. The services are Part A, and an OJEU contract notice was placed in

December 2009. This indicated that the Framework was a national one which would be open for use by all local authorities as well as some other public sector bodies. It was advertised as a 4-year framework agreement.

- 3.9 Fourteen different sub-lots were tendered, and each sub-lot was evaluated separately. A position on the Framework was awarded to the highest scoring suppliers in each of the sub-lots. Six suppliers were appointed to Lot 1: Collection and Delivery to Addressee, and eleven to Lot 10: Hybrid Mail. An OJEU award notice was then placed confirming Framework commencement on 10th August 2010 for 4 years.

The London Authorities' further competition exercise.

- 3.10 In April 2013, a group of 21 London local authorities led by the London Borough of Camden carried out a further competition exercise from the GPS Framework. Brent was specifically identified in that further competition exercise as a body that was participating. Tenders were invited for two of the GPS sub-lots: Lot 1: Collection and Delivery to Addressee and Lot 10: Hybrid Mail.

- 3.11 The instructions for the mini-competition under the Framework stated that contracts would be awarded on the basis of a 50% price and 50% quality weighting to determine the most economically advantageous tender. An overview of the evaluation criteria and weightings is provided in the table below:

Criteria	Section Weighting
Quality: Proposed Approach for Service Provision	20%
Quality: Method Statement	15%
Quality: Presentation	5%
Quality: Mission Statement	1%
Quality: Methodology Statement	8%
Quality: Proposals for Innovative Solutions	1%
Quality: Total	50%
Price	50%
Total	100%

- 3.12 The six suppliers appointed to Lot 1 and eleven suppliers appointed to Lot 10 of the Framework were invited to tender, and of these three submitted tender responses for Lot 1, and five for Lot 10.
- 3.13 The tender evaluation panel consisted of officers from the London Boroughs of Camden, Enfield and Islington. From these boroughs, there were

representatives from the service areas managing postal services and also procurement representatives. The details of the suppliers' final scores and prices are contained in Appendix 1. Following the tender evaluation process, Royal Mail Group Limited was the highest scoring supplier for both lots.

- 3.14 Given that Royal Mail Group Limited was the highest scoring supplier for both lots, Officers recommend the award of contracts in respect of Lot 1 and Lot 10 to the Royal Mail Group Limited. The council will use the Lot 1 services from the start of the contract, and may use the Lot 10 services in the future if it wishes to do so.
- 3.15 Under the rules of the Framework, the latest end date allowed for a call-off contract is 9th August 2016, which is two years after the expiry of the Framework. It is therefore proposed that the contracts with Royal Mail Group Limited are for a two year period, with a single possible extension for the part year to 9th August 2016.
- 3.16 In addition to the savings that will be generated as a result of the rates tendered by Royal Mail, there are opportunities for the Council to make further savings by changing staff behaviours relating to the use of mail services. For example, if 50% of current 1st Class Mail were to be sent 2nd Class, approximately £9k per annum would be saved. Similarly, if 50% of A4 letters that are currently sent in A4 envelopes were folded and put into C5 or DL envelopes, approximately £3,200.00 would be saved. Minimising handwritten envelopes and correct address formatting will also save the Council money. Royal Mail Group are keen to develop a strong relationship with the London Boroughs, and have the skills and resources available to assist the Council in identifying areas where such savings can be made. They will work with us, providing guidance and information to help us to make the changes that will generate the savings.
- 3.17 The appointment of Royal Mail Group Limited to provide all of the Council's mail services will reduce and simplify processes for the Council, due to the move from two suppliers to a single supplier.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Executive for approval of the award of the contract.
- 4.2 The estimated value of the contract for Collection and Delivery of Mail is £171k per annum and will vary depending on the volumes of outgoing mail. In particular, large mailouts for elections and consultations, for example, will increase the volumes substantially. Conversely, the increased use of digital methods of communication will result in a decrease in volumes. Based on £171k per annum, the total value over the contract period is estimated at £460k.

- 4.3 It is estimated that annual savings, based on the 2012/13 usage of like for like services, will be £49k
- 4.4 Approval is also sought to award a contract for Hybrid Mail. As detailed in paragraph 3.5, sending out mail in this way will require organisational changes, and it is not planned to use this service in the short term. Subject to such organisational changes however, the value of this contract may exceed £250k over the term of the contract and therefore Executive approval is sought to award this contract also.
- 4.5 The cost of the contracts will be funded from existing postage budgets.
- 4.6 There is no cost to the Council of using the Framework and there are no other associated costs of the contracts.

5.0 Legal Implications

- 5.1 The estimated values of the proposed call-off Contracts for lots 1 and 10 are higher than the EU threshold for Services and the award of contracts is therefore governed by the Public Procurement Regulations 2006 (the "Procurement Regulations"). The award is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.2 The Procurement 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.
- 5.3 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 approved by the relevant Chief Officer and provided that the Director of Legal and Procurement has advised that participation in the framework is legally permissible. Legal Services have reviewed the Framework and is able to confirm that participation in the Framework is legally permissible.
- 5.4 Whilst Royal Mail has recently been privatised, this does not affect the proposed award of the call-off contracts to Royal Mail Group Limited. Royal Mail Group Limited was appointed by the GPS to the Framework in 2010 and this legal entity continues to exist following privatisation.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to scrutiny and officers

believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications

- 7.1 The services are currently provided by external contractors and there are no implications for Council staff arising from the procurement of these services.

Background Papers

London Authorities Collaboration Invitation to Tender - Further Competition under GPS Framework RM782 Mail Services Lots 1 and 10.

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- Evaluation Scores

Quality and Delivery to Addressee

Quality	Price	Overall score
49.95%	50.00%	99.95%
31.60%	48.61%	80.21%
37.85%	49.44%	87.29%

Mail


Quality	Price	Overall score
48.45%	50.00%	98.45%
40.55%	42.74%	83.29%
43.90%	39.14%	83.04%
39.85%	47.27%	87.12%
38.85%	37.49%	76.34%

Supplier names is not for publication and is included in Appendix 2.

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 <p>Brent</p>	<p>Executive 11 November 2013</p> <p>Report from the Strategic Director of Regeneration and Growth</p>
<p>For Action</p>	<p>Wards Affected: Kilburn</p>
<p>South Kilburn Regeneration Progress Update</p>	

APPENDICES 2, 3, 5 & 11 ARE NOT FOR PUBLICATION

1. SUMMARY

- 1.1 This report summarises the progress made on the regeneration of South Kilburn and sets out approvals required by the Executive to further progress projects within Phases 2 and 3 of the regeneration programme.

2. RECOMMENDATIONS

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

Phase 1b Recommendations

- 2.2 That the Executive note the Strategic Director of Regeneration & Growth's proposed amendments to the Development and Sales Agreement with Catalyst Housing Ltd in relation to former Cambridge Court, Wells Court and Ely Court and Bond Hicks Bolton and Wood House (together defined as **Phase1b**), as set out in section 3 below.
- 2.3 That the Executive authorise recycling the Phase 1b overage payment back into the South Kilburn Regeneration Programme to enable the early acquisition of leasehold interests.

Site 18 Recommendations

- 2.4 Members are asked to note that if the Hybrid Parliamentary High Speed 2 (HS2) Bill ('**HS2 Bill**') once laid includes provision for a ventilation shaft on Site 18, that the question as to whether to oppose the HS2 Bill will be put to Full Council.

Post Office Plus Site Recommendations

- 2.5 That the Executive delegate authority to the Strategic Director of Regeneration and Growth in conjunction with the Borough Solicitor and the Chief Finance Officer to enter into a Collaboration Agreement with Woodville Properties the landowner of 5-9 Chippenham Gardens and the Post Office site to bring forward a comprehensive redevelopment of 5-9 Chippenham Gardens and the Post Office site with the Council's adjoining land at 4-26 Stuart Road (together defined as the '**Post Office Plus Site**') as shown edged red on Plan A at Appendix 1.
- 2.6 That the Executive authorise the removal of 4-26 Stuart Road as shown edged red on Plan B at Appendix 1, from the South Kilburn Regeneration Programme **if** the Strategic Director of Regeneration and Growth in conjunction with Borough Solicitor and Chief Finance Officer is unable to agree and enter into a Collaboration Agreement with Woodville Properties in respect of Post Office Plus Site.

[Recommendations 2.7 to 2.9 are subject to entering into a Collaboration Agreement with Woodville Properties in respect of the Post Office Plus Site];

- 2.7 That the Executive award a contract for a full architectural design team to PRP Architects to lead the design team through to a full planning application (RIBA Stage 3) for the redevelopment of the Post Office Plus Site.
- 2.8 That the Executive authorise the Director of Regeneration and Growth to develop a draft allocation policy for allocating homes to secure tenants living within 4 -26 Stuart Road.
- 2.9 That the Executive authorise the Director of Regeneration and Growth to commence statutory consultation with secure tenants residing in 4-26 Stuart Road on three proposals (i) statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of Schedule 2 to the Housing Act 1985 ("Ground 10A") (ii) consultation on the Council's proposal to make a CPO on properties in 4 - 26 Stuart Road that are currently occupied by secure tenants (iii) consultation in connection with the draft allocation policy for allocating homes to secure tenants living within 4 -26 Stuart Road. Officers will report back to the Executive on the outcome of the statutory consultation and may, depending on the outcome of the consultation seek Executive approval to (i) authorise the Director of Regeneration and Growth to seek the Secretary of State's consent to the disposal and development of 4 - 26 Stuart Road for the purpose of Ground 10A, (ii) authorise the final Allocation Policy for 4 - 26 Stuart Road, and (iii) proceed with securing vacant possession of properties within 4 - 26 Stuart Road occupied by secure tenants through negotiation and private treaty and then, if necessary, via possession proceedings based on Ground 10A and CPO.

Peel Recommendations

- 2.10 That the Executive note Officers intention, subject to the approval of the Borough Solicitor, to progress procurement of a full architectural design team to develop a hybrid planning application for 8 to 14 Neville Close (all numbers inclusive), 97 to 112 Carlton House, Peel Precinct (together defined as '**Peel**') as shown edged red on Plan C at Appendix 1 by calling off either the Homes and Communities Agency (HCA) Multidisciplinary Panel or the GLA Architecture and Urbanism Consultants Framework Agreement Panel and report back to the Executive following award of contract.
- 2.11 That the Executive authorise the Strategic Director of Regeneration and Growth to procure a specialist health care provider through an open market tender process to enter into an agreement to take a lease of and manage the South Kilburn Health Centre to be

developed within Peel and report back to the Executive to secure approval for award of the contract.

- 2.12 That the Executive approve the Strategic Director of Regeneration & Growth undertaking a mini competition under the Greater London Authority (GLA) London Development Panel subject to the approval of the Borough Solicitor, to identify a developer partner for the regeneration of Peel and report back to the Executive to secure approval for award of the contract.
- 2.13 That the Executive agree to set rent levels for the affordable units at Peel once complete, at a rent equivalent to HCA Target Rent Levels.
- 2.14 That the Executive agree to proceed with securing vacant possession of the properties and commercial units within Peel through negotiation and private treaty and then, if necessary, via possession proceedings based on Ground 10A in relation to the secure tenants and then CPO for all remaining interests.
- 2.15 That the Executive authorise the Operational Director of Property and Projects (where the Operational Director of Property and Projects in conjunction with the Chief Finance Officer considers applicable) to acquire third party interests and rights within Peel as necessary to progress the project by way of negotiation.
- 2.16 That the Executive authorise the Strategic Director of Regeneration and Growth to seek Secretary of State's consent to appropriate for planning purposes all interests in Peel.
- 2.17 That the Executive authorise the Strategic Director of Regeneration and Growth to develop a draft allocation policy for allocating homes to secure tenants living within Peel;
- 2.18 That the Executive agree and authorise the Strategic Director of Regeneration and Growth to commence statutory consultation with secure tenants residing in blocks earmarked for redevelopment within Peel on three proposals (i) statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act 1985 (ii) consultation on the Council's proposal to make a CPO on properties in Peel that are currently occupied by secure tenants (iii) consultation in connection with the draft allocation policy for allocating homes to secure tenants living within Peel. Officers will report back to the Executive on the outcome of the statutory consultation and may, depending on the outcome of the consultation seek Executive approval to (i) authorise the Director of Regeneration and Growth to seek the Secretary of State's consent to the disposal and development of Peel for the purpose of Ground 10A of the Housing Act 1985, (ii) authorise the final Allocation Policy for Peel, and (iii) proceed with securing vacant possession of properties within Peel occupied by secure tenants through negotiation and private treaty and then, if necessary, via possession proceedings based on Ground 10A and CPO

Compulsory Purchase Order (CPO) Recommendations

- 2.19 That the Executive authorise the acquisition by agreement pursuant to section 227 of the Town and Country Planning Act 1990 and the making of a compulsory purchase order (CPO) pursuant to section 226 of the Town and Country Planning Act 1990 to acquire all non-Council interests (excluding secure tenancies) in the areas shown edged red on Plan C attached at Appendix 1 ('the **CPO Land**') being Peel respectively together with any new rights which may be required under section 13 of the Local Government (Miscellaneous) Provisions Act 1976 to facilitate the development of the CPO Land in furtherance of the regeneration of Peel (and such CPO being referred to in this report as "the **CPO**").

2.20 That the Executive authorise the:

- 2.20.1 Submission of the CPO, once made in respect of the CPO Land, to the Secretary of State for confirmation whilst at the same time seeking to acquire the CPO Land by private negotiated treaty on such terms as may be agreed by the Operational Director Property & Projects
- 2.20.2 Operational Director Property & Projects to enter into agreements with and give undertakings to, on behalf of the Council the holders of all interests in the CPO Land or parties otherwise affected setting out the terms for the withdrawal of their objections to the confirmation of the CPO and including the offering back of any part of the CPO Land not required by the Council after the completion of the development at Peel or the acquisition of rights over the CPO Land in place of freehold acquisition, where such agreements or undertakings are appropriate;
- 2.20.3 Making of one or more general vesting declarations or the service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 respectively should the CPO be confirmed by the Secretary of State or otherwise;
- 2.20.4 Serving of all requisite notices on the holders of the CPO Land relating to the making, confirmation and implementation of the CPO;
- 2.20.5 Operational Director Property & Projects to remove from the CPO any plot (or any interest therein) no longer required to be acquired compulsorily for the Scheme to proceed and to amend the interest scheduled in the CPO (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised);
- 2.20.6 Operational Director Property & Projects within the defined boundary of the CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or following the confirmation of compulsory powers by the Secretary of State;
- 2.20.7 Operational Director Property & Projects, if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the boundary of the CPO Land for which a valid blight notice has been served.

General Recommendations

- 2.21 That the Executive delegate authority to the Operational Director Property and Projects (where the Operational Director of Property and Projects in conjunction with the Chief Finance Officer consider applicable) to acquire third party leasehold interests, as necessary in Phase 3 and Phase 4 to progress the regeneration programme, at market value by way of negotiation including any compensation amounts properly payable up to a total value equivalent to the overage payment value set out at Appendix 2.
- 2.22 That the Executive authorise the Strategic Director of Regeneration and Growth to develop a Local Lettings Policy for allocating homes within South Kilburn and to undertake any consultation legally required in relation to the Local Lettings Policy.

3. PHASE 1 PROGRESS UPDATE

- 3.1 To date 362 new homes have been completed as part of '**Phase 1a**' (defined as *Texaco Garage Site, McDonald House, Marshall House Albert Road Zone 11a and the Carlton*

Vale Roundabout Site Zone 3C) of the South Kilburn Regeneration Programme. 264 of these new homes are affordable and have been occupied by South Kilburn households.

- 3.2 On 13th February 2012 the Executive authorised the disposal of the land at Cambridge Court, Wells Court and Ely Court and Bond Hicks Bolton and Wood House (together defined as '**Phase 1b**') to Catalyst Housing Group. On 13th July 2012 the Phase 1b sites were handed over to Catalyst Housing Ltd (formerly Catalyst Housing Group) and a capital land receipt was obtained. Construction works are now underway on site. This development will deliver 208 new homes in summer/autumn 2014, 122 of these new homes will be affordable. The affordable homes will be made available to secure tenants currently residing in Gloucester House, Durham Court, Masefield House and Wordsworth House (together defined as '**Phase 2b**') , thereby facilitating vacant possession of these sites for redevelopment.
- 3.3 On 17th June 2013 Catalyst Housing Ltd wrote to the Council to re-negotiate the developer overage payment referred to in Schedule 3 of the Development and Sales Agreement. The proposed offer was considered by the Council's external agent Deloitte. Deloitte confirmed that the proposed offer did not represent best consideration to the Council. On 13th September 2013 Catalyst Housing Ltd wrote to the Council with a revised proposal in relation to the overage payment referred to in Schedule 3 of the Development and Sales Agreement. Catalyst Housing Ltd revised proposal was to buy themselves out of their overage liability in return for a fixed overage payment at a sum set out at Appendix 2. The revised proposal was again reviewed by the Council's external agent Deloitte, in conjunction with the Operational Director of Property & Projects. Deloitte confirmed the revised overage proposal offered the Council best consideration.
- 3.4 In accordance with the delegated authority powers awarded by the Executive on 13th February 2012 the Strategic Director of Regeneration & Growth [formerly the Director of Regeneration & Major Projects] in consultation with the Borough Solicitor re-negotiated the terms of the developer overage payment. Schedule 3 of the Development and Sales Agreement will be amended in accordance with Catalyst Housing Ltd revised proposal at which point an overage payment as set out at Appendix 2 will be received.
- 3.5 Executive approval is sought to reinvest the overage payment directly back into the South Kilburn Regeneration Programme and delegate authority to the Operational Director of Property and Projects to acquire third party leasehold interests in Phase 3 and Phase 4 as necessary to progress the regeneration programme up to a total value equivalent to the overage payment value set out at Appendix 2.
- 3.6 All third party leasehold interest will be acquired at open market value, in some cases the value of the leasehold interest will be above the Operational Director Property and Projects delegated authority financial threshold as set out in the Constitution, therefore Executive Approval is also sought to delegate authority to the Operational Director Property and Projects to acquire, at market value including any compensation amounts properly payable, third party leasehold interests in Phase 3 and 4, by way of negotiation up to a total value equivalent to the overage payment value set out at Appendix 2.
- 3.7 Currently acquiring leasehold interests is a major programme and financial risk. The reinvested capital land receipts enable the acquisition of leasehold interests within the next phase of the programme only. The business model limits options for strategic acquisitions of leasehold interests thus limiting the Council's offer to owner occupier leaseholders residing within blocks earmarked for development as part of the regeneration programme. Reinvesting the overage payment to enable the early acquisition of leasehold interests within Phases 3 and 4 will assist in de-risking the next phase of the programme.

All leasehold properties acquired will be let on short term tenancies until the block is brought forward for redevelopment.

- 3.8 To assist owner occupier leaseholders who have been resident for 12 months prior to the date of eligibility, officers will also offer practical, non financial help to assist leaseholders in finding and purchasing another property that may be near to the regeneration area or in another part of Brent. The level of help will be assessed on a case by case basis, in accordance with needs, and may include (but is neither guaranteed to include nor restricted to) the provision of:
- Information on how to purchase a property on the open market such as find solicitors, surveyors etc.
 - Information on any other leasehold properties Brent knows are for sale
 - Help to find another property in Brent.

4. **PHASE 2 PROGRESS UPDATE**

- 4.1 On 22nd April 2013 the Executive authorised the Strategic Director of Regeneration & Growth [formerly the Director of Regeneration & Major Projects] to enter into development agreements in respect of land at Bronte House and Fielding House (together defined as **Phase 2a**) and British Legion and Albert Road Day Care Centre (together defined as **Site 11b**) with preferred developer partners. On 22nd April 2013 the Executive also self confirmed the Bronte House and Fielding House Compulsory Purchase Order ("**The Bronte & Fielding CPO**").

Bronte House and Fielding House Progress Update

- 4.2 On 6th June 2013 the Council entered into a Development and Sale Agreement with Network Housing Association Ltd to comprehensively redevelop Bronte House and Fielding House to deliver 229 new homes. Network Housing Association Ltd will be responsible for and bear all costs associated with demolishing existing buildings on site, carrying out preparation and any enabling works required and subsequently build out and develop the scheme in accordance with the Stage D Design and Specification to the highest architectural quality and workmanship. It is anticipated that the 229 new homes will be delivered by November 2016 and, of those, 103 must be affordable. The affordable homes will be made available to secure tenants currently residing in Hereford House and Exeter Court, thereby facilitating vacant possession of those sites for redevelopment.
- 4.3 On 1st May 2013, the Council confirmed the Bronte & Fielding CPO. On 9th October 2013 ownership of all parts of the Bronte and Fielding CPO land vested in the ownership of the London Borough of Brent.
- 4.4 There is however still one interest, a T Mobile (UK) Ltd and Hutchinson 3G UK Limited telecommunication mast, within the Bronte and Fielding CPO land. On 2nd October 2013 the Council granted T Mobile (UK) Ltd and Hutchinson 3G UK Limited a right (by way of a short term lease contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954) to remain in occupation between 3rd October 2013 and 29th November 2013. In accordance with the terms of the lease, T Mobile (UK) Ltd and Hutchinson 3G UK are required to give vacant possession on 29th November 2013. Once vacant possession has been achieved the Bronte House and Fielding House site will be handed over to Network Housing Ltd for development at which point a capital receipt will be obtained by the Council.

- 4.5 The capital receipt from the disposal of Bronte House and Fielding House will be recycled back into the delivery of future phases of the South Kilburn Regeneration Project to ensure the momentum of the regeneration programme is maintained. In particular, the land receipt will be used to acquire outstanding leasehold interests in Phase 2b, Phase 3 and to take Peel through the planning process.

Site 11b British Legion and Albert Road Day Care Centre Progress Update

- 4.6 On 19th June 2013 the Council entered into a Development and Sale Agreement with Bouygues (UK) Limited to redevelop Site 11b to deliver a new mixed used development comprising 144 new homes (28 of which will be affordable) and 480m² of commercial floor space. Officers are currently in dialogue with Bouygues (UK) Limited regarding completion following the successful grant of planning consent as Bouygues are seeking to delay completion to a date unacceptable to the Council. Resolution to this issue is expected to be concluded before the end of this year whereupon a capital receipt will be obtained. Demolition will then commence on site. This development will deliver 144 new homes by November 2016.

Site 18 Queens Park Progress Update

- 4.7 On 18th July 2011 it was reported to the Executive that there are proposals to locate a 130m² air shaft on the south-west corner of Site 18 to service the proposed High Speed 2 (HS2) tunnel that would be built under this site. Given the uncertainty the HS2 proposals presented, Officers have not progressed the acquisition of third party interests within Site 18 or procured a developer partner to build out the planning permission secured.
- 4.8 On 19th September 2011 the Executive authorised Officers to issue the following response to the Government's HS2 consultation: "The Council is proceeding with the development of the Queens Park station site and therefore asks that the vent be located on an alternative site that is of less value to the South Kilburn redevelopment programme. For example, the vent shaft could be located on land to the east of Queens Park station which is currently used as a builders' yard/depot".
- 4.9 On 30th January 2013 Officers responded to HS2 safeguarding consultation noting the Council did not agree with HS2's decision to construct a ventilation shaft on the south-west corner of Site 18. Within the safeguarding consultation response Officers put forward an alternative location for the ventilation shaft at a site referred to as Canterbury Works, behind and including Canterbury House, on Canterbury Road as identified red on Plan D at Appendix 1. It was noted this site could be a better location for a ventilation shaft because there is less opportunity for redevelopment at this location and if a ventilation shaft was constructed on the Canterbury Works site it would not have an impact on the South Kilburn Regeneration Programme.
- 4.10 On 5th July 2013 Officers responded to HS2 environmental consultation and confirmed the Council would commission a study to consider the socio-economic impact of developing a ventilation shaft on the south-west corner of Site 18 and the alternative Canterbury Works site.
- 4.11 On 9th July 2013 HS2 Ltd safeguarded part of Site 18 as identified edged red on Plan E at Appendix 1.
- 4.12 The Council commissioned Lambert Smith Hampton (LSH) consultants to quantify the social, economic, environmental and financial impact of HS2's proposals for the south-west corner of Site 18 to the Council. LSH also considered the social, economic,

environmental and financial impact of relocating the ventilation shaft to the alternative Canterbury Works site.

- 4.13 The draft interim Social and Economic Impact Study undertaken by LSH supports the Officer view to relocate the ventilation shaft away from the south-west corner of Site 18.
- 4.14 The HS2 Bill is likely to be laid before Parliament before the end of 2013. Discussions with HS2 have not yet produced any change in their planned location for the vent shaft and the Council's opposition to the current location is likely to have a greater prospect of success if the Council petitions the HS2 Bill.
- 4.15 Section 239 Local Government Act 1972 provides that opposing the HS2 Bill and incurring the costs of doing so must be decided by resolution of Full Council and requires the agreement of a majority of members at that meeting. Additional notice requirements for the meeting must be complied with and in passing a resolution members must be satisfied that it is expedient to oppose the HS2 Bill.
- 4.16 Members of the Executive are asked to note that if the HS2 Bill is placed before Parliament with provisions that impact on Site 18, that the matter will be put to Full Council for a decision on whether to oppose the HS2 Bill.

Gloucester House & Durham Court Progress Update

- 4.17 On 20th May 2013 the Executive authorised award of contract for a full architectural design team to Feilden Clegg Bradley Studios LLP to lead the design team through to full planning application (RIBA Stage 3) for the redevelopment of Gloucester House and Durham Court.
- 4.18 The Gloucester House and Durham Court project aims to deliver a high quality residential led development of approximately 214 new homes and an energy centre for the South Kilburn neighbourhood heating system. A storm overflow sewer and foul sewer cut across the site in three locations severely constraining the developable land within the site. Detailed design proposals, which avoid building over the sewers, are being developed in consultation with local residents. Three public consultation events have been held, alongside three resident design workshops which consulted decanting residents on the design for their new homes.
- 4.19 At the time of writing it is envisaged a full planning application for the site will be submitted in January 2014. Once detailed design proposals for the site are confirmed a procurement process will commence to select a developer partner to develop the site. Officers will report back to the Executive to seek all necessary approvals to procure a developer partner once the planning application has been submitted.
- 4.20 On 20th May 2013 the Executive approved the adoption of the Allocation Policy which will apply to all Secure Tenants with homes in Durham Court and Gloucester House which includes the proposal to make a CPO on properties in Phase 2b currently occupied by secure tenants as well as seeking possession of properties in Phase 2b, subject to the Secretary of State's consent, under Ground 10A of Schedule 2 to the Housing Act 1985.
- 4.21 On 25th September 2013 the Secretary of State consented to use Ground 10A in relation to the Secure Tenants residing in Gloucester House and Durham Court. No conditions were attached to the consent save that the Council must proceed in accordance with the scheme detailed within our application summarised in paragraph 4.18. All Secure Tenants residing in Gloucester House and Durham Court will be rehoused in accordance with the Phase 2b Allocation Policy approved by the Executive on 20th May 2013. It is envisaged

the majority of the secure tenants will be rehoused in the new affordable homes currently being built in Phase1b by Catalyst Housing Ltd.

Masefield House and Wordsworth House Progress Update

- 4.22 Masefield House and Wordsworth House development site as identified on Plan F at Appendix 1 has previously been earmarked for a new combined primary school.
- 4.23 On 20th May 2013 the Executive approved the adoption of the Allocation Policy which will apply to all Secure Tenants with homes in Masefield House and Wordsworth House which includes the proposal to make a CPO on properties in Phase 2b currently occupied by secure tenants as well as seeking possession of properties in Phase 2b, subject to the Secretary of State's consent, under Ground 10A of Schedule 2 to the Housing Act 1985.
- 4.24 On 25th September 2013 the Secretary of State consented to use Ground 10A in relation to the Secure Tenants residing in Masefield House and Wordsworth House. No conditions were attached to the consent save that the Council must proceed in accordance with the scheme detailed within our application summarised in paragraph 4.22.
- 4.25 All Secure Tenants residing in Masefield House and Wordsworth House will be rehoused in accordance with the Phase 2b Allocation Policy approved by the Executive on 20th May 2013. It is envisaged the majority of the secure tenants will be rehoused in the new affordable homes currently being built in Phase1b by Catalyst Housing Ltd.
- 4.26 On 22nd April 2013 the Executive were advised that Alison Brooks Architects Limited had been appointed to undertake a review of the feasibility and deliverability of the proposals for the site alongside a review of the Masterplan proposals for the '**Masterplan Review Area**' (*defined as Austen and Dickens House, Wordsworth House and Masefield House, Blake Court, the Immaculate Heart of Mary RC Church and the attached Marian Community Centre, Kilburn Park, Carlton Vale Infant School and Kilburn Park Junior School and Site C*) as identified on Plan G at Appendix 1.
- 4.27 Alison Brooks Architects Limited completed a design review of the Masterplan Review Area. Officers are currently reviewing decant and phasing implications alongside the financial viability and deliverability of the alternative design proposals for the Masterplan Review Area. If the revised design proposals for the Masterplan Review Area are financially viable and deliverable, officers may seek approval from the Executive and Planning Committee to undertake all required statutory consultation to amend the South Kilburn Supplementary Planning Document.
- 4.28 If the Masterplan Review results in a change to the design proposals for Masefield House and Wordsworth House, officers will need to consider whether Ground 10A is still available and, if it was, apply to the Secretary of State for his approval to the change in order to be able to rely on Ground 10A for Masefield House and Wordsworth House.

Post Office Plus Site Progress Update

- 4.29 On 18th July 2011 the Executive authorised incorporating the redevelopment of 4-26 Stuart Road within the Phase 2 of the South Kilburn Redevelopment Programme. On 22nd April 2013 the Executive noted officers' intention to progress discussions with the landowner of 5-9 Chippenham Gardens and the Post Office site to ascertain if the Council could enter into a Collaboration Agreement to comprehensively redevelop 5-9 Chippenham Gardens and the Post Office site with the Council's adjoining land at 4 - 26 Stuart Road (together defined as the '**Post Office Plus Site**') as shown edged red on Plan A at Appendix 1.

- 4.30 On 2nd May 2013 Officers met with Woodville Properties the landowner of 5-9 Chippenham Gardens and the Post Office. Woodville Properties confirmed their 'in principle' agreement to enter into a Collaboration Agreement to bring forward the comprehensive redevelopment of the Post Office Plus Site.
- 4.31 Officers then commissioned Grid Architects Limited to undertake a RIBA Stage 1 Feasibility Study of the Post Office Plus Site to inform assumptions within the Collaboration Agreement.
- 4.32 The principle structure of the Collaboration Agreement is summarised at Appendix 3. As the terms of the Collaboration Agreement are still being negotiated with Woodville Properties, officers recommend that the Executive delegate authority to the Director of Regeneration and Growth in consultation with the Borough Solicitor to enter into a Collaboration Agreement with Woodville Properties to bring forward the comprehensive redevelopment of the Post Office Plus Site.
- 4.33 On 20th September 2013 the Post Office Plus Architectural Brief was issued to three selected high quality architectural practices. The brief stated that the tender evaluation will be determined and the contract awarded on the basis of the evaluation matrix set out at Appendix 4 of this report. Overall 40% of the marks were awarded for price and 60% for quality.
- 4.34 Tenders from three organisations (Appendix 5) were submitted on time and these were evaluated by Officers in accordance with the evaluation matrix set out at Appendix 4. Details of the price and quality evaluation results are set out at Appendix 6. Following the evaluation of the tender submissions, the bid from PRP Architects has been identified as the top scoring tender bid. Subject to agreeing and entering into a Collaboration Agreement with Woodville Properties, it is recommended the Executive authorise award of contract for a full architectural design team to PRP Architects to lead the design team through to a full planning application (RIBA Stage 3) for the redevelopment of the Post Office Plus Site.
- 4.35 Once the Collaboration Agreement with Woodville Properties has been completed, Officers will undertake a statutory consultation with secure tenants living within 4 - 26 Stuart Road on (i) a bespoke allocation policy for 4 - 26 Stuart Road, (ii) seeking approval of the Secretary of State for the use of Ground 10A of the Housing Act 1985 and (iii) on the Council's proposal to make a CPO on properties in 4 - 26 Stuart Road that are currently occupied by secure tenants.
- 4.36 The process of allocating tenants will be set out in a bespoke Allocation Policy that will be developed for Post Office Plus Site. It is anticipated that this will be similar to the bespoke existing South Kilburn Phase 2b Allocation Policy (copy attached at Appendix 7) and which, in places, is different to the Council's Allocation Policy.
- 4.37 When developing the bespoke South Kilburn Phase 2b Allocation Policy, the Council engaged with the South Kilburn Tenants Steering Group. Officers wish to adopt a similar approach in developing the bespoke Post Office Plus Site Allocation Policy because, if we are to maintain residents' support of the regeneration process, it is important that we listen to their views and take on board their legitimate concerns. Once a draft policy is developed, Officers will return to the Executive seeking approval to it.
- 4.38 Officers will also consult Secure Tenants, Leaseholders, neighbouring residents, Friends of Chippenham Gardens and user of the Post Office and Café on detailed design proposals for the Post Office Plus Site. A detailed planning application for the site will then be submitted. Upon securing planning permission Officers intend to progress the

procurement of a developer partner. Officers will report back to the Executive to seek all necessary approvals to procure a developer partner once the planning application has been submitted.

- 4.39 If Officers are unable to agree and enter into a Collaboration Agreement with Woodville Properties to bring forward the comprehensive redevelopment of the Post Office Plus Site, Executive approval is sought to remove 4 - 26 Stuart Road from the South Kilburn Regeneration Programme thus enabling 4 - 26 Stuart Road to be reincorporated into Brent Housing Partnership's Decent Homes programme.

5. PHASE 3 PROGRESS UPDATE

Peel Precinct, 97-112 Carlton House and 8-14 Neville Close ("Peel")

- 5.1 On 22nd April 2013 the Executive noted officers intended to consider, in partnership with local residents and the Brent Clinical Commissioning Group, if the comprehensive redevelopment of Peel could deliver a mixed use scheme that would provide sufficient residential development and other uses as appropriate to deliver a new South Kilburn Health Centre at no net capital cost to the Council.
- 5.2 Peel currently comprises 56 residential units (of which 36 are occupied by secure tenants), 16 commercial units, the Sir Robert Peel public house (home to the West Kilburn branch of The Royal British Legion) and South Kilburn Studios, a meanwhile project offering creative traineeships to young people from the local area.
- 5.3 The Council is committed to delivering a new Health Centre within South Kilburn to address prevalent health inequalities. It is intended the South Kilburn Health Centre will provide for the co-location of three local GP practices: Blessing Medical Centre (307 Kilburn Lane), Kilburn Park Medical Centre (12 Cambridge Gardens) and Peel Precinct Surgery (3 Peel Precinct) into one building that is of adequate size and fit for purpose to meet the existing high health needs of the population and the anticipated health needs of the increased population over time. The South Kilburn Health Centre should also have space for complimentary health uses.
- 5.4 The Peel project objectives are to:
- deliver a new, fit for purpose Health Centre to meet the high health needs of existing residents and the anticipated health needs of future residents.
 - deliver sufficient residential development to meet the decant requirements of the 36 properties within the site occupied currently by secure tenants.
 - deliver sufficient residential development for market sale and other uses as appropriate to fund the delivery of the Health Centre and to cross subsidise the delivery of the affordable homes.
 - co-locate three local GP practices: Blessing Medical Centre, Kilburn Park Medical Centre and Peel Precinct Surgery into the new Health Centre.
 - deliver high quality, well designed housing and create an attractive high quality public realm including a new public square.

- secure a capital land receipt to reinvest back into the delivery of the regeneration programme.
- 5.5 Peel will essentially form a stand alone project within the masterplan to enable the early delivery of a South Kilburn Health Centre ahead of the planned programme. To facilitate the early delivery of the South Kilburn Health Centre the project must provide sufficient residential development to meet the decant requirements of 36 Secure Tenants currently living within the site. A key principle of Peel is that the affordable homes developed as part of the project, where the relevant needs are met, will be made available to the existing Secure Tenants residing within blocks earmarked for demolition within Peel. The Secure Tenants cannot be rehoused outside of the development as this would have implications on bringing forward other sites within Phase 3 and 4 of the regeneration programme. This will require the project to build replacement homes which will be bespoke to tenants needs and, will therefore require the Executive to adopt a different decant/allocation policy to that used on other sites to date and going forward.
- 5.6 The process of allocating tenants will be set out in a bespoke Allocation Policy that will be developed for Peel. Officers will undertake a statutory consultation with secure tenants living within Peel only on (i) a bespoke allocation policy for Peel, (ii) seeking approval of the Secretary of State for the use of Ground 10A of the Housing Act 1985 and (iii) on the Council's proposal to make a CPO on properties in Peel that are currently occupied by secure tenants. Once a draft policy is developed, Officers will return to the Executive seeking approval to it.
- 5.7 On 22nd April 2013 the Executive were advised Gort Scott Architects had been appointed to explore the viability and feasibility of progressing the comprehensive redevelopment of Peel to deliver a Health Centre. The Council also procured Deloitte to provide financial and commercial advice in respect of the project. Deloitte reviewed the detailed financial viability of the design options and undertook soft market testing with potential developer partners.
- 5.8 Consultation on the design proposals developed during the feasibility study was undertaken with all key stakeholders. A summary of the feedback received at the consultation events is attached at Appendix 8.
- 5.9 Informed by the feasibility study and subsequent soft market testing, officers are of the view that it **may** be possible to bring forward the comprehensive redevelopment of Peel to deliver a mixed use scheme that would achieve the Council's objectives as set out in paragraph 5.4 above, if a commercial 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 buildings, full site clearance, and redeveloping the entire site to deliver a mixed use scheme to include a Health Centre of around 2,300m², roughly 200 units for private sale and 36 replacement affordable units.
- 5.10 To achieve the Council's objective of creating a high quality Health Centre and increase the level of activity in this part of South Kilburn it is envisaged the South Kilburn Health Centre will include other uses as appropriate at ground floor such as a pharmacy and café. As the project develops the Council will also explore if it is viable to incorporate an enterprise space either within the South Kilburn Health Centre or within another future development to mitigate the loss of the South Kilburn Studios.
- 5.11 The Executive should note that it is not envisaged Peel will re-provide a public house or replacement commercial units. These replacement uses are not proposed as the number of residential units for private sale needs to be maximised to achieve the Council's

objectives as set out in paragraph 5.4 above. Incorporating replacement commercial units would compromise the viability of the scheme. There is no commercial requirement or need for goods comparison floorspace within Peel due to the close proximity of the established existing centres at Queens Park and Kilburn High Road. There is also a risk that vacant or poor quality retail provision will detract from the overall residential amenity.

- 5.12 The proposed structure of the offer for Peel is set out at Appendix 9. Informed by the soft market testing undertaken, it is proposed the Council de-risks the site by bringing forward a hybrid planning application, securing vacant possession and procuring a specialist healthcare provider/ investment company to manage the South Kilburn Health Centre in advance of procuring a developer partner.
- 5.13 There are a number of inherent risks associated with the recommended delivery approach, including but not limited to those set out at Appendix 10.
- 5.14 The proposed delivery and procurement approach aims to mitigate some of the identified risks whilst simultaneously delivering the Council's objectives set out in paragraph 5.4 by de-risking the site and cascading control for the design of the private units, delivery process and the financial viability of the scheme down to a developer partner.
- 5.15 If the procurement process identifies that the proposed scheme fails to deliver the Council's requirements outlined in paragraph 5.4, Officers would bring forward a further report to the Executive considering alternative delivery options, to establish if a less ambitious option might be more appropriate to deliver a fit for purpose Health Centre in South Kilburn.

6. GENERAL MASTERPLAN UPDATE

Target Rent Requirements Progress Update

- 6.1 On 18th July 2011 the Executive agreed to adopt a rent equivalent to the HCA Target Rent Levels for affordable developments in South Kilburn until Borough wide rent levels were reviewed. The 18th July 2011 Executive Report set out the background to the rent level change and concluded that setting HCA Target Rent Levels on Phase 2, Phase 3 and subsequent Phases is the only realistic way of affording the whole Project and avoiding the requirement for large amounts of grant that would not in themselves be certain of being awarded and, if awarded, would require rents to be increased to the new 'affordable rent' levels.
- 6.2 On 13th February 2012 the Executive were advised that the higher level of inflation in 2010/11 (5%+) had increased the capital values in the South Kilburn area and the effect of the rent caps meant that, the increase in rents was much steeper than the forecasted increase of £15 per week. It had a particular impact on the rent levels for two and three bedroom homes. It was noted that accepting the overall rent rise will potentially make decanting tenants more difficult. However, the overall rise nevertheless provides good value for money as tenants are moving into brand new modern homes. As the Phase 2b decant has not yet commenced, Officers are unclear if the change in rent levels will impact on the decant process.
- 6.3 In line with the Council's commitment to maintaining current HCA Target Rent levels in regeneration areas it is recommended that the Executive agree to set the rent levels for the affordable units at Peel once complete, at a rent equivalent to the HCA Target Rent Levels.

One Bed Shortfall Progress Update

- 6.4 On 19th September 2011 the Executive were advised there was an overall deficit in one bedroom properties within the South Kilburn Regeneration Programme because of a mismatch between overall borough needs (i.e. there is a borough-wide requirement for larger family housing) and local South Kilburn needs, where there are a higher proportion of one bedroom properties across the regeneration area.
- 6.5 In order to ease the burden on the allocation process and to continue programme momentum, on 19th September 2011 the Executive authorised the Strategic Director of Regeneration and Growth [formerly the Director of Regeneration and Major Projects] to cease long term lettings, and authorise the service of demolition notices and the suspension of tenants' Right to Buy applications, in relation to secure tenancies across the estate on all one bedroom properties that have been identified to be demolished as part of the South Kilburn Regeneration Programme.
- 6.6 Whilst good progress has been made on allocations for Phase 1b homes, there is a risk that the Government size criteria for social housing introduced as part of welfare reform (which has cut the amount of benefit that people are entitled to if they are considered to have a spare bedroom) will increase the demand for one bedroom properties. In order to ease the burden on the allocation process and to continue programme momentum, Executive approval is sought to develop a Local Lettings Policy for South Kilburn and undertake all associated consultation, for the purpose of progressing the regeneration of South Kilburn.
- 6.7 On 22nd April 2013 the Executive authorised Brent's borough wide Allocations Policy which will go live in October 2013. Section 10 of the Allocation Policy refers to section 166A(6)(b) of the Housing Act 1996 (which specifically allows for local lettings policies) and section 166A(3) of the Housing Act 1996. Local lettings policies can be agreed by the Executive within the allocations scheme provided that they can demonstrate overall compliance with section 166(3) of the Housing Act 1996. The South Kilburn Local Lettings Policy would fall within section 166A(3)(e) of the Housing Act 1996 which states as follows:
- (e) people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others).
- 6.8 Executive approval will be sought for the Local Lettings Policy once drafted and all necessary consultation has been undertaken. It is envisaged that when Executive approval is award for the South Kilburn Local Lettings Policy, Annex 4 of the Allocation Policy will be amended to make a specific reference to the local lettings/ policies in South Kilburn for the purpose of progressing the South Kilburn regeneration.

7. LEGAL IMPLICATIONS

Leaseholder Acquisitions

- 7.1 Members are referred to the recommendation set out in paragraph 2.21 above. The Council intends to seek to purchase by way of negotiation leasehold properties that are located within the South Kilburn Masterplan Area. The Operational Director of Property and Projects has authority under paragraph 4.3 of Part 4 of the Council's Constitution to acquire on behalf of the Council properties up to the value of £300k per unit (if acquired, disposed of or granted at a premium that does not exceed £300k in value). The Council does not intend to make a CPO in respect of the properties. However, in order to assist

the delivery of the South Kilburn Regeneration scheme, paragraph 2.21 seeks the authorisation of the Executive to grant delegated authority to the Operational Director of Property and Projects, in consultation with the Chief Finance Officer where applicable, to acquire properties so that it will not be necessary for officers to seek the approval of the Executive every time officers propose to acquire a property.

- 7.2 Officers will publish details of the associated Key Decision for the purposes of paragraphs 26 to 29 of the Access to Information Rules as set out in Part 6 of the Council's Constitution.

Procurement of developer partner for Peel

- 7.3 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to EU Procurement Regulations by another contracting authority, where call off under the framework agreement is recommended by the relevant Chief Officer, to include confirmation that there is sufficient budgetary provision for the proposed call-off. However, this is subject to the Borough Solicitor advising that participation in the framework agreement is legally permissible and approval to participate in the framework being obtained from the Borough Solicitor. Approval will be sought and given from the Borough Solicitor prior to procuring off the (GLA) London Development Panel.
- 7.4 As a result of recent rulings in the European Court of Justice, if the Council utilise a development agreement in respect of any of the land, it will need to undertake an EU procurement process to find a partner to carry out the development. The Court of Justice has ruled that development agreements cannot be viewed as merely part of a land transfer, because they impose detailed requirements as to the development to be constructed and are therefore a form of procurement of works.
- 7.5 The intention is to identify developer partners using mini-competitions under the GLA London Development Panel for Peel. The GLA London Development Panel is a panel established by the GLA in accordance with the Public Contracts Regulations 2006 (the EU Regulations) and signed up to by the Council.
- 7.6 The EU Regulations not only regulate the establishment of the framework agreement, they also prescribe rules and controls for their use. Following the establishment of the GLA London Development Panel Framework, development agreements may be called off under it without the need for them to be separately advertised and procured through a full EU process. There are however strict rules that apply to the call-off process to ensure fairness and transparency and these have been incorporated into the call-off procedure for the GLA London Development Panel.
- 7.7 The award of a development agreement for the appointment of developer partners is also subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts (the value of the Peel development agreement are likely to be such that it is classed as a High Value contract). As a result, once a developer has been identified following mini-competitions under the GLA London Development Framework, Executive approval to the development agreement will be required.

Procurement of a specialist health care provider

- 7.8 The Health Care Provider will not be subject to any obligations in relation to the development of the Health Centre as these will all be assumed by the developer procured for the redevelopment of Peel so the agreement with the Health Care Provider will just be a land agreement. The EU Regulations state that land transfers are not regulated

contracts and are not therefore subject to the public procurement requirements contained within the EU Regulations. Land transfers include both land sales and disposals by way of leasehold. There is therefore no legal requirement for the Council to procure the lease to be entered into with the specialist health care provider using an EU Regulations compliant process. The Council nonetheless intends to advertise the leasehold opportunity and to hold a selection process before granting the lease in order to ensure that transparency and equal treatment is maintained.

Procurement of Peel Full Architectural Design Team

- 7.9 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to EU Procurement Regulations by another contracting authority, where call off under the framework agreement is recommended by the relevant Chief Officer, to include confirmation that there is sufficient budgetary provision for the proposed call-off. However, this is subject to the Borough Solicitor advising that participation in the framework agreement is legally permissible and approval to participate in the framework being obtained from the Borough Solicitor. Approval will be sought and given from the Borough Solicitor prior to procuring off either the HCA Multidisciplinary Panel or the GLA Architecture and Urbanism Consultants Framework Agreement Panel.

Compulsory Purchase Order[s]

- 7.10 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 (1)(a) unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects –

- (a) the promotion or improvement of the economic wellbeing of their area;
- (b) the promotion or improvement of the social wellbeing of their area;
- (c) the promotion or improvement of the environmental wellbeing of their area.

- 7.11 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling case in the public interest to do so. Para. 17 of Part 1 of the Memorandum to ODPM Circular 06/04 (*Compulsory Purchase and the Crichel Down Rules*) states:

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

- 7.12 For the reasons set out in this report (at paragraph 7.17 below) and the report to the Executive Committee meetings on 19th September 2011, 23rd June 2010, 15th November 2010 and 18th July 2011, 22nd April 2013 and 20th May 2013 it is considered that there is such a compelling case for the compulsory acquisition of properties within Phase 2 and Phase 3 of the proposed South Kilburn Regeneration Programme and that the public interest requires that compulsory purchase orders be made in order to carry through the necessary redevelopment of the CPO Land.

- 7.13 Further, there should be no impediments to the eventual implementation of a compulsory purchase order. Para's 22 and 23 of Part 1 of the Memorandum to ODPM Circular 06/04 advise (in part):

"In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure accommodation works or remedial work which may be required, and any need for planning permission or other consent or licence.

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

- 7.14 Executive will note that there will be sufficient funds available to meet the compensation costs for the acquisition of the CPO Land through funds secured from previous and future land receipts. Officers consider that there is a reasonable prospect of the Scheme going ahead subject to continuation of the programme. Whilst planning permission has not been granted for the development, it is considered that there is no obvious reason why it might be withheld, taking into account that a Masterplan has already been approved albeit that it is now intended to revise this slightly. Accordingly, it is considered that there are unlikely to be any impediments to implementation for the CPO for the CPO land.
- 7.15 It is necessary to consider the human rights implications of making CPOs. This information is covered in the 23rd June 2010 and the 15th November 2010 reports to Committee and below.

Human Rights Act 1998

- 7.16 The Human Rights Act 1998 places direct obligations on public bodies such as the Council to demonstrate that the use of compulsory purchase powers is in the public interest, and the use of such powers is proportionate to the ends being pursued.
- 7.17 It is acknowledged that the compulsory acquisition of the Order Land will amount to an interference with the human rights of those with an interest in the Land. These include rights under Article 1 of the First Protocol of the European Convention on Human Rights ("ECHR") (which provides that every natural or legal person is entitled to peaceful enjoyment of his possessions) and Article 8 of the ECHR (which provides that everyone has the right to respect for his private and family life, his home and his correspondence).
- 7.18 In this instance, Officers are of the view that there is a compelling case in the public interest for compulsory acquisition of the various interests referred to in this report which outweigh such rights, and therefore the use of compulsory purchase powers in these areas is proportionate. Without the use of these powers, the much-needed regeneration and redevelopment of this area will not be achievable, as there is no possibility that all of the land necessary to deliver the redevelopment will be made available within a reasonable timescale.

Ground 10A of Schedule 2 to the Housing Act 1985

- 7.19 The Council is required to obtain the approval of the redevelopment scheme from the Secretary of State when seeking to re-house secure tenants who will not leave the properties that are due to be demolished. Before seeking approval, the Council is required to consult with tenants. Approval from the Secretary of State will enable to

Council to use Ground 10A of Schedule 2 to the Housing Act 1985. The paragraph states that the landlord must first:

- 7.19.1 serve a notice in writing on all secure tenants whose dwellings are affected by the scheme, stating: the main features of the scheme (or the scheme as it will be after a proposed variation to it); that the Secretary of State's approval is to be sought; and the effect of such approval in relation to proceedings for possession of the dwellings;
 - 7.19.2 inform the tenants that they have a specified period (which must be at least 28 days) in which to make representations to the landlord; and
 - 7.19.3 consider any representations received during that period.
- 7.20 Unlike a tenanted transfer, however, no formal ballot is required to be carried out. However, the Secretary of State, before giving his consent, will consider the following:
- 7.20.1 the effect of the scheme on the extent and character of housing accommodation in the neighbourhood;
 - 7.20.2 over what period of time it is proposed that the disposal and redevelopment will take place in accordance with the scheme;
 - 7.20.3 to what extent the scheme includes provision for housing provided under the scheme to be sold or let to existing tenants or persons nominated by the landlord.
- 7.21 The landlord, in this case, the Council, must not apply to the Secretary of State for approval of a scheme unless the statutory consultation procedure has been carried out.

Disposal of Sites – Secretary of State's consent

- 7.22 At the appropriate time, Officers will seek the approval of the Executive to dispose of relevant sites that need to be disposed of pursuant to the South Kilburn regeneration scheme to relevant organisations/housing providers at relevant values and seek the approval of the Executive to apply to the Secretary of State to obtain his consent to dispose of such sites, either under the relevant General Consents that have been granted under the Housing Act 1985 or the Local Government Act 1972 or pursuant to specific applications to the Secretary of State. In respect of Housing Revenue Account land, consent is required under sections 32 to 34 and 42 to 43 of the Housing Act 1985. If the sites are disposed of for less than market value or financial assistance is provided by the Council consent is also required from the Secretary of State under section 25 of the Local Government Act 1988. In respect of Council owned land that is not Housing Revenue Account land, the Council must take into account the content of section 123 of the Local Government Act 1972 and either confirm that the General Consent under that section applies or apply to the Secretary of State to obtain his specific consent to the disposal of the necessary sites.
- 7.23 The Prudential Capital Finance System, which was introduced in 1st April 2004, under regulation 12(1) imposed a pooling requirement (percentage of capital receipt to be payable to the Secretary of State) on receipts from sales of housing land which regulation 1(5) defined as any land, house or other building which was held within the Housing Revenue Account immediately before its disposal. The Local Authority (Capital Finance and Accounting)(England) Regulations 2003 as amended by SI 2012/711 updated the provisions on pooling by replacing the former regulations 12 to 21.

7.24 The Amendments state that any receipt arising from the sale of housing assets that are not dwellings and any receipt arising from non-RTB sales of dwellings (unless they are deemed to be treated as RTB sales) are exempt from pooling. However, if they are used for purposes other than:

- (a) repayment of housing debt;
- (b) affordable housing (as defined in paragraph 3.2.1 of the Limits on Indebtedness Determination 2012 as amended); or
- (c) regeneration projects (as defined in paragraph 3.2.3 of the Limits on Indebtedness Determination 2012 as amended);

then the authorities HRA Capital Financing Requirement will reduce by the level of the receipt so used. In the determination the provision of affordable housing means the provision of dwellings to meet the housing needs, as identified by the local housing authority, of persons on low incomes, whether provided by the authority or a private registered provider of social housing.

In the case of sales in the South Kilburn area these would be classified as being for the purpose of regeneration and as such would be exempt.

8. FINANCIAL IMPLICATIONS

Financial implications for the South Kilburn Programme, financial year 2013/14

8.1 The table below summarises the current forecast position for the progression of the South Kilburn Regeneration Project in 2013/14.

South Kilburn Regeneration Programme	£m
Forecast Expenditure	
General Development Costs	2.928
Phase 1a	0.517
Phase 1b	0.663
Phase 2a	4.658
Phase 2b	5.738
Peel	0.270
Land Acquisitions	0.075
Total Forecast Expenditure	14.849
Forecast Resources	
Surplus Resources	
Forecast Capital Receipts for 2012/13	23.000
Total Forecast Resources	23.000
Forecast Surplus Resources to Carry Forward to 2013/14	8.151

8.2 As indicated in the table above, the resource envelope for taking forward the South Kilburn Regeneration Programme in 2013/14 and beyond is determined by the level of the capital receipts to be secured from the disposals of long leases of land.

8.3 Indicative project budgets for; Post Office Plus Site and Peel are summarised at Appendix 11.

Use of Ground 10A & Phase 2b Allocation Policy

8.4 The financial implications of the policies for seeking possession from Secure Tenants in Phase 2b using Ground 10A of the Housing Act 1985, CPO under section 226(1)(a) of the Town and Country Planning Act 1990 and the Phase 2b Allocation Policy relates to the

making of home loss and disturbance payments to Secure Tenants who are entitled to such payments in accordance with Council policy and legislation (including the Land Compensation Act 1973). Secure Tenants, who move out of their homes, provided they have lived there for at least twelve months before their move and it is their only or principal home, will be eligible for a home loss payment which is currently a minimum of £4,700 but which may change in line with government legislation over the period of the regeneration. The Council will always pay the rate which applies at the time of the Secure Tenant's move. In addition to home loss payments, reasonable disturbance costs, including, but not limited to, removal expenses, redirection of mail and telephone disconnection and reconnection may be payable to Secure Tenants who are entitled to such payments. Anticipated home loss and disturbance payments to Secure Tenants with homes in Phase 2b can also be resourced from the Kilburn Regeneration Programme budget.

- 8.5 The financial model for South Kilburn is for the regeneration scheme to be self financing from this point forward. In other words, the Council should be able to progress the scheme on an ongoing basis within the cash envelope generated from ongoing disposals, provided it remains committed to ring fencing these receipts into South Kilburn. This delivery strategy has been agreed and endorsed by the Homes and Communities Agency.
- 8.6 The South Kilburn Financial Model was recently reviewed by Navigant Consulting based on the intelligence gathered through the deliver of Phase 1a and Phase 1b. The model was revised based on the assumption that future phases of the regeneration programme would be delivered without grant subsidy.
- 8.7 Oversight of this project is provided by an officer board that regularly monitors progress and reviews updated costs plan information. In the event of any cost overruns on this project, the board will review all possible options in order to bring the cost plan back into budget. In the event that this is not possible, then any cost overrun will sought to be met from within existing Regeneration and Major Projects budgetary provision.

Financial implications for the Housing Revenue Account

- 8.8 Following the implementation of the new Housing Self Financing system in April 2012, the Council HRA Account will no longer receive Housing Subsidy payments from the Government in order to maintain a balanced HRA position, so the estimated rental income loss arising from holding properties as void or the subsequent demolition of properties will be a "real" cost to the HRA and impact on the affordability of the Business Plan. This loss is offset in the Business Plan in those cases where the properties were included in the Self Financing Settlement, as the impact on the rental flow is forecast and taken into account in calculating an affordable HRA position.
- 8.9 In the case of proposed demolitions required for the Stuart Road and Peel developments these were not included within the Self Financing Settlement and will impact upon the affordability of the HRA Business Plan. The cost to the HRA of the loss of these properties has been calculated using a DCLG Model as follows:
- Stuart Road - £258,121
 - Peel - £384,961
- 8.10 In order that the HRA does not incur any loss from the proposed redevelopment of these areas it will be necessary to make equivalent amounts available from within the overall South Kilburn Delivery Strategy to recompense the HRA and maintain the forecast Business Plan position. Officers are currently investigating the options available to leave

the HRA in a robust position whilst maintaining the viability of the South Kilburn schemes and will report to a future meeting of the Executive seeking approval to a proposed means of mitigation.

9. Diversity Implications

- 9.1 South Kilburn is identified as a priority for driving economic opportunity and regeneration within Brent – Our Future 2010-2014 (Brent Borough Plan). The Regeneration Strategy for Brent 2010-2030 identifies the transformational change of South Kilburn within strategic priority 1. The area was previously a New Deal for Communities area and as such, all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Neighbourhood Trust, through its widening participation seeks to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.
- 9.2 The new homes in South Kilburn are available to all tenants within the neighbourhood regardless of age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race, religion or belief, sex, sexual orientation, ethnicity, nationality or national origin. A proportion of new homes are designed to be wheelchair adaptable while the allocations process considers the housing needs of tenants in respect of issues that maybe derived from individuals' age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race, religion or belief, sex, sexual orientation, ethnicity, nationality or national origin. The potential impact of the recommendations relating to how the Council takes forward the redevelopment of the Post Office Plus Site and Peel are considered in the Equalities Analysis at Appendix 12.

10. Staffing/Accommodation Implications

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

Appendices

Appendix 1	Plan A – Post Office Plus Site, London NW6 5LT and 5LH Plan B – 4-26 Stuart Road, London, NW6 5LT Plan C – Peel Redevelopment Site Plan D – Canterbury Works Site, Canterbury Road, London, NW6 5ST Plan E - HS2 Safeguarding Plan Plan F – Masefield House and Wordsworth House, Stafford Road, London, NW6 5YT and 5YU Plan G – Masterplan Review Area
Appendix 2	Phase 1b Overage Payment
Appendix 3	Principle structure of the Post Office Plus Collaboration Agreement
Appendix 4	Post Office Plus Architectural Service Evaluation Matrix
Appendix 5	Post Office Plus Architectural Service Tender submissions
Appendix 6	Post Office Plus Architectural Services Quality and Finance Tender Evaluation
Appendix 7	Allocation Policy for Secure Tenants with homes in Phase 2b, South Kilburn
Appendix 8	Peel Feasibility Study Consultation: Summary of Feedback
Appendix 9	Peel Heads of Terms
Appendix 10	Peel Key Project Risks
Appendix 11	Indicative project budgets for Post Office Plus Site and Peel
Appendix 12	Equalities Analysis for Post Office Plus Site and Peel

Contact Officer

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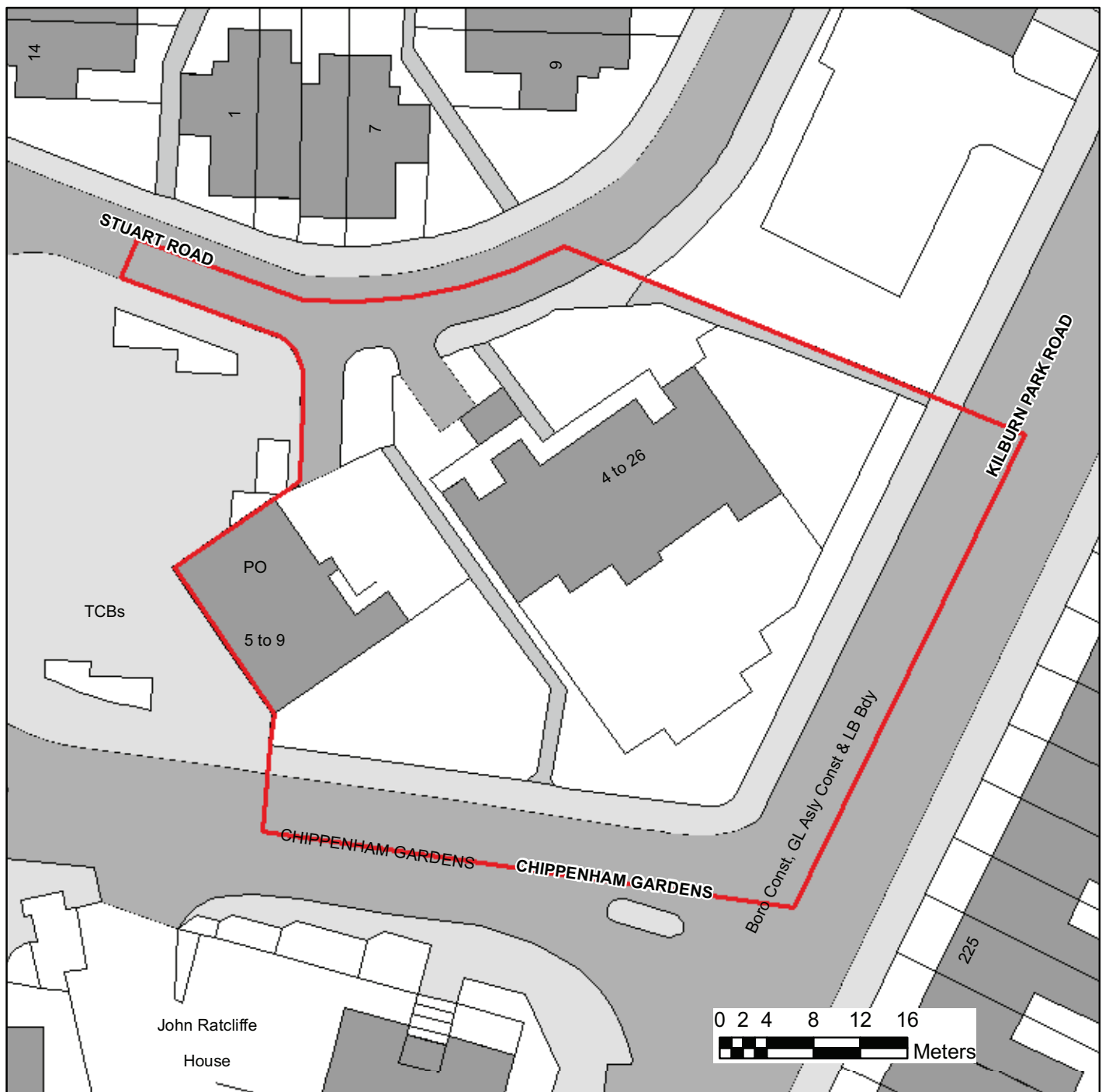
Richard Barrett
Operational Director Property & Projects

Tel: 020 8937 1334

Email: Richard.barrett@brent.gov.uk

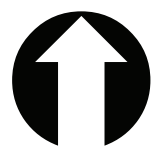
ANDREW DONALD
Strategic Director, Regeneration and Growth

EXECUTIVE COMMITTEE
11th November 2013
PLAN A
Post Office Plus Site, London NW6 5LT and 5LH.

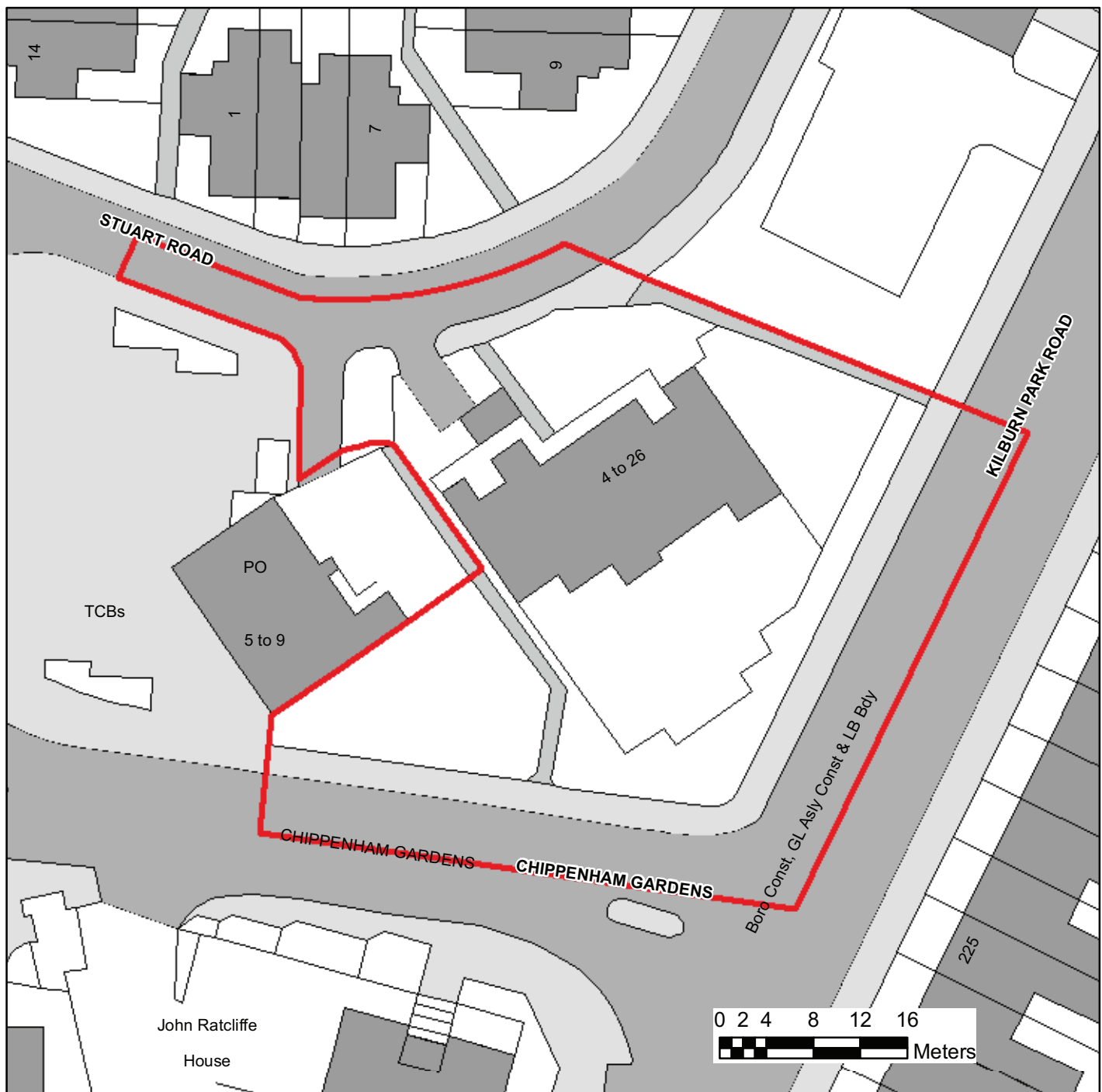


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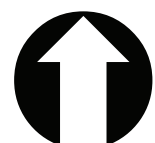


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11th November 2013
PLAN B
4 to 26 Stuart Road, London NW6 5LT



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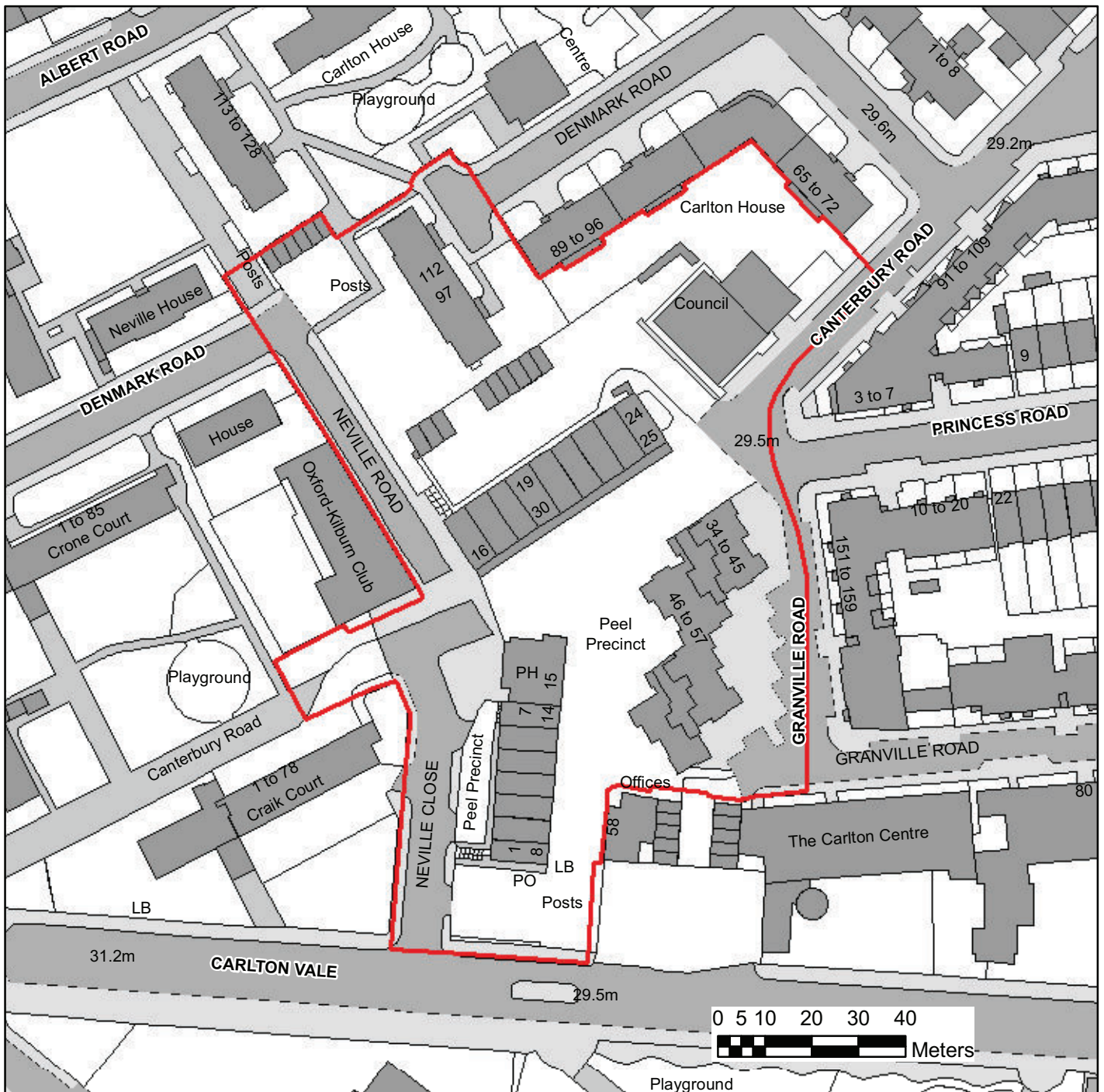


EXECUTIVE COMMITTEE

11th November 2013

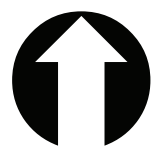
PLAN C

Peel Precinct, London NW6 4ST, 5BS, 5RE and 5RY.



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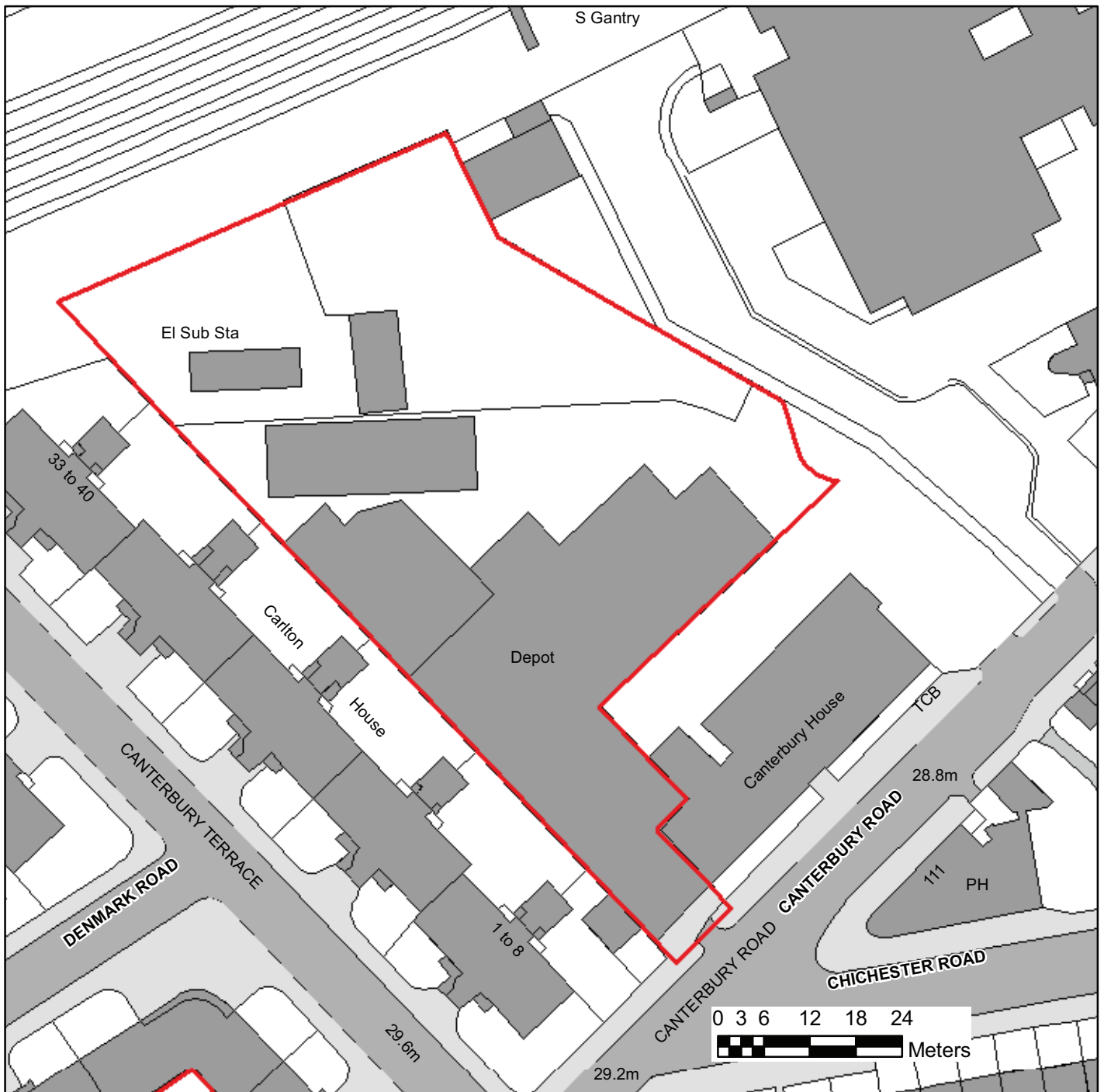
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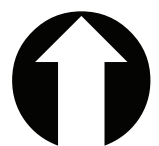
PLAN D Appendix 1

**Canterbury Works Site (Excluding Canterbury House),
Canterbury Road, London NW6 5ST.**



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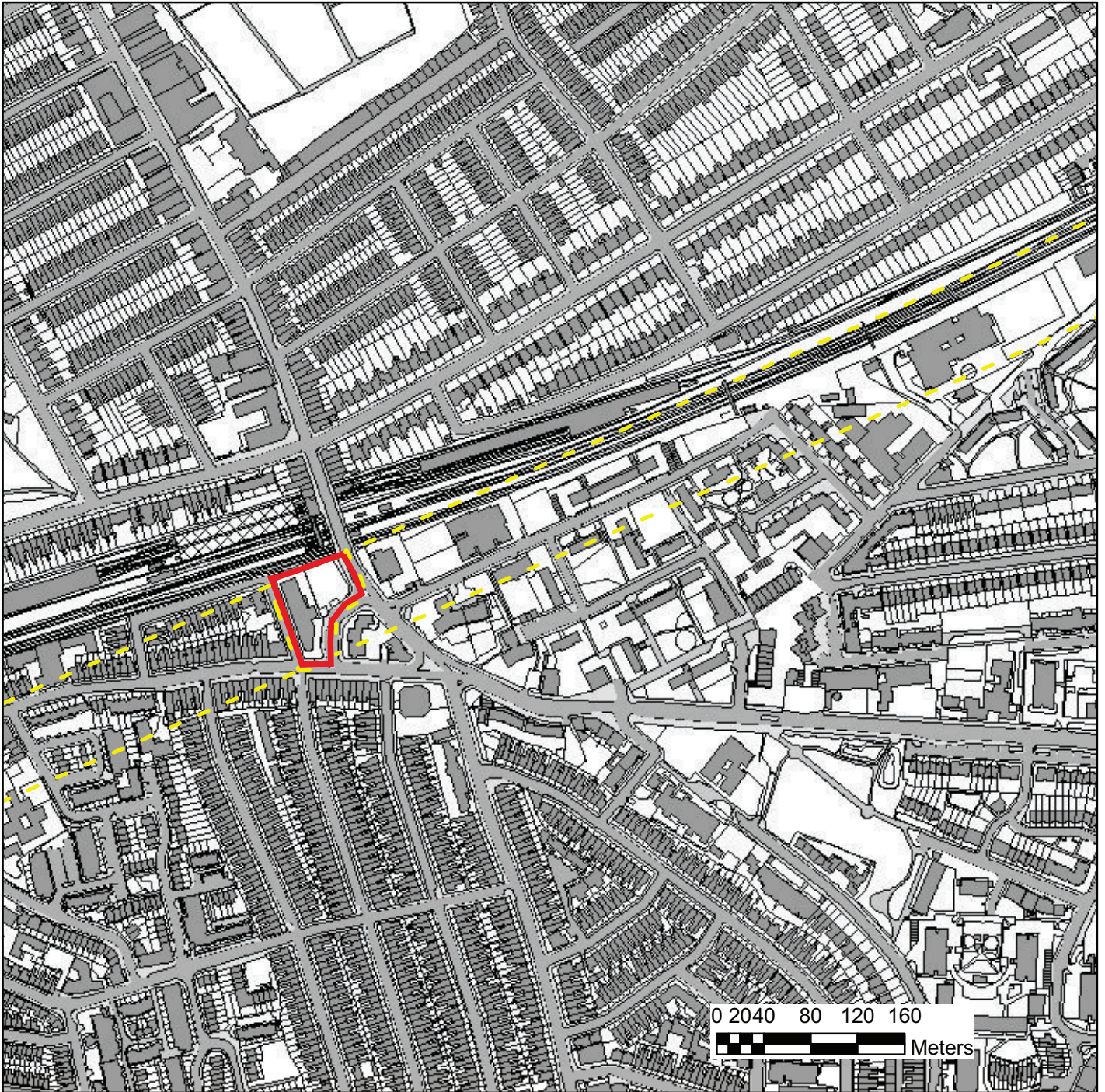
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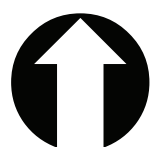
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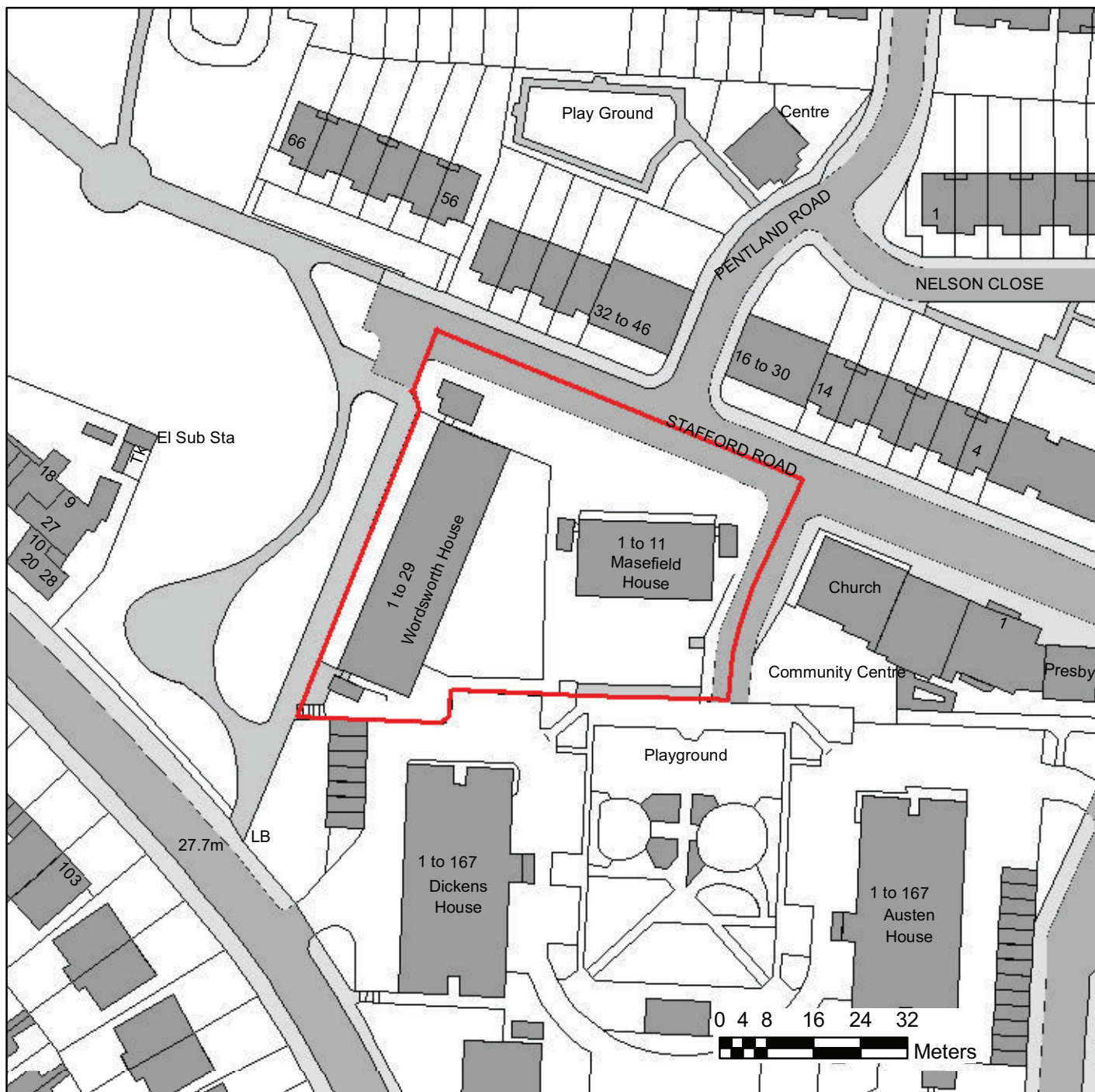
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11th November 2013
PLAN E Appendix 1
HS2 Safeguarding Plan



 Brent	<div> Surface</div> <div> Sub-Surface</div> <p>Plan for information purposes only.</p>	<p>NORTH</p> 
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11th November 2013
PLAN F Appendix 1
Masefield and Wordsworth House,
Stafford Road, London NW6 5YT and NW6 5YU.

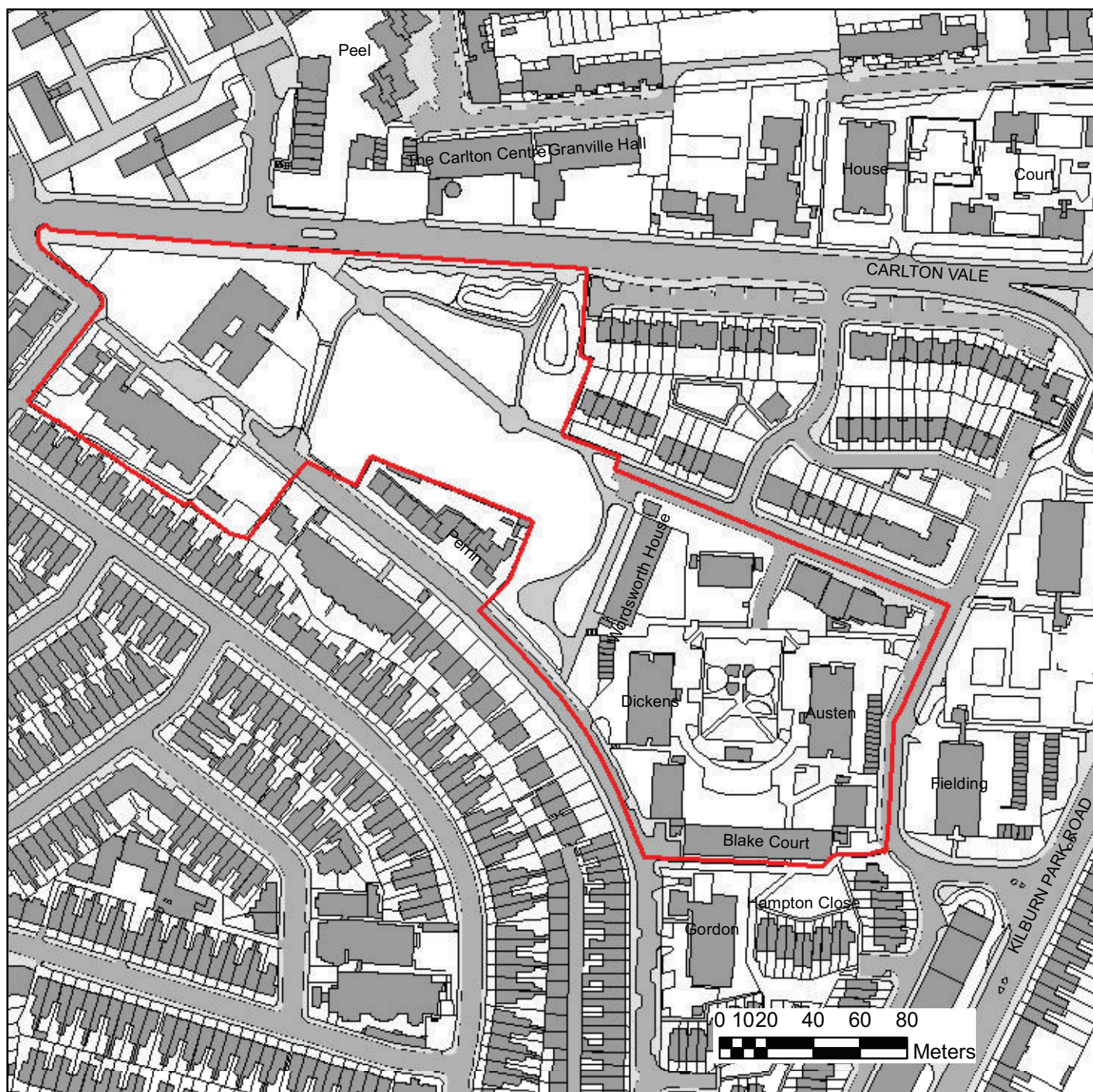


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EXECUTIVE COMMITTEE
11th November 2013
PLAN G Appendix 1
Masterplan Review Area



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South Kilburn Regeneration Progress Update

Executive Report

11th November 2013

Appendix 4

1. Evaluation

The evaluation process outlined determined the most economically advantageous tender (MEAT) by means of applying the following criteria and weightings:

Financial Offer	40%
Quality	60%

2. Quality

The Council assessed quality using the requirements set out below.

Each requirement will be marked out of 4 using the following scale:

Confidence Score	Numeric Score	Commentary
Very good	4	Submission reflects a very good understanding of core issues and requirements
Good	3	Submission reflects a good understanding of core issues and requirements.
Acceptable	2	Submission reflects adequate an understanding of core issues and requirements
Poor	1	Submission reflects a very limited understanding of core issues and requirements.
Totally unacceptable	0	Submission totally fails to grasp/ reflect core issues and requirements

Each requirement will then be allocated a weight adjusted score. The requirements and weightings are as follows:

Quality	Question	Weighting
Your initial sketch proposal and vision for the Post Office Plus Site, including:	Your appreciation of the particular opportunities, constraints and risks of the Post Office Plus Site, particularly in relation to the challenging urban design context, the re-provision of a Post Office, and creating a positive relationship with Chippenham Gardens Open Space.	25
The quality of relevant experience:	The quality of relevant experience of design of mixed tenure residential development with similar characteristics to the sites, development within an estate regeneration context similar to South Kilburn	15
Team resources, including:	Your ability to meet the client's programme for delivery of the project	10
	The ability of the design team to meet the council's requirements relating to public consultation	10
TOTAL		60%

3. Financial

The financial offer will be assessed in accordance with the following

Council Requirement	Assessment Points	Maximum Weighted Score
Purchase Price	<p>The bidder who submits the highest bona fide tender will receive the maximum weighted score of 40%. Scores for other bidders will be calculated using the following formula:</p> <p>(bidder's Total Price/Highest bidder's Total Price) x 40%</p> <p>The resulting weighted score will be rounded up to one decimal place</p>	40%
TOTAL		40%

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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South Kilburn Regeneration Progress Update

Executive Report

11th November 2013

Appendix 6

Post Office Plus Architectural Services Quality and Finance Tender Evaluation

Evaluation Area	Question	Max Score and Weighting		Bidder One		Bidder Two		Bidder Three	
Your initial sketch proposal and vision for the Post Office Plus Site	Your appreciation of the particular opportunities, constraints and risks of the Post Office Plus Site.	4	25%	3	19	3	19	4	25
The quality of relevant experience	The quality of relevant experience of design of mixed tenure residential development with similar characteristics to the sites, development within an estate regeneration context similar to South Kilburn	4	15%	4	15	4	15	4	15
Team resources, including:	Your ability to meet the client's programme for delivery of the project	4	10%	4	10	3	7.5	4	10
	The ability of the design team to meet the council's requirements relating to public consultation	4	10%	4	10	3	7.5	3	8
Finance			40		39.33		37.72		40.00
TOTAL					93.33		86.72		98.00

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ALLOCATION POLICY FOR SECURE TENANTS WITH HOMES IN PHASE 2b SOUTH KILBURN

Contents

1. Introduction
 2. Terms Used in this Policy
 3. Homes and People Affected
 4. Housing Needs Assessment
 5. Size and Type of Replacement Homes
 6. Change of Circumstances
 7. Re-housing Process and Options
 8. Legal Process for Relocation of Secure Tenants
 9. Rent Levels of New Affordable Homes on South Kilburn
 10. Tenant's Choice on Interior Fittings of New Homes
 11. Home Loss and Disturbance Payments
 12. Appeals Procedures
- Appendix 1: Homes within South Kilburn
- Appendix 2: Home Loss and Disturbance Policy

1. INTRODUCTION

- 1.1 This document sets out the policy for the allocation of replacement homes to Secure Tenants currently living in homes within Durham Court, Gloucester House, Wordsworth House and Masfield House, South Kilburn which will be demolished as part of the South Kilburn regeneration programme.

2. TERMS USED IN THIS POLICY

In this policy the following terms will have the following meanings.

- 2.1 **Decent Homes** means homes that meet the current statutory minimum standard for housing, homes that are in a reasonable state of repair and homes that have reasonably modern facilities and services
- 2.2 **Disturbance Payment** means a payment for removal and other expenses that the Council makes to Secure Tenants in accordance with Council policy (including the Land Compensation Act 1973)
- 2.3 **Home Loss Payment** means a payment that is made to Secure Tenants in accordance with the Land Compensation Act 1973
- 2.4 **Phase 1b and Phase 2a Redevelopment Sites** means homes to be built in Cambridge Avenue, Chichester Road, Rupert Road and the Bronte House and Fielding House site as part of the South Kilburn regeneration programme
- 2.5 **Phase 2b** means homes in Durham Court, Gloucester House, Wordsworth House and Masfield House which are due for demolition as part of the South Kilburn regeneration programme
- 2.6 **Relocation Processes** means the two legal processes which the Council will use to gain possession of existing homes being (a) possession proceedings pursuant to section 84 and Ground 10A in schedule 2 of the Housing Act 1985 or (b) taking possession pursuant to a confirmed compulsory purchase order
- 2.7 **Secure Tenants** means those people who let their homes from the Council on Secure Tenancies as defined in the Housing Act 1985 and who the Council have a duty to rehouse
- 2.8 **Suitable Offer** means one offer of alternative accommodation that meets or, at the discretion of the Council, exceeds the housing need of the Secure Tenant and their household that is either:
- (a) A permanent move within South Kilburn **or**
 - (b) A permanent move outside South Kilburn **or**

(c) A temporary move within South Kilburn until the home that the Secure Tenant is temporarily occupying becomes due for demolition under the South Kilburn regeneration programme

2.9 **South Kilburn** means homes listed in Appendix 1 including both homes due for demolition under the South Kilburn regeneration programme and those not due for demolition

2.10 **The Council** means Brent Council

3. HOMES AND PEOPLE AFFECTED

3.1 This policy affects Secure Tenants living in homes within Phase 2b of the South Kilburn regeneration programme.

4. HOUSING NEEDS ASSESSMENT

4.1 A member of the South Kilburn Re-housing Team will complete a housing needs assessment form with each Secure Tenant living in Phase 2b which will assess the current circumstances of the Secure Tenant, the potential changes to these circumstances and medical and other needs as well as recording any preferences that the Secure Tenant may have. The information on this form will be entered onto the Council's 'Locata' bidding system. The Locata bidding system will be used by the Council to keep a clear record of all Secure Tenants requiring rehousing. All offers of replacement homes to Secure Tenants will be recorded on this system.

4.2 Whilst the housing needs assessment form records Secure Tenants preferences, the Council cannot guarantee such preferences will be met.

5. SIZE AND TYPE OF REPLACEMENT HOMES

5.1 The size and type of the replacement home offered to a Secure Tenant will depend on a Secure Tenant's household make up as set out below.

BASIC FRAMEWORK FOR NEEDS ASSESSMENT

▪ Single person	1 bedroom
▪ Couple	1 bedroom
▪ 2 adults not living together as a couple	2 bedroom
▪ 1 or 2 adults + 1 child	2 bedroom
▪ 1 or 2 adults + 2 children	2 bedroom/3 bedroom
▪ 1 or 2 adults + 3 children	3 bedroom
▪ 1 or 2 adults + 4 children	3 bedroom/4 bedroom
▪ 1 or 2 adults + 5 children or more	4 bedroom/5 bedroom

5.2 Once the needs of a Secure Tenant's household has been assessed using the basic framework above, the Council will then take account of the age and sex of children, any medical issues affecting the Secure Tenant or household members and where applicable, apply the Needs Plus principle described below.

5.3 Children

5.3.1 Children under the age of 18 will be expected to share with siblings of the same sex, unless there is a five year age difference between them. If there is such a five year age difference and a Secure Tenant requests, they will be allocated a separate bedroom.

5.3.2 Children of different sexes will be expected to share a bedroom up to the age of 10. Where children of different sexes are above the age of 10 years, they will then be allocated separate bedrooms.

5.4 Needs Plus

5.4.1 The Needs Plus principle is intended as an incentive for the loss of a larger property and adjusts the basic housing needs assessment to offer one bedroom more than the Secure Tenant would otherwise qualify for. The Needs Plus principle will only apply to Secure Tenants that satisfy both of the following:

- 1) Secure Tenants living in a home with 3 bedrooms or more where the Secure Tenant's household has more bedrooms than are needed based on the housing needs assessment criteria set out above; and
- 2) Secure Tenants that have the ability to pay the rent on a replacement home larger than they need.

For example:

A single person living in a 3 bedroom home will be offered a 2 bedroom replacement home if they have the ability to pay the rent on a replacement home larger than they need. However, the option of moving to a one bedroom replacement home will be open at the request of the Secure Tenant, subject to availability.

The Needs Plus principle is at the Council's discretion. The Council will determine which Secure Tenant is to be allocated a replacement home with one bedroom more than the Secure Tenant would otherwise qualify for.

5.4.2 The Government has introduced size and criteria for social housing as part of welfare reform that has cut the amount of benefit that people are entitled to if they are considered to have a spare bedroom. Therefore, Secure Tenants who opt for a larger home under the Needs Plus principle outlined above must have the ability to pay the rent on a replacement home larger than they need.

5.4.3 Secure Tenants currently living in a 2 bedroom home who only qualify for a one bedroom home will not be offered a 2 bed home unless there are medical reasons to allocate a replacement home with more bedrooms than would otherwise be allocated.

5.5 Splitting Households

- 5.5.1 If there is a shortage of larger homes in Phase 1b and/or Phase 2a Redevelopment Sites for relocating Secure Tenants from Phase 2b, the Council may ask those Secure Tenants whose household composition is such that members of the household could be separately housed to take two smaller homes rather than one large replacement home.

For example,

A Secure Tenant who, on the housing needs assessment criteria, should be allocated a five or six bedroom home could be considered for two smaller homes if one adult member and other household members are re-housed separately.

- 5.5.2 The Council will not be bound to make or receive any such requests for splitting households and will only ask a household to split if replacement homes for the split household are available.
- 5.5.3 Where a household split is being explored, the Council will refer the request to its general Allocations Panel, which is part of the Council's general housing policy across the borough, for consideration and verification of the adult household member(s) being considered for separate rehousing to ensure they do not have an interest in another property either through ownership (including part), renting, through marriage or any other way.
- 5.5.4 Where a household split request is made or accepted by the Council, usually only the Secure Tenant who gives up their existing home will receive a statutory home loss and disturbance payment unless other payments are due in accordance with the law.

6. CHANGE OF CIRCUMSTANCES

- 6.1 Once a housing needs assessment has been carried out with each Secure Tenant, this information will be included in the detailed planning of the allocation of replacement homes in Phase 1b and Phase 2a Redevelopment Sites. If a Secure Tenant's circumstances change such that their housing need will be different, the Secure Tenant must confirm these changes in person or in writing to the South Kilburn Re-housing Team, providing all relevant documentation. For example, if a Secure Tenant or a member of their household is expecting a baby, the Secure Tenant would be required to provide a copy of the Expected Date of Confinement Certificate to the South Kilburn Re-housing Team and a full copy of the birth certificate once the child is born.
- 6.2 The Council reserves the right to refuse to accept any changes to a Secure Tenant's household composition which would mean providing a larger replacement home. However such consideration would only be considered in exceptional circumstances.

7. RE-HOUSING PROCESS & OPTIONS

7.1 One Suitable Offer

All Secure Tenants living within Phase 2b will be made one Suitable Offer of alternative accommodation in line with the definition at paragraph 2.8 of this policy.

7.2 How allocations will be prioritised

7.2.1 The Council will seek to ensure that Secure Tenants are fairly prioritised in the re-housing process.

7.2.2 In making the Suitable Offer of a replacement home to Secure Tenants, in order to ensure that Secure Tenants are fairly prioritised, the Council will adopt the following prioritisation procedure:

- 1) First priority will be given to those Secure Tenants whose housing need (e.g. one bedroom or two bedrooms or more, medical or other needs) matches the replacement home available;
- 2) Second priority will be given to those Secure Tenants whose preference, recorded at the time of the Housing Needs Assessment Visit by the South Kilburn Re-housing Team matches the replacement home available;
- 3) Third priority will be given to those Secure Tenants with the longest tenancies.

7.2.3 In the event that, after applying the above criteria, there is still more than one Secure Tenant to whom the replacement home could be allocated, then it will be at the Council's discretion to determine which Secure Tenant is to be allocated to the replacement home.

7.3 Secure Tenants with One Bedroom Housing Needs

Due to a shortage of certain sized replacement homes, mainly new one bedroom homes in Phase 1b and Phase 2a Redevelopment Sites, the Council cannot guarantee that Secure Tenants with one bedroom housing needs will be offered a new home within Phase 1b and Phase 2a Redevelopment Sites. However, all Secure Tenants with a one bedroom housing need will be made one Suitable Offer of alternative accommodation as follows:

7.3.1 Suitable Offer (permanent) Within South Kilburn

For some Secure Tenants with a one bedroom housing need, this will mean a Suitable Offer of a permanent new home within the Phase 1b and Phase 2a Redevelopment Sites of the South Kilburn regeneration programme. However, if a Secure Tenant with a home in Phase 2b is allocated a permanent new-build home within South Kilburn, it is likely to be located within the Phase 1b redevelopment sites along Cambridge Avenue,

Chichester Road and Rupert Road. However, due to the shortage of one bedroom properties, this cannot be guaranteed by the Council. Secure Tenants moving to a permanent new home within Phase 1b and Phase 2a Redevelopment Sites will become tenants of a Registered Provider. In these sites there will be 78 new one bedroom affordable homes. The Council will, where possible, give Secure Tenants the preference where, within Phase 1b and Phase 2a Redevelopment Sites, they would like to live. In this instance, priority of preferences of location will be given to those Secure Tenants with the longest tenancies.

For some Secure Tenants with a one bedroom housing need, this will mean a Suitable Offer of a permanent home within South Kilburn that is an existing Council property that is not due for demolition as part of the South Kilburn regeneration programme.

7.3.2 Suitable Offer (permanent) Outside South Kilburn

For other Secure Tenants with a one bedroom housing need, this will mean a Suitable Offer of a permanent alternative home outside South Kilburn. Where possible, the replacement home will be in the south of the borough of Brent. All replacement homes outside of South Kilburn are likely to meet the Decent Homes standard. Where a Secure Tenant with a one bedroom housing need moves to a permanent Council home outside South Kilburn, the Council will fully decorate the property.

7.3.3 Suitable Offer (temporary) Within South Kilburn

Where a Suitable Offer of permanent alternative accommodation within or outside South Kilburn cannot be identified, for other Secure Tenants with a one bedroom housing need, this will mean a Suitable Offer of a temporary home within a block that is due for demolition as part of the South Kilburn regeneration programme. The Secure Tenant will remain in the temporary home until it is required for demolition as part of the South Kilburn Regeneration Programme, at which time the Secure Tenant will be made a Suitable Offer of a new replacement home. This guarantees the Secure Tenant the 'right to return' to a new home on the estate.

Where a Secure Tenant occupies a temporary home for over twelve months then they may be entitled to a second statutory Home Loss Payment and Disturbance Payment once they move to their permanent new home within the South Kilburn regeneration programme. A second payment of Home Loss Payment and Disturbance Payment will only be made if the Secure Tenant has a legal entitlement to a second payment at the time of the Secure Tenant's move to their permanent new home within the South Kilburn regeneration programme.

Where a Secure Tenant has to move to a temporary home, the Council may carry out improvements works to that home to assist the Secure Tenant to settle in. In some cases the Council may also offer fixtures and fittings as a gift. Where this happens, the Council will not be liable to maintain or repair these items.

7.3.4 A Move Elsewhere within the Borough or Outside of Brent

Some Secure Tenants with a one bedroom housing need may wish to move elsewhere within the borough or outside of Brent. In such cases, if the Secure Tenant wishes to do this, this will be noted when the housing needs assessment is done. The Council will be reliant upon Registered Provider and Council partners to source alternative homes. Our partners will be required to offer an annual quota to assist the decanting process for the South Kilburn Regeneration programme. Whilst Secure Tenants may express a preference to move elsewhere within the borough or outside of Brent and the Council will assist Secure Tenants to do so, the Council cannot guarantee this outcome. Therefore, the Council will reserve a Suitable Offer for the Secure Tenant in the instance that a move elsewhere within the borough or outside of Brent is not able to be secured within the timescale required by the Council for securing possession of the existing home of the Secure Tenant.

Secure Tenants who wish to move to specialist housing such as sheltered housing will be assisted by way of contact and help to complete the appropriate applications. Secure Tenants who wish to move to the private sector will also be assisted.

7.4 Secure Tenants with Housing Needs of Two Bedrooms or More

7.4.1 Suitable Offer (permanent) Within South Kilburn

For some Secure Tenants with a housing need of two bedrooms or more, this will mean a Suitable Offer of a permanent new home within the Phase 1b and Phase 2a Redevelopment Sites of the South Kilburn regeneration programme. However, if a Secure Tenant with a home in Phase 2b is allocated a permanent new-build home within South Kilburn, it is likely to be located within the Phase 1b redevelopment sites along Cambridge Avenue, Chichester Road and Rupert Road. Secure Tenants moving to a permanent new home within Phase 1b and Phase 2a Redevelopment Sites will become tenants of a Registered Provider. In these sites there will be 147 new affordable homes with two bedrooms or more. The Council will, where possible, give Secure Tenants the preference where, within Phase 1b and Phase 2a Redevelopment Sites, they would like to live. In this instance, priority of preferences of location will be given to those Secure Tenants with the longest tenancies.

For some Secure Tenants with a housing need of two bedrooms or more, this will mean a Suitable Offer of a permanent home within South Kilburn that is an existing Council property that is not due for demolition as part of the South Kilburn regeneration programme.

7.4.2 Suitable Offer (permanent) Outside South Kilburn

For other Secure Tenants with a housing need of two bedrooms or more, this will mean a Suitable Offer of a permanent alternative home outside South Kilburn, at the request of the Secure Tenant. In this case, Secure Tenants will not have a 'right to return' to a new replacement home on South Kilburn in the future. Where possible, the replacement home will be in the south of the borough of Brent. All replacement homes outside of South Kilburn are likely to meet the Decent Homes standard. Where a Secure

Tenant with a housing need of two bedrooms or more moves to a permanent Council home outside South Kilburn, the Council will fully decorate the property.

7.4.3 Suitable Offer (temporary) Within South Kilburn

For other Secure Tenants with a housing need of two bedrooms or more, this will mean a Suitable Offer of a temporary home within a block that is due for demolition as part of the South Kilburn regeneration programme. The Secure Tenant will remain in the temporary home until it is required for demolition as part of the South Kilburn Regeneration Programme, at which time the Secure Tenant will be made a Suitable Offer of a new replacement home. This guarantees the Secure Tenant the 'right to return' to a new home on the estate.

Where a Secure Tenant occupies a temporary home for over twelve months then they may be entitled to a second statutory Home Loss Payment and Disturbance Payment once they move to their permanent new home within the South Kilburn regeneration programme. A second payment of Home Loss Payment and Disturbance Payment will only be made if the Secure Tenant has a legal entitlement to a second payment at the time of the Secure Tenant's move to their permanent new home within the South Kilburn regeneration programme.

Where a Secure Tenant has to move to a temporary home, the Council may carry out improvements works to that home to assist the Secure Tenant to settle in. In some cases the Council may also offer fixtures and fittings as a gift. Where this happens, the Council will not be liable to maintain or repair these items.

7.4.4 A Move Elsewhere within the Borough or Outside of Brent

Some Secure Tenants with housing needs of two bedrooms or more may wish to move elsewhere within the borough or outside of Brent. In such cases, if the Secure Tenant wishes to do this, this will be noted when the housing needs assessment is done. The Council will be reliant upon Registered Provider and Council partners to source alternative homes. Our partners will be required to offer an annual quota to assist the decanting process for the South Kilburn Regeneration programme. Whilst Secure Tenants may express a preference to move elsewhere within the borough or outside of Brent and the Council will assist Secure Tenants to do so, the Council cannot guarantee this outcome. Therefore, the Council will reserve a Suitable Offer for the Secure Tenant in the instance that a move elsewhere within the borough or outside of Brent is not able to be secured within the timescale required by the Council for securing possession of the existing home of the Secure Tenant.

Secure Tenants who wish to move to specialist housing such as sheltered housing will be assisted by way of contact and help to complete the appropriate applications. Secure Tenants who wish to move to the private sector will also be assisted.

8. LEGAL PROCESS FOR RELOCATION OF SECURE TENANTS

8.1 The Council will consult with its Secure Tenants to agree voluntary relocation in accordance with this policy. The Council anticipates that the majority of Secure Tenants in Phase 2b will move to their replacement homes voluntarily. However, to provide certainty that the Council can deliver its programme of regeneration on time, for those Secure Tenants in Phase 2b who refuse to move to their replacement homes, the Council will seek possession by Court proceedings under the Housing Act Schedule 2 Ground 10A. This method will be used by the Council for Secure Tenants in Phase 2b, until the Council has confirmation of a Compulsory Purchase Order (CPO) in respect of the homes concerned. After that point, and even if the Council are part way through the Ground 10A process, the Council shall proceed to secure possession by agreement or using the compulsory purchase powers derived from the confirmed CPO in place of the Ground 10A process. The only circumstances in which the Council may continue to use the Ground 10A process, following confirmation of a CPO, is if the Council consider that continuing to use the Ground 10A process is likely to result in it recovering possession of the property more swiftly than using its compulsory purchase powers. The Ground 10A process and the CPO process are summarised below in paragraphs 8.3 and 8.4.

8.2 Nothing in this Allocation Policy prevents the Council from continuing to manage homes occupied by Secure Tenants in Phase 2b in accordance with its usual policies and procedures. This may include the Council commencing possession proceedings against a Secure Tenant based on grounds for possession that do not include Ground 10A. The other grounds for possession are set out in Schedule 2 of the Housing Act 1985 and include grounds relating to rent arrears and antisocial behaviour.

At the time that the Council needs possession of a home in order to deliver its programme of regeneration, the Council may have already:

- (i) commenced possession proceedings based on grounds for possession that do not include Ground 10A; or
- (ii) be taking, be entitled to take or become entitled to take enforcement action for a breach of a Suspended Order for Possession, where the grounds for possession which resulted in the Order did not include Ground 10A.

If this is the case, the Council may pursue those proceedings or enforcement action instead of, or in addition to, using the Ground 10A process and/or using the compulsory purchase powers derived from the confirmed CPO.

If the Council secures possession of a home in reliance on an order for possession which is based on grounds for possession that do not include Ground 10A, the Council shall not be obliged to re-house the Secure Tenant in replacement accommodation in accordance with this Allocation Policy.

8.3 Ground 10A

8.3.1 Under Ground 10A and Part V of Schedule 2 to the Housing Act 1985, the Council would need to:

- 1) Serve consultation notices on the Secure Tenants within Phase 2b. The notice will explain the main features of the proposed scheme, that the Council intends to apply to the Secretary of State for approval of the scheme and the effect of receiving this approval would result in possession proceedings brought in connection with homes occupied by Secure Tenants within Phase 2b.
- 2) Secure Tenants will have 28 days from service of the notice to make representations to the Council about the proposal and then consider all representations during that period.
- 3) Apply to the Secretary of State for approval of the scheme (for the purposes of Ground 10A), in accordance with the procedure set out in Part V of Schedule 2 of the Housing Act 1985.
- 4) When it wishes to secure possession of a home from a Secure Tenant, and subject to it having received Secretary of State approval, serve a notice seeking possession on the affected Secure Tenant and make them a Suitable Offer of alternative accommodation. The Council will try to give Secure Tenants 6 months notice before it requires possession of the Secure Tenant's current home but this may not be possible in all cases and possession proceedings may commence before the end of the 6 months for some Secure Tenants who refuse a Suitable Offer of a replacement home. However, if a Secure Tenant believes the Council's offer of a replacement home is not a Suitable Offer, they will have the right to appeal under the process outlined in paragraph 12 of this policy; and
- 5) Apply to the Court for repossession of a Secure Tenant's home if the Secure Tenant, having received a notice seeking possession and a Suitable Offer of alternative accommodation, does not voluntarily move out of their home.

8.4 Compulsory Purchase Order

8.4.1 The Council's policy is to secure the regeneration of South Kilburn in accordance with a phased programme. Use of Ground 10A cannot by itself secure this aim. Therefore, in addition to the use of Ground 10A outlined above, the Council will also promote a Compulsory Purchase Order (CPO) under section 226(1)(a) of the Town and Country Planning Act 1990 to acquire all interests in land which forms Phase 2b of the regeneration programme.

8.4.2 The land to be acquired will include properties occupied by Secure Tenants. The CPO will be relied upon to obtain possession if possession of properties cannot be obtained to ensure timely delivery of the comprehensive regeneration proposals by securing vacant possession of blocks due for demolition under the South Kilburn regeneration programme which gives certainty of timing to enable the phased process of regeneration and the delivery of new homes to continue.

8.4.3 Under section 226(1)(a) of the Town and Country Planning Act 1990 the Council will:

- 1) Serve a Section 16 requisition notice on the Secure Tenants advising of the Council's intention to acquire land which includes their existing home. This notice is a legal

document and Secure Tenants must complete the document detailing their interest in the property and also detail who else has an interest in the property such as other members of the household.

- 2) Secure Tenants will then receive a copy of the draft CPO and a notice explaining its effects. Secure Tenants will be advised at that stage that they can voice their objections to the CPO and that these objections will be sent to the appropriate government minister. If there are objections there will be an inquiry and an inspector will make a decision on whether or not the CPO should be confirmed.
- 3) Make Secure Tenants a Suitable Offer of alternative accommodation. If a Secure Tenant believes the Council's offer of a replacement home is not a Suitable Offer, they will have the right to appeal in line with the process outlined in paragraph 12.3 of this policy.
- 4) If the CPO is confirmed, either with or without a public inquiry, serve a Notice to Treat and Notice of Entry on the Secure Tenants specifying a date for possession. These are legal documents that the Council may serve on Secure Tenants which gives the Council the right to enter and take possession of the existing home of the Secure Tenant, in order to ensure the timely delivery of that property for regeneration.
- 5) Enforce the CPO to take possession of the home if a Secure Tenant fails to move to their replacement home. Under CPO the notice of Entry will be enforced and possession obtained by County Court enforcement officers.

9. RENT LEVELS OF NEW AFFORDABLE HOMES ON SOUTH KILBURN

- 9.1 Secure Tenants who are allocated a new replacement home in South Kilburn will pay higher rent than for their existing Council property.

This is due to two reasons:

- 1) Council rents are below the rents charged by Registered Providers, which are known as target rents
- 2) The higher value associated with a quality new build home, compared with an existing Council property, will be reflected in a higher target rent

The Council has set rents in accordance with its policy that will lead to Council rents and target rents for properties of a similar size, location and condition becoming more equal by 2016. However, even after 2016, there will be a difference in the rent charged for existing Council properties in South Kilburn, compared with new homes for rent from Registered Providers, built as part of the South Kilburn regeneration programme. Secure Tenants who are allocated a new replacement home in South Kilburn under this policy will pay the relevant target rent from the date of relocation.

- 9.2 In the case of Secure Tenants that move elsewhere within the borough or outside of Brent or move to specialist housing such as sheltered housing, rent levels for homes will vary according to the location and the landlord.

10. TENANT'S CHOICE ON INTERIOR FITTING OF NEW HOMES

- 10.1 Secure Tenants who are allocated a new replacement home within South Kilburn may be invited to select certain 'tenant's choice' items. Whilst tenant's choice items will be different on Phase 1b and Phase 2a Redevelopment Sites, they will usually include items such as kitchen units, wall paint colours, tiling and floor coverings. Each Registered Provider will have a different range of choices for their specific developments.

11. HOME LOSS AND DISTURBANCE PAYMENTS

- 11.1 The Home Loss and Disturbance Policy for Secure Tenants with Homes in South Kilburn is attached at Appendix 2.

12. APPEALS PROCEDURES

APPEALS PROCEDURE WHERE NO CPO HAS BEEN CONFIRMED

12.1 Stage One Appeal: no CPO confirmed

- If a Secure Tenant believes the Council's offer of a replacement home is not a Suitable Offer, they will have the right to appeal the offer within 10 working days of the Council making the offer to the Secure Tenant. Secure Tenants will be notified on the timescales for appeal and who to send an appeal to at the point they are made a Suitable Offer of a replacement property.
- If a Secure Tenant wishes to make an appeal, the Secure Tenant must write to the Council at the address below:
 - stating that they do not believe the Council's offer is a Suitable Offer,
 - specifying the reasons why they believes the offer is not a Suitable Offer
 - enclosing any evidence to support their belief that the offer is not a Suitable Offer (e.g. medical evidence) and
 - stating that they wish to appeal against the Council's offer.
- Appeals should be sent to:
South Kilburn Re-housing Project Manager
Community Resource Centre, William Dunbar House, Albert Road, Kilburn, NW6 5DE
- If an appeal is received within the allowed time limit, the South Kilburn Re-housing Project Manager will assess the appeal in light of the information provided and taking into account the individual circumstances of the Secure Tenant and their household members.

- If the South Kilburn Re-housing Project Manager agrees with the Secure Tenant's appeal (e.g. on medical grounds) the Council will inform the Secure Tenant and at the same time make another offer of an alternative home on the basis that it is a Suitable Offer meeting the needs of the Secure Tenant.
- If the South Kilburn Re-housing Project Manager does not agree with the Secure Tenant making the appeal, the Secure Tenant will be informed of the decision within 10 working days of the Council receiving the Secure Tenant's appeal.

12.2 Stage Two Appeal: no CPO confirmed

- If the Secure Tenant wishes to appeal the South Kilburn Re-housing Project Manager's decision and a CPO has not been confirmed in relation to the Secure Tenant's existing home, the Secure Tenant must do so within 10 working days of having received such decision by writing to the South Kilburn Programme Manager at the address below:
 - specifying the reasons why they do not agree with the South Kilburn Re-housing Project Manager's decision and
 - enclosing any further evidence to support their belief that the Council's offer is not a Suitable Offer (e.g. medical evidence) and
 - stating that they wish to make a further appeal against the Council's offer.
- Further appeals should be sent to:
South Kilburn Programme Manager
Community Resource Centre, William Dunbar House, Albert Road, Kilburn, NW6 5DE
- If a further appeal is received within the allowed time, the South Kilburn Programme Manager will assess the appeal in light of the information provided and taking into account the individual circumstances of the Secure Tenant and their household.
- If the South Kilburn Programme Manager agrees with the Secure Tenant's further appeal (e.g. on medical grounds) the Council will inform the Secure Tenant and at the same time make another offer of an alternative home on the basis that it is a Suitable Offer meeting the needs of the Secure Tenant.
- If the South Kilburn Programme Manager does not agree with the Secure Tenant making the appeal, the Secure Tenant will be informed of the decision within 10 working days of the Council receiving the Secure Tenant's further appeal.

APPEALS PROCEDURE WHERE A CPO HAS BEEN CONFIRMED

12.3 Stage One Appeal: where CPO is confirmed

- If a Secure Tenant believes the Council's offer of a replacement home is not a Suitable Offer, they will have the right to appeal the offer within 10 working days of the Council making the offer to the Secure Tenant. Secure Tenants will be notified on the timescales for appeal at the point they are made a Suitable Offer of a replacement property.

- If a Secure Tenant wishes to make an appeal, the Secure Tenant must write to the Council at the address below:
 - stating that they do not believe the Council's offer is a Suitable Offer,
 - specifying the reasons why they believes the offer is not a Suitable Offer
 - enclosing any evidence to support their belief that the offer is not a Suitable Offer (e.g. medical evidence) and
 - stating that they wish to appeal against the Council's offer.
- Appeals should be sent to:
South Kilburn Re-housing Project Manager
Community Resource Centre, William Dunbar House, Albert Road, Kilburn, NW6 5DE
- If an appeal is received within the allowed time limit, the South Kilburn Re-housing Project Manager will assess the appeal in light of the information provided and taking into account the individual circumstances of the Secure Tenant and their household members.
- If the South Kilburn Re-housing Project Manager agrees with the Secure Tenant's appeal (e.g. on medical grounds) the Council will inform the Secure Tenant and at the same time make another offer of an alternative home on the basis that it is a Suitable Offer meeting the needs of the Secure Tenant.
- If the South Kilburn Re-housing Project Manager does not agree with the Secure Tenant making the appeal, the Secure Tenant will be informed of the decision within 10 working days of the Council receiving the Secure Tenant's appeal.

12.4 **Stage Two Appeal: where CPO is confirmed**

- If the Secure Tenant wishes to appeal the South Kilburn Re-housing Project Manager's decision and a CPO has been confirmed in relation to the Secure Tenant's existing home, the Secure Tenant must do so within 10 working days of having received such decision by writing to the South Kilburn Programme Manager at the address below:
 - specifying the reasons why they do not agree with the South Kilburn Re-housing Project Manager's decision and
 - enclosing any further evidence to support their belief that the Council's offer is not a Suitable Offer (e.g. medical evidence) and
 - stating that they wish to make a further appeal against the Council's offer.
- Appeals should be sent to:
South Kilburn Re-housing Programme Manager
Community Resource Centre, William Dunbar House, Albert Road, Kilburn, NW6 5DE
- If a further appeal is received within the allowed time, the South Kilburn Programme Manager will refer the appeal to an independent review body to be appointed by the Council and notified to Secure Tenants prior to any such appeal arising. The independent review body will carefully review the Suitable Offer made to the Secure Tenant and any representation made by the Council and will advise the South

Kilburn Programme Manager whether it considers that the Suitable Offer is suitable alternative residential accommodation on reasonable terms within the meaning of section 39 of the Land Compensation Act 1973 within 15 working days of the independent review body receiving from the South Kilburn Programme Manager a copy of the Secure Tenant's further appeal.

- Within 10 working days of receiving the view of the independent review body:
 - the South Kilburn Programme Manager will assess the appeal taking into account the view of the independent review body, the information provided by the Secure Tenant and the individual circumstances of the Secure Tenant and their household and decide whether they agree with the Secure Tenant's further appeal; and
 - the Council will inform the Secure Tenant of the decision of the South Kilburn Programme Manager and, if the South Kilburn Programme Manager agrees with the Secure Tenant's further appeal, the Council will make another offer of an alternative home on the basis that it is a Suitable Offer meeting the needs of the Secure Tenant.
- If the independent review body does not consider that the Suitable Offer is suitable alternative residential accommodation on reasonable terms within the meaning of section 39 of the Land Compensation Act 1973, in most cases it is likely that the South Kilburn Programme Manager will agree with the view of the independent review body, agree to the Secure Tenant's further appeal and make an alternative offer. There may be circumstances, however, in which the South Kilburn Programme Manager disagrees with the decision of the independent review body and decides not to do so. If this is the case, when the Council writes to the Secure Tenant to notify them of the outcome of their further appeal, the Council will explain why it disagrees with the view of the independent review body.
- If the independent review body considers that the Suitable Offer is suitable alternative residential accommodation on reasonable terms within the meaning of section 39 of the Land Compensation Act 1973, it is likely that the South Kilburn Programme Manager will agree with the view of the independent review body and not agree with the Secure Tenant's further appeal. Where the South Kilburn Programme Manager does not agree with the Secure Tenant's further appeal, the Council will expect the Secure Tenant to move to the home set out in the Suitable Offer. If the Secure Tenant does not then the Council will take all necessary steps to secure possession of the Secure Tenant's home as summarised at paragraph 8 above.

12.5 Tenants can also seek the advice from a Citizens Advice Bureau/ Law Centre Solicitor or the independent Resident and Tenants Advisor, First Call, who can be contacted on Freephone 0300 365 7150

Appendix 1

HOMES WITHIN SOUTH KILBURN

Existing Buildings to be Demolished	Existing Buildings to be Retained
Austen House Blake House Bond House Bronte House Cambridge Court 97 to 128 Carlton House Craik Court Crone Court Cullen House Dickens House Durham Court Ely Court Exeter House Fielding House Gloucester House Hereford House Hicks Bolton House John Ratcliffe house Masfield House Marshall House Neville Close Neville House Peel Precinct Wells Court Winterleys Wood House Wordsworth House Zangwill House	William Dunbar House William Saville House 1 to 96 Carlton House 129 to 136 Carlton House Canterbury Court Gorefield House Alpha House Granville Homes Len Williams Court Pavilion Court Leinster Court Kilburn House Stafford Close Hampton Close Thames Court

Appendix 2

HOME LOSS AND DISTURBANCE POLICY FOR SECURE TENANTS WITH HOMES IN SOUTH KILBURN

Contents

1. Introduction
2. Terms Used in this Policy
3. People Affected
4. Home Loss and Disturbance Payments Policy
5. Advance Payments of Home Loss
6. Rent Arrears and Outstanding Court Costs
7. Disturbance Payments – Key Principles
8. Home Loss Payments Procedure
9. Disturbance Payments Procedure
10. Appeals Procedure for Disturbance Claims

1. INTRODUCTION

- 1.1 This document sets out the policy and procedure for the making of Home Loss Payments and Disturbance Payments to Secure Tenants, who are entitled to such payments in accordance with Council policy (including the Land Compensation Act 1973), currently living in homes within Durham Court, Gloucester House, Wordsworth House and Masfield House, South Kilburn which will be demolished as part of the South Kilburn regeneration programme. The aim of the policy is to ensure effective and consistent arrangements for the making of Home Loss Payments and Disturbance Payments.

2. TERMS USED IN THIS POLICY

- 2.1 **Disturbance Payment** means a payment for removal and other expenses that the Council makes to Secure Tenants in accordance with Council policy (including the Land Compensation Act 1973)
- 2.2 **Home Loss Payment** means a payment that is made to Secure Tenants in accordance with the Land Compensation Act 1973
- 2.3 **Phase 2b** means homes in Durham Court, Gloucester House, Wordsworth House and Masfield House which are due for demolition as part of the South Kilburn regeneration programme
- 2.4 **Secure Tenants** means those people who let their homes from the Council on Secure Tenancies as defined in the Housing Act 1985 and who the Council have a duty to rehouse
- 2.5 **The Council** means Brent Council

3. PEOPLE AFFECTED

- 3.1 This policy affects Secure Tenants living in homes within South Kilburn which will be demolished as part of the South Kilburn Regeneration Programme.

4. HOME LOSS AND DISTURBANCE PAYMENTS POLICY

- 4.1 The Council will pay Home Loss Payments and Disturbance Payment to Secure Tenants who lose their homes as part of the South Kilburn Regeneration Programme. Not all Secure Tenants who lose their homes will be entitled to Home Loss Payments and Disturbance Payments.

- 4.2 Secure Tenants who move out of their homes, provided that they have lived there for at least 12 months before their move and it is their only or principal home, will be eligible for a Home Loss Payment which is currently £4,700 but which may change in line with government legislation over the period of the regeneration. The Council will always pay the rate which applies at the time of the Secure Tenant's move.
- 4.3 Home Loss Payments and Disturbance Payments will be dealt with after the move to the new home when claim forms should be submitted, as set out in this policy.
- 4.4 Secure Tenants who are joint tenants are only entitled to one Home Loss Payment and Disturbance Payment, which can be paid in equal shares to both parties where requested in writing by them.
- 4.5 The borough-wide housing policy that allows Secure Tenants who down size to a smaller property for a financial incentive which is currently £4,000 does not apply to Secure Tenants of South Kilburn if they receive a statutory Home Loss Payment.
- 4.6 Secure Tenants who wish to move to the private sector as outlined in paragraphs 7.3.4 and 7.4.4 of the Allocation Policy for Secure Tenants with homes in Phase 2b, South Kilburn will receive Home Loss Payments and Disturbance Payments as required by law.
- 4.7 Where Secure Tenants moves temporarily within South Kilburn to a home that will become due for demolition under the South Kilburn regeneration programme and occupy this temporary property in excess of twelve months, then they may be entitled to a second statutory Home Loss payment once they move to their new home within the South Kilburn regeneration programme. The instances where Secure Tenants may move temporarily within South Kilburn to a home that will be due for demolition under the South Kilburn regeneration programme are explained in paragraphs 7.3.3 and 7.4.3 of the Allocation Policy for Secure Tenants with homes in Phase 2b, South Kilburn.

5. ADVANCE PAYMENTS OF HOME LOSS

- 5.1 Secure Tenants can request for an advance payment of Home Loss to be made if they are moving to:
- A permanent home within South Kilburn that is an existing Council property that is not due for demolition as part of the South Kilburn regeneration programme
 - A permanent home outside South Kilburn
 - A temporary move within South Kilburn to a home that will become due for demolition under the South Kilburn regeneration programme
 - A move elsewhere within the Borough or outside of Brent
- 5.2 If a request for an advance payment of Home Loss is received, it is sent to the South Kilburn Re-housing Project Manager for consideration. The South Kilburn Re-housing

Project Manager has the discretion to approve or reject requests for advance payments or make partial advance payment of Home Loss to the Secure Tenant.

- 5.3 Requests for advance payments of Home Loss will not be considered from Secure Tenants who are moving to a permanent new home within the South Kilburn regeneration programme.

6. RENT ARREARS AND OUTSTANDING COURT COSTS

- 6.1 Secure Tenants with rent arrears will be expected to clear the full sum of monies owed to the Council. The Council will pursue all rent arrears in line with its arrears procedure. Where a Secure Tenant has been taken to court for recovery of rent and the Secure Tenant has kept to the terms of the court order, then the Council will off-set any remaining rent arrears and outstanding court costs against any Home Loss Payment.
- 6.2 Where a Secure Tenant has not complied with any court order for the recovery of rent arrears or where the level of arrears exceeds the Home Loss payment, the Council reserves the right not to offer a Secure Tenant a new home in South Kilburn.

7. DISTURBANCE PAYMENTS – KEY PRINCIPLES

- 7.1 The Council will pay disturbance payments to Secure Tenants who lose their homes as part of the South Kilburn Regeneration Programme and who are entitled to such payments in accordance with Council policy (including the Land Compensation Act 1973). Reasonable disturbance costs may be payable and Secure Tenants who wish to claim for these costs will be required to produce evidence of the costs incurred. The following are examples of Disturbance payments that the Council has a legal duty to meet:
- Removal expenses (the Council pays for removals directly)
 - Redirection of mail
 - Dismantling and re-assembly of Secure Tenants own furniture such as wardrobes
 - Telephone disconnection and reconnection
 - Compensation for the second hand value of carpet and curtains where no carpet and curtains are provided in replacement home (see paragraphs 7.5 to 7.11)
 - Disconnection/reconnection of services
 - The second hand value of large items of furniture that cannot be dismantled or moved to the Secure Tenant's replacement property
- 7.2 Key principles relating to Disturbance Payments are as follows:
- The onus is on the Secure Tenant to justify their claim; there is no pre-determined disturbance allowance
 - Claims can only be made for costs incurred as a direct result of being disturbed
 - Secure Tenants should be no worse off or better off than before their move

- Costs must be reasonable. For example, Secure Tenants cannot claim compensation for any fixtures and fittings such as mixer taps that they have replaced in their current home as fixtures and fittings will be provided in replacement home
- Where appliances are supplied within new properties e.g. cooker, washing machine or fridge freezer, no reconnection fees will be paid.

Adaptation of Carpets/Curtains

7.3 If carpets and/or curtains could be adapted to fit in the replacement property, the Council would pay for the adaption, where such items are not provided in replacement home. If the Secure Tenant chooses not to adapt the carpets and/or curtains, nor does the Secure Tenant use them in their replacement property, then the Secure Tenant would not be able to claim compensation.

7.4 Carpets and/or curtains are deemed to be adaptable if they satisfy the following criteria:

- The existing carpets/curtains is the same size or larger than required in the replacement home
- Foam-backed carpets, unlined curtains and lino are 3 years old or less
- Hessian-backed carpets and lined curtains are 6 years old or less

Compensation for Carpets, Curtains or Large Items of Furniture

7.5 Secure Tenants can claim the second hand value of carpets and curtains where such items are not provided in replacement home or are not adaptable as outlined above. Where it is agreed that an item needs replacing, rather than adapting, the compensation paid to the Secure Tenant will be based on the cost of the item when it was new, less a percentage discount according to the existing age of the item. Therefore, the older the existing item, the less amount of compensation the Secure Tenant will receive.

7.6 Secure Tenants can also claim for large items of furniture that cannot be dismantled or moved to their replacement home. Details of the Secure Tenants existing carpets, curtains and large items of furniture would have been recorded in the Housing Needs Assessment by the South Kilburn Re-housing Team at the time of the first home visit or at the point that the Secure Tenant accepts the suitable offer of alternative accommodation.

7.7 The age of the existing carpet must be assessed. If the Secure Tenant can show receipts as proof of purchase this is desirable, if not, an agreement must be reached on the age and condition of the carpet or curtains with the South Kilburn Re-housing Project Manager at the time the Housing Needs Assessment is completed.

7.8 The second-hand value of **hessian-backed carpets, lined curtains and large items of furniture that cannot be dismantled or moved to replacement home**, with a life expectancy of 10 years is calculated using the following formula:

Age of Carpet/ Curtains/ Large Item of Furniture	Value of Carpet/ Curtains/ Large Item of Furniture	Less Depreciation
1 year	Replacement Value	8%
2 years	Replacement Value	16%
3 years	Replacement Value	24%
4 years	Replacement Value	32%
5 years	Replacement Value	40%
6 years	Replacement Value	48%
7 years	Replacement Value	56%
8 years	Replacement Value	64%
9 years	Replacement Value	72%
10 years	Replacement Value	80%

7.9 An example of a calculation using this table is as follows:

A Secure Tenant has a hessian-backed carpet which is 5 years old and 20 square meters in size that cannot be adapted to fit in their replacement property. The replacement value of the carpet is £8 per square meter. The second-hand value of the carpet is calculated as follows:

Replacement value 20 sqm x £8 per sqm	£160
Less depreciation at 40%	<u>(£64)</u>
Disturbance allowance paid to Secure Tenant	£96

7.10 The second-hand value of **foam-backed carpets and unlined curtains**, with a life expectancy of 5 years is calculated using the following formula:

Age of Carpet/ Curtains/ Large Item of Furniture	Value of Carpet/ Curtains/ Large Item of Furniture	Less Depreciation
1 year	Replacement Value	16%
2 years	Replacement Value	32%
3 years	Replacement Value	48%
4 years	Replacement Value	64%
5 years	Replacement Value	80%

7.11 An example of a calculation using this table is as follows:

A Secure Tenant has a foam-backed carpet which is 7 years old and 20 square meters in size that cannot be adapted to fit in their replacement property. The replacement value of the carpet is £6 per square meter. The second-hand value of the carpet is calculated as follows:

Replacement value 20 sqm x £6 per sqm	£120
Less depreciation at 80%	<u>(£96)</u>
Disturbance allowance paid to Secure Tenant	£24

8. HOME LOSS PAYMENTS PROCEDURE

8.1 The South Kilburn Re-housing Team will request in writing bank details from Secure Tenants so the payments can be made directly into the Secure Tenant's bank account by Bankers' Automated Clearing Service (BACS). Payments can be made to Secure Tenants by cheque; however payments by cheque take longer than BACS payments.

8.2 Secure Tenants will be invited to attend a meeting to sign the tenancy agreement for their replacement home and to sign a form to end the tenancy on their current home within Phase 2b. At this meeting, Secure Tenants will also be asked to complete and sign a Home Loss Claim Form (Annex 1).

8.3 If there are arrears owing on the Secure Tenant's account (rent arrears and court costs), these will be deducted from the Home Loss payment.

8.4 The Council will make Home Loss payments within 35 working days of receipt by the Council of a valid claim form and once the Secure Tenant has returned the keys of their old home within Phase 2b.

9. DISTURBANCE PAYMENTS PROCEDURE

9.1 Disturbance claims should be made on the form provided (Annex 2). Disturbance claims should be signed and dated by the Secure Tenant and should be sent to the South Kilburn Re-housing Team at the address shown on the claim form, within 3 months of a Secure Tenant moving to their replacement home. Secure Tenants are asked to claim all the costs incurred as a result of their move on one claim form.

9.2 Secure Tenants must support their claim for Disturbance costs with receipts to confirm the items being claimed have been paid. Claims for the cost of goods and services that are not supported by receipts will be not considered. Claims for the cost of goods and services that are supported by hand-written or cash receipts will not be considered.

9.3 The Disturbance claim will be assessed by the South Kilburn Re-housing Team. The South Kilburn Re-housing Team has the discretion to approve all or part of a claim for Disturbance, reject a claim for Disturbance or seek further information from the Secure Tenant making the claim.

9.4 Disturbance Payments will be paid to Secure Tenants through the BACS system. The Council will make Disturbance Payments within 35 working days of receipt by the Council of a valid claim form.

10. APPEALS PROCEDURE FOR DISTURBANCE CLAIMS

10.1 If a Secure Tenant believes the Council's assessment of their Disturbance payment is unreasonable, they will have the right to appeal the decision within 10 working days of the Council's assessment of the claim for Disturbance.

10.2 If a Secure Tenant wishes to make an appeal, the Secure Tenant must write to the Council at the address below specifying the reasons why they believe the assessment of their claim for Disturbance is unreasonable.

10.3 Appeals should be sent to:
South Kilburn Re-housing Project Manager
Community Resource Centre, William Dunbar House, Albert Road, Kilburn, NW6 5DE

10.4 If an appeal is received within the allowed time limit, the South Kilburn Re-housing Project Manager will assess the appeal in light of the information provided within 10 working days of receipt of the appeal.

10.5 If the South Kilburn Re-housing Project Manager agrees with the Secure Tenant's appeal, the Council will reassess the claim for disturbance. If the South Kilburn Re-housing Project Manager does not agree with the Secure Tenant's appeal, the South Kilburn Re-housing Project Manager will inform the tenant in writing, outlining the reasons why the appeal has been rejected.

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Appendix 8

Peel Feasibility Study Consultation: Summary of Feedback

1. Health Stakeholders Consultation

On 7th March 2013 LBB, Gort Scott Architects and Medical Architecture hosted the first of two facilitated focus groups on the South Kilburn Health Centre at The Albert, 5 Albert Road, London NW6 5DT with the following health stakeholders:

- Representative from Kilburn Park Medical Centre
- Representative from Peel Precinct Surgery
- Representative from Blessing Medical Centre
- Two representatives from NHS Brent

The second of the two facilitated focus groups on the South Kilburn Health Centre was held on 19th April 2013 at The Albert, 5 Albert Road, London NW6 5DT with the following health stakeholders:

- Representative from Kilburn Park Medical Centre
- Representative from Peel Precinct Surgery
- Representative from Blessing Medical Centre
- Representative from NHS Brent
- Representative from NHS England

Precedent health centres were presented and a discussion and workshop followed about aspirations and priorities for a new South Kilburn Health Centre.

Aspirations:

South Kilburn Health Centre should be:

1. Welcoming and inspiring
2. Clearly visible
3. A community hub
4. Links to outdoor spaces
5. Well organised
6. Flexible, in order to accommodate future change
7. Maximise daylight & sustainability

Questions/Concerns:

1. Management and business plan
2. Opportunities for possible complementary uses

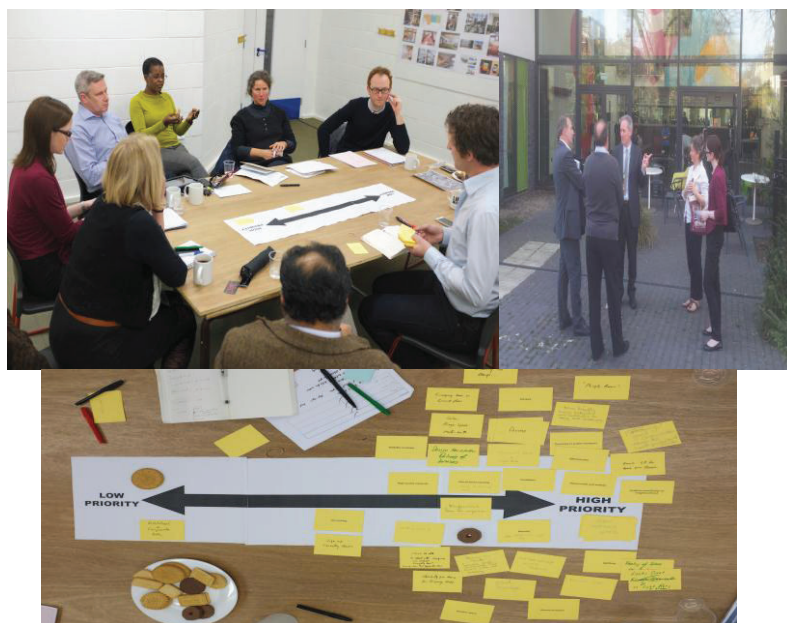
Key feedback:

- Central multi-use waiting area
- Central front desk
- 'Purple Room' near reception for people to convey reason for doctor's appointment in privacy
- Multi-use consultation rooms
- Doctors have their own separate rooms

- Calm, harmony space, prayer room and multi-faith room
- Emergency room on ground floor which is designed to avoid and blockages in circulation
- Community spaces and night courses
- Proximity to public transport
- Out of hours opening; ability to close off areas
- Flexibility for rooms for temporary staff
- Focus on youth services and encouraging access
- Car parking for district nurses
- Design should not be institutional or corporate in appearance
- Positive contribution to the neighbourhood
- Building should be visible on the street and a beacon in the area
- Good connections to high quality outdoor landscaped spaces
- Views inside and outside
- Excellent light and ventilated spaces that are comfortable
- Uplifting space
- Clearly understandable and efficient plan
- Accessible
- Privacy
- High quality, robust and eco-friendly materials that will wear and weather well.
- Sustainable and eco-friendly
- Security. Must be handled sensitively
- Signage is important
- Room for expansion
- Promotes good communication between all healthcare professionals

Following the interest expressed in relation to one of the precedent health centres presented at the focus groups, Gort Scott Limited arranged a site visit to Kentish Town Health Centre on 23rd April 2013. Attendees were very interested in seeing this exemplary and successful health centre building being used at a clinical level as well as being an integrated part of the neighbourhood.

Images: Health Focus Groups & Site Visit

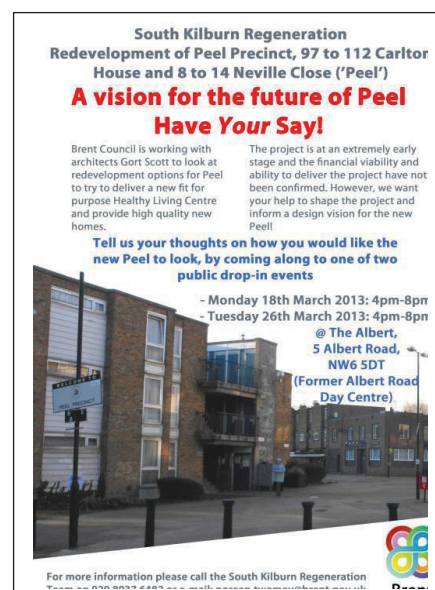


2. Public Consultation Events

Two public exhibitions were held on 18th and 26th March 2013 Between 16:00 and 20:00 at The Albert, 5 Albert Road, London NW6 5DT.

The following stakeholders were invited:

- Residents of Peel Precinct, 97 to 112 Carlton House and 8 to 14 Neville Close
- Peel Precinct shop owners
- South Kilburn Studios
- The Royal British Legion
- Residents of wider neighbourhood
- Local Councillors
- Granville Centre & Carlton Community Centre
- Local community groups such as the South Kilburn Neighbourhood Trust



Gort Scott prepared explanatory boards, encouraging attendees to draw and note on them at the public consultation events. Feedback forms were also provided. At the events Gort Scott and LBB talked through the explanatory boards, listening and noting residents' thoughts on the area and aspirations for the regeneration of the area.

Attendees included those living within the Peel redevelopment site, Peel Precinct shopkeepers, The Royal British Legion, South Kilburn Studios, South Kilburn neighbourhood Trust and a local Councillor.

The consultation events drew out a lot of useful comments and knowledge about the area which Gort Scott Architects absorbed into the feasibility study.

Aspirations:

1. High quality affordable homes
2. Better public spaces
3. Secure
4. A place that remains a community focus
5. A 'really good' health centre that offers other uses

Questions/Concerns:

1. Public outdoor green space and play space in the area
2. Car parking and traffic
3. Lack of shops
4. Disruption whilst development is being built
5. Replacement premises for The Royal British Legion
6. Heights of new blocks in relation to existing buildings

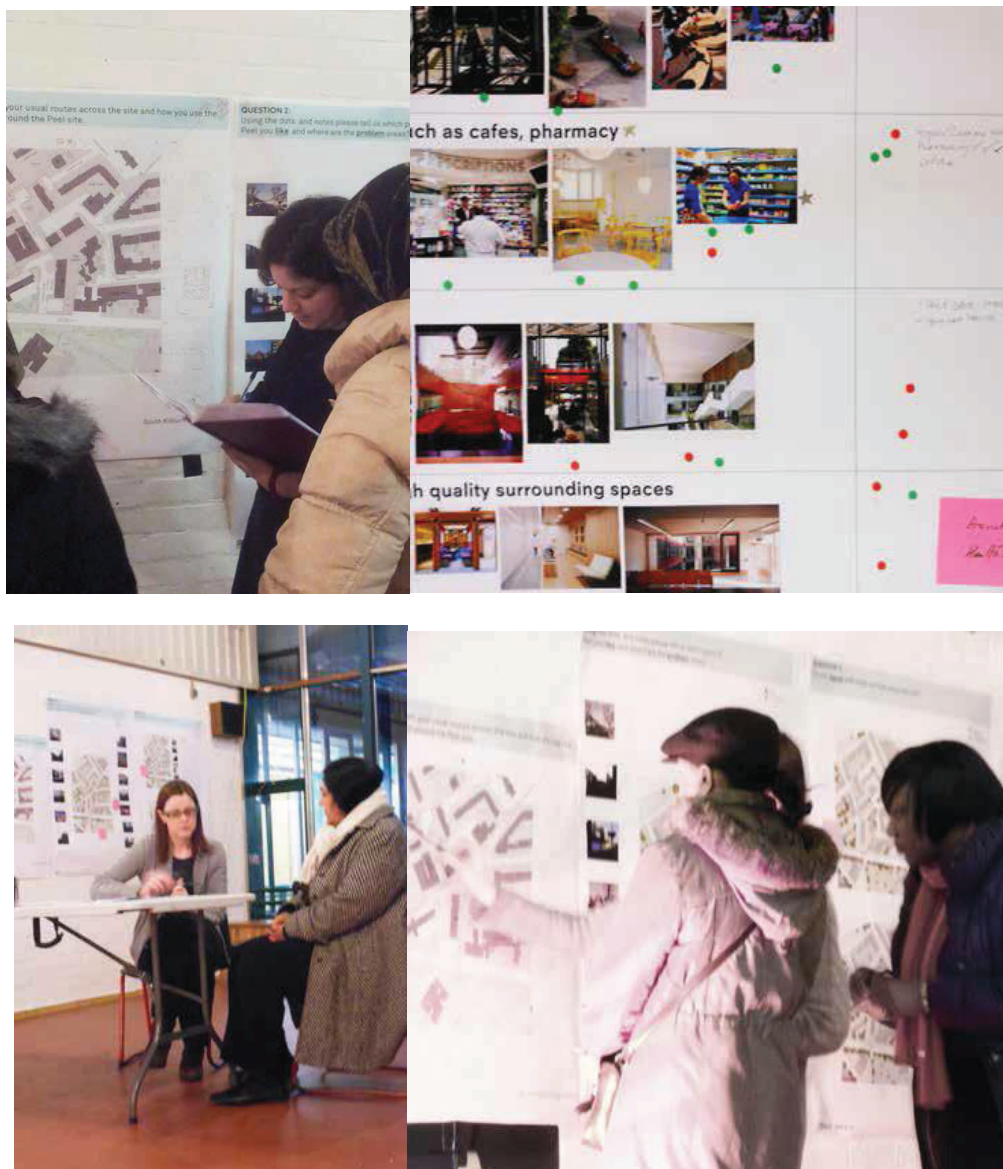
Key feedback:

- Regeneration of the Peel site is welcomed and has been promised previously
- The Peel site should be the heart of the area and be a community hub
- Regeneration of existing housing is urgently needed
- A health centre is seen as a positive contribution to the area and should be a social hub

- ## Images: Consultation Boards

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Images: Public Consultation Events



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Appendix 9

Peel: Heads of Terms

The agreement between the London Borough of Brent and the selected Delivery Partner will take the form of a Development Agreement under which the Delivery Partner will be obliged to carry out the Scheme in accordance with the Council's requirements, as listed below:

- The Delivery Partner will be required to submit a Reserved Matters application and secure approval for all reserved matters (save in relation to the affordable block and Health Centre).
- The Delivery Partner will be required to demolish the existing structures on Peel and build out the Scheme to a high quality.
- The Delivery Partner will be required to ensure the delivery of a block of 36 affordable homes at the Council's Target Rents, with South Kilburn tenancies and affording the Council 15 years' nomination as the first Phase of development.
- The Delivery Partner will be required to deliver a Health Centre of approximately 2,380 sq m (25,600 sq ft) to a high quality.
- The Delivery Partner will be required to deliver approximately 200 market units (this assumption is subject to agreement with the GLA and further viability and market testing).
- The Delivery Partner is expected to work in partnership with the Council to deliver the redevelopment of Peel.
- The Development Agreement will provide for the grant of a 250 year lease of Peel to the Delivery Partner following the satisfaction of all reserved matters approvals. The Delivery Partner will then be required to build out the scheme. The Council will have the ability to buy back the lease where the Delivery Partner defaults on its obligations. The Delivery Partner will be required to take planning cost and full sales risk for delivery of the scheme.

Proposed Structure with Development Partner

The agreement with the Health Centre Provider will take the form of an Agreement for Lease and Lease. The Lease will be granted by the Developer once the Developer has achieved Practical Completion of the Health Centre. There will be restrictions in the Lease to the Developer relating to the rent that can be charged by the Health Care Provider in relation to the three identified GP practices to ensure the rents accord with the district valuers rents and with NHS requirements.

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Appendix 10

Peel: Key Project Risks

Risk/Issue	Mitigation Action
<u>Viability:</u>	
There is a risk the scheme will be unviable if sufficient residential development cannot be delivered within the site to cross subsidise the delivery of the Health Centre and affordable housing.	Continual review and sensitivity test the viability of the scheme during the detailed design stage.
There is a risk the Council will not be in a position to fund the acquisition of the third party interests.	Complete regular review of compensation estimates and ensure programme budget cashflow incorporates acquiring all third party interests moving forward.
There is a risk that the Developer Partner will default on its obligations under the Development Agreement prior to payment of land receipt.	Include robust mechanism within the Developer Agreement to mitigate this risk such as indemnity or parent company guarantee from the developer partner.
There is a risk the appointed specialist Health Care Provider will want to charge the three identified local GP practices a rent higher than the District Valuer's rental assumptions.	Ensure the Agreement for Lease with the specialist Health Care Provider restricts the rents for the three identified local GP practices to a rent equivalent to the District Valuer's rental assumptions. Continue to test the rental assumptions with the District Valuer.
There is a risk the Health Care Provider will not be willing to pay the assumed rent for the Health Centre.	Continue to soft market test and sensitivity test the Health Centre rental assumptions during the detailed design stage.
<u>Deliverability:</u>	
The Health Care Provider may not be willing to accord with the Agreement for Lease.	The Agreement for Lease will fall away at no cost to the Council if completion is not achieved on any of the Agreement for Lease Condition Precedents.
There is a risk planning permission will not be granted for the scheme.	Ensure early engagement with Local Planning Authority & Greater London Authority (GLA) planning department.
There is a risk the appointed specialist Health Care Provider will want to drive efficiencies within the Health Centre to derive a financial return.	The Council will secure detailed planning consent for the Health Centre in order to maintain control of design to ensure high quality building is delivered.

Risk/Issue	Mitigation Action
There is risk that NHS England business case approval is not forthcoming.	Work with Brent Clinical Commissioning Group (CCG) & NHS Property Services to ensure development of a robust business case.
There is a risk the local community will not support the delivery of the project due to the loss of shops/ The Royal British Legion/ South Kilburn Studios.	Ensure early engagement with local community to explain the scope of the project, the benefits the local community will receive from a new Health Centre and highlight the other retail provision that will be developed as part of the wider regeneration programme.
There is a risk the GLA will not approve the scheme with the proposed level of affordable housing.	Ensure early engagement with the GLA and justify the level of affordable housing on basis this will ensure the delivery of a new Health Centre and on basis that the redevelopment of Peel is part of the wider regeneration programme that proposes no net loss of affordable housing.
There is a risk ground contamination and services in the ground reveal unexpected site constraints.	Commission a geo-technical and environmental surveys at the earliest opportunity to confirm ground conditions.

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

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2012

Equality Analysis

Guidance and Form



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

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Regeneration and Major Projects Service Area: Regeneration	Person Responsible: Name: Noreen Twomey Title: Project Manager South Kilburn Contact No: 020 8937 6482 Signed: Noreen Twomey
Name of policy: South Kilburn Regeneration Programme	Date analysis started: 11/09/2013 Completion date: Review date:
Is the policy: <input type="checkbox"/> New <input checked="" type="checkbox"/> Old	Auditing Details: Name: Elizabeth Bryan Title: Diversity Officer Date: 24 th October 2013 Contact No: 020 8937 1190 Signed: Elizabeth Bryan
South Kilburn Regeneration Programme	
Signing Off Manager: responsible for review and monitoring Name: Abigail Stratford Title: Programme Manager South Kilburn Date: 17 th October 2013 Contact No: 020 8937 1026 Signed: Abigail Stratford	Decision Maker: Name individual /group/meeting/ committee: Executive Committee Date: 11 November 2013

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

Please refer to stage 2 of the guidance.

The regeneration programme aims to change South Kilburn into a sustainable and mixed community by delivering 2,400 new high quality homes, improved open spaces, new shops, new health facilities and a new consolidated school. The South Kilburn programme comprises of four phases. Phase 1 is already being delivered on site.

Approvals were given by the Executive in October 2012, April 2013 and May 2013 to further progress Phase 2 and Phase 3 of the regeneration programme. Further approvals are being sought at this stage to further progress the regeneration programme; namely in relation to Cambridge Court, Wells Court and Ely Court and Bond Hicks Bolton and Wood House (together defined as '**Phase1b**'), 5 to 9 Chippenham Gardens, the Post Office site and 4 to 26 Stuart Road (together defined as the '**Post Office Plus Site**'), 8 to 14 Neville Close (all numbers inclusive), 97 to 112 Carlton House, Peel Precinct (together defined as '**Peel**'), Compulsory Purchase Order (CPO) recommendations as well as general recommendations.

This Equality Analysis focuses specifically on the impact (both positive and negative) the recommendations being sought from the Executive in relation to the Post Office Plus Site and Peel may have on one or more of the protected groups.

Post Office Plus Site

The Post Office Plus Site proposes to replace the existing post office, replace the affordable housing at 4 to 26 Stuart Road and also provide additional affordable housing to support the South Kilburn Regeneration Decant Programme.

Authority being sought from the Executive in relation to the Post Office Plus Site includes authority to enter into a collaboration agreement with Woodville Properties (the owner of 5 to 9 Chippenham Gardens) to bring forward the comprehensive redevelopment of the site. **If** the Strategic Director of Regeneration and Growth in conjunction with the Borough Solicitor is unable to agree and enter into a Collaboration Agreement with Woodville Properties in respect the Post Office Plus Site, authority is being sought from the Executive to remove 4 to 26 Stuart Road from the South Kilburn regeneration programme.

Subject to entering into a Collaboration Agreement with Woodville Properties in respect of the Post Office Plus Site, authority is also being sought to award a contract for a full architectural design team to PRP Architects to lead the design team through to a full planning application (RIBA Stage 3) for the redevelopment of the Post Office Plus Site, authority to develop a draft allocation policy for allocating homes to secure tenants living within 4 to 26 Stuart Road, authority to commence statutory consultation with secure tenants within the Post Office Plus Site in connection with i) seeking approval of the Secretary of State for use of Ground 10A of the Housing Act, 1985; ii) intention to make a CPO on properties currently occupied by secure tenants and; iii) a draft Allocation Policy for secure tenants with homes within the Post Office Plus redevelopment site.

Peel

The redevelopment of Peel seeks to deliver a mixed use scheme that would provide sufficient enabling residential development to deliver a health centre for South Kilburn residents at no net capital cost to the Council. The purpose of the South Kilburn Health Centre (SKHC) is to provide a new, for purpose health facility to meet the high health needs of the existing residents and the anticipated health needs of future residents. Three local GP practices (Blessing Medical Centre, Kilburn Park Medical Centre and Peel Precinct Surgery) will co-locate within the new SKHC.

Authority being sought from the Executive in relation to the redevelopment of Peel includes authority to procure a healthcare provider via the open market and subsequently enter into an agreement for lease with the preferred healthcare provider to manage the new SKHC, authority to undertake a mini competition under the Greater London Authority (GLA) London Development Panel to identify a developer partner for the regeneration of Peel, authority to set rent levels for the new affordable homes at a rent equivalent to HCA Target Rent Levels, authority to proceed with securing vacant possession of the residential and commercial properties within the Peel redevelopment site, authority to make and implement a CPO pursuant to section 226 of the Town and Country Planning Act 1990 and authority to commence statutory consultation with secure tenants within the Peel redevelopment site in connection with i) seeking approval of the Secretary of State for use of Ground 10A of the Housing Act, 1985; ii) intention to make a CPO on properties currently occupied by secure tenants and; iii) a draft Allocation Policy for secure tenants with homes within the Peel redevelopment site.

In a bid to fully understand the impact the delivery of the SKHC may have on one or more of the protected groups, it is first essential to understand the demographics and health needs of the existing population of South Kilburn¹ to inform the approach to the delivery of the SKHC to maximise opportunities for health promotion and health improvement to address health inequalities in the short, medium and long term. Key headlines are as follows:

Population

- According to the Census 2011, there are 7,775 persons resident within South Kilburn, with an almost equal split between males and females (50.1% versus 49.9%). South Kilburn has a relatively young population with 24% of residents under 16 years of age and almost half of residents (49.3%) are in the 25-64 years age bracket.
- Brent is very ethnically diverse as a borough and South Kilburn is no different. 39.3% of South Kilburn residents are black or black British (compared to 18.8% of the borough as a whole) and overall 66.9% of the population is from a Black and Minority Ethnic (BAME) group.

¹ South Kilburn includes Lower Super Output Areas (LSOA) E01000550, E01000551, E01000552 and E01000544, a map of which is included at Appendix 1. Together, these LSOAs form Middle Super Output Area (MSOA (2011)) Brent 034.

- 5% of adults whose main language is not English cannot speak English well or at all. This is hugely significant in terms of how long GP consultation appointments need to be and even where some English is spoken and there is deemed to be no need to book an interpreter (which automatically doubles the length of the appointment), to have a quality consultation can be challenging.
- In South Kilburn, 50.5% of the population identify their religion as Christian, 23.5% Muslim and 13.5% are not followers of a religion, all of which are higher than the borough average.
- 72.1% of South Kilburn residents live in social rented accommodation; only 12% own their own homes.
- Poor health and wellbeing outcomes are often a reflection of wider social and economic inequalities present in society as well as a reflection of poor lifestyles and in some cases ethnic make-up. South Kilburn is in top 10% most deprived nationally. According to the Index of Multiple Deprivation 2010, income deprivation, child poverty and older people deprivation indicators are all significantly worse in South Kilburn than in Brent as a whole.
- 22.4% of South Kilburn residents have no qualifications. 9.9% of the working age population in South Kilburn are unemployed, compared to 5.8% across the whole of Brent. The rate of long term unemployment is more than three times higher in South Kilburn when compared to Brent as a whole (33.4/ 1,000 versus 10.8/ 1,000).

Health Inequalities

- Although life expectancy at birth for the female population of South Kilburn is marginally higher than Brent as a whole (84.8 years versus 84 years), life expectancy at birth for the male population of South Kilburn is 4.3 years less than Brent as a whole (74.7 years versus 79 years).
- In 2011, 7.9% of South Kilburn residents declared their health to be bad or very bad compared to 5.3% across Brent as a whole.

Mortality and Morbidity, Diet and Exercise

- There are considerable concerns over childhood obesity in South Kilburn with 30.3% of Year-6 children being obese compared to only 23% for the whole of Brent. Similarly, 28.1% of the adult population in South Kilburn are obese versus 21.2% of the adult population of Brent as a whole.
- Rates of hospital stay for alcohol related harm are significantly higher in South Kilburn than England and Brent.
- Rates of emergency hospital admissions for all causes, stroke and Chronic Obstructive Pulmonary Disease (COPD) are higher in South Kilburn than for Brent as a whole.
- South Kilburn has high rates of premature mortality (all causes) and much of this appears to be related to circulatory disease in those aged under 75.

GP Practices Profile

- The new SKHC aims to co-locate three existing local GP practices: Blessing Medical Centre (307 Kilburn lane), Kilburn Park Medical Centre (12 Cambridge Gardens) and Peel Precinct Surgery (3 Peel Precinct) within the new facility. Combined, the three practices have 10,885 registered persons (2,270, 6,903 and 1,712 respectively), obviously serving an area wider than just that of South Kilburn.
- Examination of the Quality and Outcomes Framework (QOF) 2011/12 for each of the three practices places all of them in the most deprived decile (all three score 1 out of 10 where 1 is most deprived). Further examination reaffirms the prevalent health inequalities present in South Kilburn. For example, when looking at the average asthma prevalence for all ages across the three practices, 6.6% of registered persons have asthma, compared with 4.9% and 5.9% for Brent as a whole and the England average respectively. Similarly, when looking at depression prevalence for those 18+, an average of 10.2% of registered persons across the three practices suffer from depression, compared with 6.6% for Brent as a whole. See Table 1 below for a comparison of a selection of chronic conditions for each of the three GP practices versus Brent as a whole and also illustrates the variances between practices.

Table 1: Health indicators: three GP Practices versus Brent

Indicator	Blessing Medical Centre	Peel Precinct Surgery	Kilburn Park Medical Centre	Brent
Asthma QOF prevalence (all ages)	5%	9.6%	5.2%	4.9%
Diabetes QOF prevalence (17+)	4.1%	4.4%	4.8%	6.3%
Depression QOF prevalence (18+)	8.9%	7.3%	14.5%	6.6%
Mental Health	2.2%	1.1%	1.8%	1.1%
% reporting a long term mental health problem	1.1%	5.4%	3.3%	3.4%

Source: QOF 2011/12

	Lower than Brent Percentage
	Higher than Brent Percentage

- In order to increase capacity in primary care and to improve patient satisfaction scores, Brent Clinical Commissioning Group (CCG) has commissioned additional bookable appointments via a patient's GP practice in five locality centres on a pilot basis for six months. GP and nurse appointments will be available from 3pm to 9pm Monday to Friday and 9am to 9pm on a Saturday. Within the Kilburn locality, these appointments are being delivered from Kilburn Park Medical Centre on Mondays to Wednesdays. If the pilot is found successful, the programme may be extended.

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

Recommendations in relation to Peel and the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) as part of the South Kilburn regeneration programme will impact on the protected groups as follows:

1. Age:

- The impact of delivering a new fit for purpose health centre for South Kilburn residents as part of the redevelopment of Peel to meet the high health needs of the existing population and the anticipated health needs of the population over time will have a positive impact on the age protected group as age is a major determinant of health need. Children and older people are known to be highest users of health services. With regards to children, children aged 0 to 4 years are generally amongst the highest users of health services, followed by the 5 to 15 years age group. This is largely due to the range of standard interventions during this period of the life cycle, such as immunisation programmes. Just under a quarter (23.8%) of the population of South Kilburn are children aged 0 to 15 years, compared to 20.2% of the population of Brent as a whole. See Table 2 below for a full breakdown of the population of South Kilburn by age group.

Table 2: Breakdown of Population of South Kilburn by Age Group

Age Bands	0 – 15	16-24	25-34	35-44	45-54	55-64	65+
Total	1850	906	1,476	1,298	1,056	527	662
South Kilburn Percentage	23.8%	11.7%	19.0%	16.7%	13.6%	6.8%	8.5%
Brent Percentage	20.2%	12.6%	20.8%	14.8%	12.5%	8.6%	10.5%

Source: Census 2011

	lower than Brent percentage
	higher than Brent percentage

- The percentage of low birth weight births is higher in South Kilburn (9.4%) when compared to the whole of Brent and England (8.5% and 7.4% respectively). As aforementioned, there are considerable concerns over childhood obesity in South Kilburn with 30.3% of Year-6 children being obese compared to only 23% for the whole of Brent. A child who is obese has, amongst other complications, an elevated risk of developing cardiovascular disease as an adult. Furthermore, obesity, after smoking, is the second greatest cause of ill health and preventable disease.
- With regards to older people, higher incidence of many health conditions, disabilities and incapacities such as circulatory diseases, cancers, mental health and respiratory diseases are observed among older people along with high rates of accident and emergency attendance. Whilst the percentage of residents living in South Kilburn aged 65 or over is less than the borough average (8.5% versus 10.5%), the age groups in South Kilburn currently with the highest populations after the 0 to 15 age group are those aged between

35 and 54 years, whose health needs will change as they get older and increase pressure on local health services in the next decade.

Furthermore, it is also noteworthy that health inequality in relation to age is particularly acute for males in South Kilburn. Despite life expectancy from birth increasing for both men and women (which implies longer periods for individuals where health and social care are required), as aforementioned, life expectancy at birth for the male population of South Kilburn is 4.3 years less than Brent as a whole (74.7 years versus 79 years).

- Peel currently comprises 56 residential units (of which 36 are occupied by secure tenants), 16 commercial units, the Sir Robert Peel public house (home to the West Kilburn branch of The Royal British Legion) and South Kilburn Studios, a meanwhile project offering creative traineeships to young people from the local area. In order to deliver a health centre for South Kilburn residents and deliver sufficient residential development to meet the decant requirements of the 36 existing secure tenants living within the site, the redevelopment of Peel does not include replacement commercial units or a replacement premises for the Royal British Legion. The loss of shops and the Royal British Legion as a result of the redevelopment of Peel is likely to be greater for older residents and members of the Royal British Legion. Delivery of retail elsewhere within the South Kilburn masterplan area will mitigate the loss of shops at Peel. Site 18 (Queens Park Station Area) incorporates 1,270m² of commercial frontage along Salusbury Road and Kilburn Lane (uses classes A1/A3/A4). Site 11b incorporates 480m² of commercial frontage along Salusbury Road. A small commercial frontage of 185.3m² will also be developed within the Bond Hicks Bolton development located on the corner of Rupert Road and Albert Road. The impact of the non-replacement of premises for the Royal British Legion cannot be mitigated in any practical way. However, the benefit of new, fit for purpose, quality health facilities for 10,885 patients of the three GP practices will be felt throughout the community.
- The impact of secure tenants having to move from their current homes within Peel and the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) to a replacement home in accordance with allocation policies to be developed to enable their current homes to be brought forward for development as part of the South Kilburn regeneration programme is likely to be greater for older secure tenants. 6 (46%) and 6 (10%) of the secure tenants living in homes in the Post Office Plus Site and Peel or members of their households are aged 65 or over respectively, compared to 10.5% of residents within Brent as a whole. Packing, moving and unpacking is likely to be particularly difficult for such people. Older secure tenants may also suffer greater psychological effects, including stress and uncertainty, for example in relation to having to move and may rely more on neighbours and nearby family for support, and moving home may affect these support networks. To mitigate this, the Council will ensure that the South Kilburn Re-housing Team will help each secure tenant through the re-housing process. This will include identifying secure tenants' re-housing needs and requirements, informing them about the re-housing and move process, keeping them updated with the project and move timescales and supporting residents throughout the whole process. The Re-housing Team will be able to allocate additional support and services to

assist older secure tenants when moving home. For example, offering a packing and unpacking service to help older secure tenants with the move.

- As with previous phases of the South Kilburn regeneration programme, secure tenants with homes in Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and Peel will be made a suitable offer of alternative accommodation, depending on their household make up. From a point of view of age, older secure tenants who are single or in a couple, whose children have left home and who are currently occupying a large home will be offered a smaller home that meets their current housing need. For younger secure tenants who are single or in a couple with children who are over-crowded in their current homes within the Post Office Plus Site or Peel redevelopment site will be offered a new property that meets their housing need. This would be a positive impact to reduce overcrowding.
- Secure tenants that move to a new home built as part of the South Kilburn regeneration programme will pay higher rents than on their current home, as the rents charged by Registered Providers (who own and manage new affordable homes delivered as part of the South Kilburn regeneration programme), known as target rents; will be higher than those charged by the Council. Although Council rents are scheduled to converge with target rents in 2015-16, the rent levels on the new replacement dwellings will continue to be higher than the rent on their current home, as the target rent takes account of the size, location and condition of a dwelling. The impact on secure tenants of paying higher rents on new build homes within South Kilburn than they currently pay to the Council on their existing home is likely to have less of an impact on older secure tenants who are in receipt of benefits as they will be not be affected by the introduction of a Universal Credit being introduced as part of the Welfare Reform Act 2013.
- The impact of leaseholders having to move from their current homes within the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and the Peel redevelopment site and find their own replacement housing, to enable redevelopment of their current home as part of the South Kilburn regeneration programme is also likely to be greater for older leaseholders. To mitigate this, to assist owner occupier leaseholders who have been resident for 12 months prior to the date of eligibility, officers will offer practical, non financial help to assist leaseholders in finding and purchasing another property that may be near to the regeneration area or in another part of Brent. The level of help will be assessed on a case by case basis, in accordance with needs, and may include (but is neither guaranteed to include nor restricted to) the provision of information on how to purchase a property on the open market such as find solicitors, surveyors etc., information on any other leasehold properties Brent knows are for sale or help to find another property in Brent.

2. Disability

- The impact of delivering a new fit for purpose health centre as part of the redevelopment of Peel to meet the high health needs of the existing population and the anticipated health needs of the population over time will have a positive impact on the disability protected group as people with

disabilities are more likely to suffer from epilepsy, coronary heart disease, schizophrenia, respiratory disease, dementia, diabetes and sensory impairments than the rest of the general population and rely on access to quality health facilities.

- 17.2% of the population of South Kilburn have a limiting long term illness or disability, compared with 14.4% of the population of Brent as a whole. The 2011 Census noted that 6.7% of the South Kilburn working age population is economically inactive due to being long term sick or disabled, compared to 3.9% of Brent as a whole.
- The impact of secure tenants having to move from their current homes in Peel and the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) to a replacement home in accordance with bespoke allocation policies to be developed, to enable their current homes to be brought forward for development as part of the South Kilburn regeneration programme, is likely to be greater for secure tenants with a disability. Packing, moving and unpacking is likely to be particularly difficult for such people. Secure tenants with a disability may also suffer greater psychological effects, including stress and uncertainty. Further, secure tenants with a disability may rely more on neighbours and nearby family for support, and moving home may affect these support networks. To mitigate this, the South Kilburn Re-housing Team will offer additional support to secure tenants with a disability, similar to that described above in relation to older secure tenants. Replacement properties will be adapted in accordance with Occupational Therapist's assessments of the individual secure tenant or a member of their household.
- The impact of having to move from their current home within Peel and the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) as part of the South Kilburn regeneration programme, may be particularly difficult for secure tenants who suffer from mental illness. Where secure tenants have mental health difficulties the South Kilburn Re-housing Team will work with the secure tenants' existing support network/carers/GP to ensure that the necessary support and care is provided.

3. Gender Reassignment

- It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

4. Marriage and Civil Partnership

- It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5. Pregnancy and Maternity

- The impact of delivering a new fit for purpose health centre for South Kilburn residents as part of the redevelopment of Peel will have a positive impact on

the pregnancy and maternity protected group. 8% of the population of South Kilburn is aged 0 to 4. As aforementioned, the percentage of low birth weight births is higher in South Kilburn (9.4%) when compared to the whole of Brent and England (8.5% and 7.4% respectively). Ante-natal care and screening services are currently offered by all three GP practices in accordance with local guidelines. Complementary services such as baby clinics could be delivered within the new SKHC to enable parents with young babies access to health visitors to help with any issues or worries about their young family.

- The impact of secure tenants having to move from their current homes in Peel and the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) to enable their current home to be brought forward for development as part of the South Kilburn regeneration programme, is likely to be greater for pregnant women and women on maternity leave, than for other secure tenants. Packing, moving and unpacking is likely to be difficult for pregnant women and women on maternity leave. To mitigate this, the South Kilburn Re-housing Team will offer additional support to secure tenants who are pregnant or on maternity leave, similar to that described above in relation to older secure tenants.

6. Race

- Table 3 below provides a summary of the ethnicity of the population of South Kilburn.

Table 3: South Kilburn Ethnicity Breakdown

Ethnic Group	White	Mixed/ multiple ethnic groups	Asian/ Asian British	Black/African/ Caribbean/ Black British	Chinese or other ethnic group
Total	2,575	546	891	3,057	706
South Kilburn Percentage	33.1	7.0	11.5	39.3	9.1
Brent Percentage	36.3	5.1	33.0	18.8	6.8

Source: Census 2011



- As per the above chart, the impact of the recommendations being sought in relation to the South Kilburn regeneration programme will be felt by an above-average number of residents from BAME backgrounds, when compared with the ethnic profile of the borough. It is not considered that this impact, which is itself a statistical consequence of the ethnic profile of South Kilburn, can be mitigated in any practical way.

7. Religion or Belief

- Table 4 below provides a summary of the religion of the population of South Kilburn.

Table 4: South Kilburn Religion Breakdown

Religion	Has religion	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh
Total	6,094	3,930	60	179	44	1,830	4
Percentage	78.4	50.5	0.8	2.3	0.6	23.5	0.1
Brent Percentage	82.5	41.5	1.4	17.8	1.4	18.6	0.5

Source: Census 2011

	lower than Brent percentage
	higher than Brent percentage

- As per the above chart, the impact of the recommendations being sought in relation to the South Kilburn regeneration programme will be felt by an above-average number of residents from Christian and Muslim faiths, when compared with the religious breakdown of the borough. It is not considered that this impact, which is itself a statistical consequence of the religious breakdown of South Kilburn, can be mitigated in any practical way.

8. Sex

- As noted above, South Kilburn has almost equal split between males and females (50.1% versus 49.9%).
- In terms of recommendations in relation to the new SKHC, although life expectancy at birth for female population of South Kilburn is marginally higher than Brent as a whole (84.8 years versus 84 years), life expectancy at birth for the male population of South Kilburn is 4.3 years less than Brent as a whole (74.7 years versus 79 years).
- According to data on file, 47% of households in the Post Office Plus Site and the Peel redevelopment site are occupied by a single female adult compared to 26% of households being occupied by a single male adult. Thus, the impact of the recommendations being sought in relation to these sites within the South Kilburn regeneration programme are likely to be greater for female secure tenants than male secure tenants. However, it is not considered that this impact, which is itself a statistical consequence of the household composition profile of South Kilburn, can be mitigated in any practical way. The South Kilburn regeneration programme aims to achieve a substantial improvement in the living conditions of existing tenants as well as delivering wider benefits such as improved open spaces, new shops, new health facilities and a new consolidated school. Once the initial upheaval of moving is over, the regeneration would have a positive impact on female secure tenants.

9. Sexual Orientation

- It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

Please give details of the evidence you have used:

- Census 2011
- Public Health England Local Health Report Brent 034 (MSOA (2011))
- Brent Health and Wellbeing Strategy 2008 – 2018
- Kilburn Locality Profile 2012
- National General Practice Profiles (The Network of Public Health Observatories)
- Index of Multiple Deprivation 2010
- With regards to the impact of the recommendations on secure tenants living within the affected sites, further evidence will be collated from the responses to the statutory consultation that will be undertaken on the Council's proposals to apply to the Secretary of State for use of Ground 10A of the Housing Act 1985, to make a Compulsory Purchase Order (CPO) on properties in the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and Peel that are currently occupied by secure tenants and consultation in connection with a draft allocation policies for both sites. The Council will consider the comments it receives as part of these consultation processes and will report back detailing the outcome of these statutory consultations. This Equality Analysis will also be reviewed in the light of comments made in consultation.

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

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

The South Kilburn regeneration scheme proposes a phased redevelopment of the majority of the current housing stock by prioritising the redevelopment of the worst quality blocks and delivering new homes within a higher quality, better managed and more connected place. The proposition is for traditional street patterns, front doors, high quality domestic materials, and retail and community space in the right locations. The South Kilburn regeneration scheme also proposes new health facilities that meet the health needs of the existing population as well as the anticipated health needs of the increased population and a new consolidated school.

We aim to ensure that the South Kilburn regeneration programme will meet the varied individual needs and expectation of residents with homes due for demolition as part of the South Kilburn regeneration programme. The new homes in South Kilburn are available to secure tenants within South Kilburn regardless of their ethnicity, nationality or national origin, age, gender, sexuality, disability or faith. Homes are designed to Lifetime Homes standards and the London Housing Design Guide. A proportion of the new homes are designed to be wheelchair adaptable while the allocation process considers the housing needs of secure tenants in terms of providing aids/adaptations to their new home, where required. Similarly, access to the new SKHC will be available to residents regardless of the

ethnicity, nationality or national origin, age, gender, sexuality, disability or faith.

(b) Advance equality of opportunity;

We also aim to ensure that everyone has equal access to services, regardless of their protected characteristics. We recognise the services provided to South Kilburn residents must be relevant, responsive and sensitive and that the Council must be fair and equitable in its provision of services to residents.

(c) Foster good relations

South Kilburn Neighbourhood Trust, a local regeneration charity working to bring about lasting change for the communities of South Kilburn, through its widening participation, seeks to find ways of involving and engaging with all local residents, particularly those who traditionally are 'hard to reach'.

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

Please refer to stage 3 of the guidance.

South Kilburn Regeneration Programme

There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of South Kilburn are developed and delivered.

Post Office Plus Site & Peel

As part of the study undertaken to confirm the deliverability and financial feasibility of progressing the comprehensive redevelopment of Peel to deliver a health centre, consultation with local residents and health stakeholders was undertaken. A summary of the feedback received at the consultation events held on 7th, 18th and 26th March and 19th April 2013 is attached at Appendix 8 of the Executive report.

If approved by the Executive, officers will undertake consultation to seek views from secure tenants with homes in the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and Peel on the Council's proposals to apply to the Secretary of State for use of Ground 10A of the Housing Act 1985, to make a CPO on properties in these redevelopment sites that are currently occupied by secure tenants and consultation in connection with the development of bespoke allocation policies to enable their current homes to be brought forward for development as part of the South Kilburn regeneration programme. The Council will consider the comments it receives as part of these consultation processes and will report back detailing the outcome of these statutory consultations in due course.

As part of the design and planning processes for the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and Peel, meaningful and robust consultation strategies will be developed and

delivered to ensure residents and other stakeholders have an opportunity to inform the detailed design with the new developments. Similar to consultation undertaken on phases already delivered in South Kilburn, this is likely to involve a series of public events and design workshops.

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

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

The non-replacement of shops and the Royal British Legion as a result of the redevelopment of Peel may have a negative impact on the age protected group. As aforementioned, delivery of retail elsewhere within the South Kilburn masterplan area will mitigate the non-replacement of shops at Peel. Site 18 (Queens Park Station Area) incorporates 1,270m² of commercial frontage along Salusbury Road and Kilburn Lane (uses classes A1/A3/A4). Site 11b incorporates 480m² of commercial frontage along Salusbury Road. A small commercial frontage of 185.3m² will also be developed within the Bond Hicks Bolton development located on the corner of Rupert Road and Albert Road.

The non-replacement of the 16 existing commercial premises at Peel will have a negative impact on the owners and employees of the businesses that operate from these commercial premises presently. This may be in part mitigated by the delivery of retail elsewhere within the South Kilburn masterplan, as outlined above, which will create employment opportunities. Furthermore, where commercial premises at Peel are held under long leasehold, compensation will be paid in accordance with CPO law which states that, compensation following a compulsory acquisition of land is based on the principle of equivalence. This means that a long leaseholder should be no worse off in financial terms after the acquisition than before. Likewise, the long leaseholder should not be any better off.

The impact of the non-replacement of premises for the Royal British Legion cannot be mitigated in any practical way. However, the benefit of new, fit for purpose, quality health facilities for 10,885 patients of the three GP practices will be felt throughout the community.

Recommendations in relation to Peel seek to set rent levels for the affordable units at a rent equivalent to the HCA target rent level, once complete, may also have a negative impact on protected group(s). Some secure tenants who are allocated a new replacement home in South Kilburn may be adversely affected by the increased rent they will be required to pay for their new home. The landlord of the new affordable homes built as part of the South Kilburn regeneration programme will be owned and managed by Registered Providers. The rents charged by Registered Providers, known as target rents are higher than those charged by the Council. Setting rent levels at target rents to reflect the fact that the regeneration

programme will not be in receipt of grant funding that was previously relied upon. Instead, homes for rent will be cross-subsidised by building homes for private sale. Charging target rents was seen as the only realistic way of affording the whole regeneration programme without grant funding that would require new 'Affordable Rent', at 80% of market rent, to be charged. Under the government's rent convergence policy, council rents will converge with target rents, whereby convergence is forecast for 2015-16. However, once convergence is reached, rent levels should be similar for council and Registered Provider properties of a similar size, location and condition. Rents charged for new build properties such as those being build as part of the South Kilburn regeneration programme are likely to be higher than the rents on existing dwellings in the same area. The bespoke allocation policies for the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and Peel will reference this rent increase. However, the overall rise in rents nevertheless provide good value for money as secure tenants are moving into brand new properties. It is also noted that tenants whose rent is met by housing benefit are likely to continue to have their rent met by housing benefit in part/full in their new home (subject to any change in circumstances and the impact of the welfare reforms)

Please give details of the evidence you have used:

See above

7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

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

8. The Findings of your Analysis

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

No major change

Adjust the policy

Continue the policy

The rationale for continuing the regeneration of the South Kilburn is clear; South Kilburn is identified as a priority for driving economic opportunity and regeneration within Brent – 2010-2014 (Brent Borough Plan). The Regeneration Strategy for 2010-2030 identifies the transformational change of South Kilburn within strategic priority 1. South Kilburn has been identified as a growth area within the Local Development Framework Core Strategy, proposing that the area can accommodate up to 2,500 new homes, including the re-provision of homes for existing tenants.

The Council will consider the potential impact the allocation policies to be developed for the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and Peel may have on secure tenants with homes in these redevelopment sites. The comments received as part of the statutory consultation processes that will be undertaken in relation to the development of these allocation policies will be collated into a consultation report which will be presented to the Executive in due course.

Stop and remove the policy

9. Monitoring and review

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

Updates on the South Kilburn regeneration programme are provided regularly which include equalities analysis. This approach will continue going forward. This equality analysis will be reviewed following feedback from the current consultation process.

10. Action plan and outcomes

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

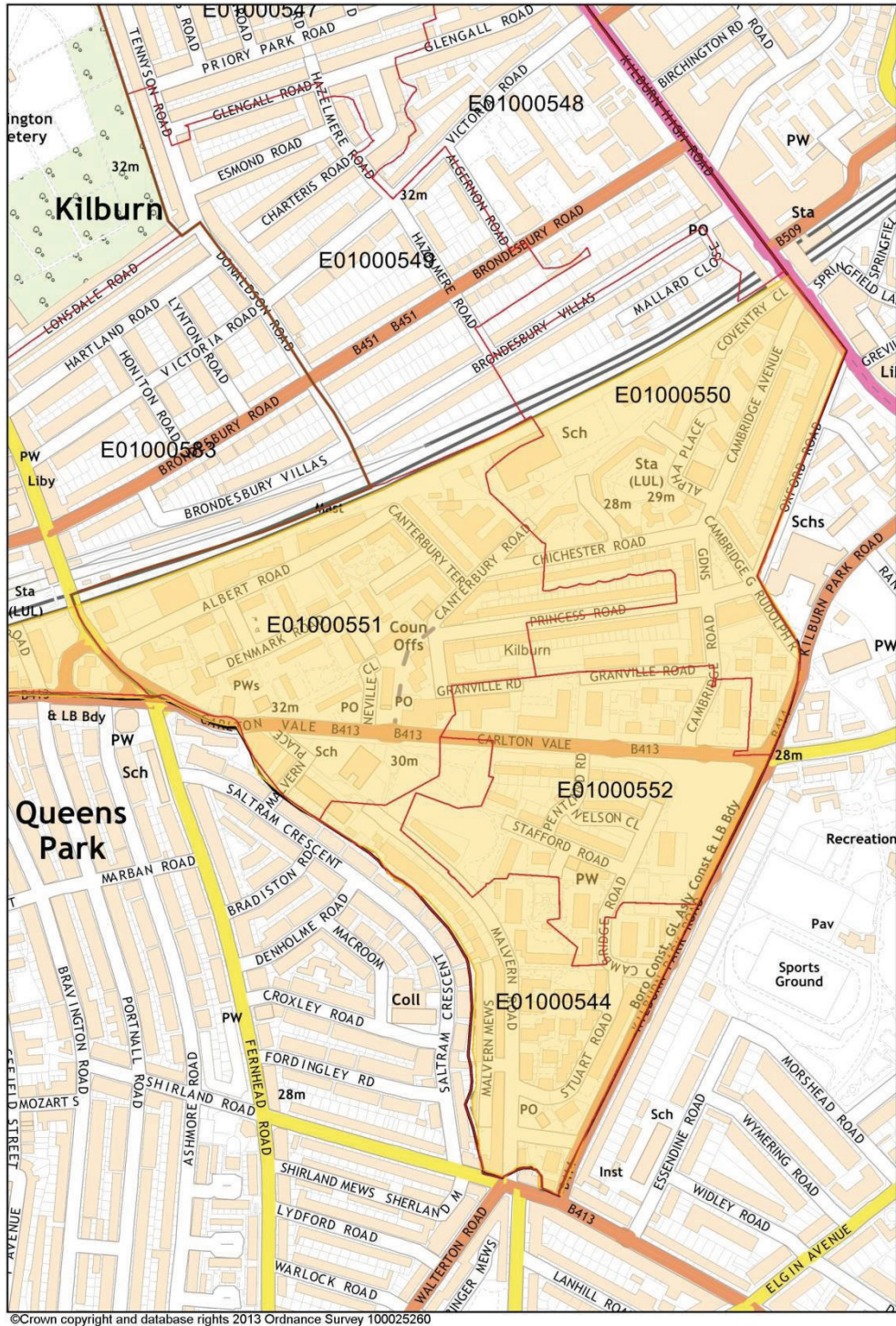
Use the table below to record any actions we plan to take to address inequality, barriers or opportunities identified in this analysis.

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
Develop allocation policies and take into consideration comments received from statutory consultation	Jan 2014	Noreen Twomey	Clear policies for the allocation of replacement homes for secure tenants in the Post Office Plus Site (subject to the Council entering into a Collaboration Agreement with Woodville Properties) and the Peel redevelopment site, South Kilburn Clear strategy in terms of legal tools used to take possession of homes occupied by secure tenants within these redevelopment sites.		

Please forward to the Corporate Diversity Team for auditing.

Appendix 1: Map of South Kilburn Lower Super Output Areas

South Kilburn LSOAs



1:6000

0 0.05 0.1 kilometres



Introduction

The aim of this guidance is to support the Equality Analysis (EA) process and to ensure that Brent Council meets its legal obligations under the Equality Act 2010. Before undertaking the analysis there are three key things to remember:

- It is very important to keep detailed records of every aspect of the process. In particular you must be able to show a clear link between all of your decisions and recommendations and the evidence you have gathered.
- There are other people in the council and in your own department who have done this before and can offer help and support.
- The Diversity and Consultation teams are there to advise you.

The Equality Act 2010

As a Public Authority, Brent Council is required to comply with the Public Sector Equality Duty (PSED) contained in the Equality Act 2010. These duties require Brent Council to have 'due regard' to the need to

- Eliminate discrimination, be it direct or indirect discrimination
- Advance equality of opportunity between persons who share a relevant protected characteristic and others who do not share it; and
- Foster good relations between people who share a protected characteristic and those who do not share it

The equality duty covers:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Marriage and civil partnership (direct discrimination only)
- Race
- Religion or belief
- Sex (formally known as gender)
- Sexual orientation

What is equality analysis?

Equality Analysis is core to policy development and decision making and is an essential tool in providing good services. Its purpose is to allow the decision maker to answer two main questions.

- Could the policy have a negative impact on one or more protected groups and therefore create or increase existing inequalities?
- Could the policy have a positive impact on one or more protected groups by reducing or eliminating existing or anticipated inequalities?

What should be analysed?

Due consideration of the need for an Equality Analysis should be addressed in relation to all policies, practices, projects, activities and decisions, existing and new.

There will be some which have no equalities considerations, but many will. Where an EA is undertaken, some policies are considered a higher risk than others and will require more time and resources because of their significance. This would include:

- Policies affecting a vulnerable group such as young people, the elderly and people with a disability
- Policies related to elective services such as Sports Centres or Libraries
- High profile services
- Policies involving the withdrawal of services
- Policies involving significant reductions in funding or services
- Policies that affect large groups of people
- Policies that relate to politically sensitive issues

It can sometimes be difficult to identify which policies are more sensitive. If you are in doubt seek advice from a more senior officer or the Diversity Team.

When should equality analysis be done?

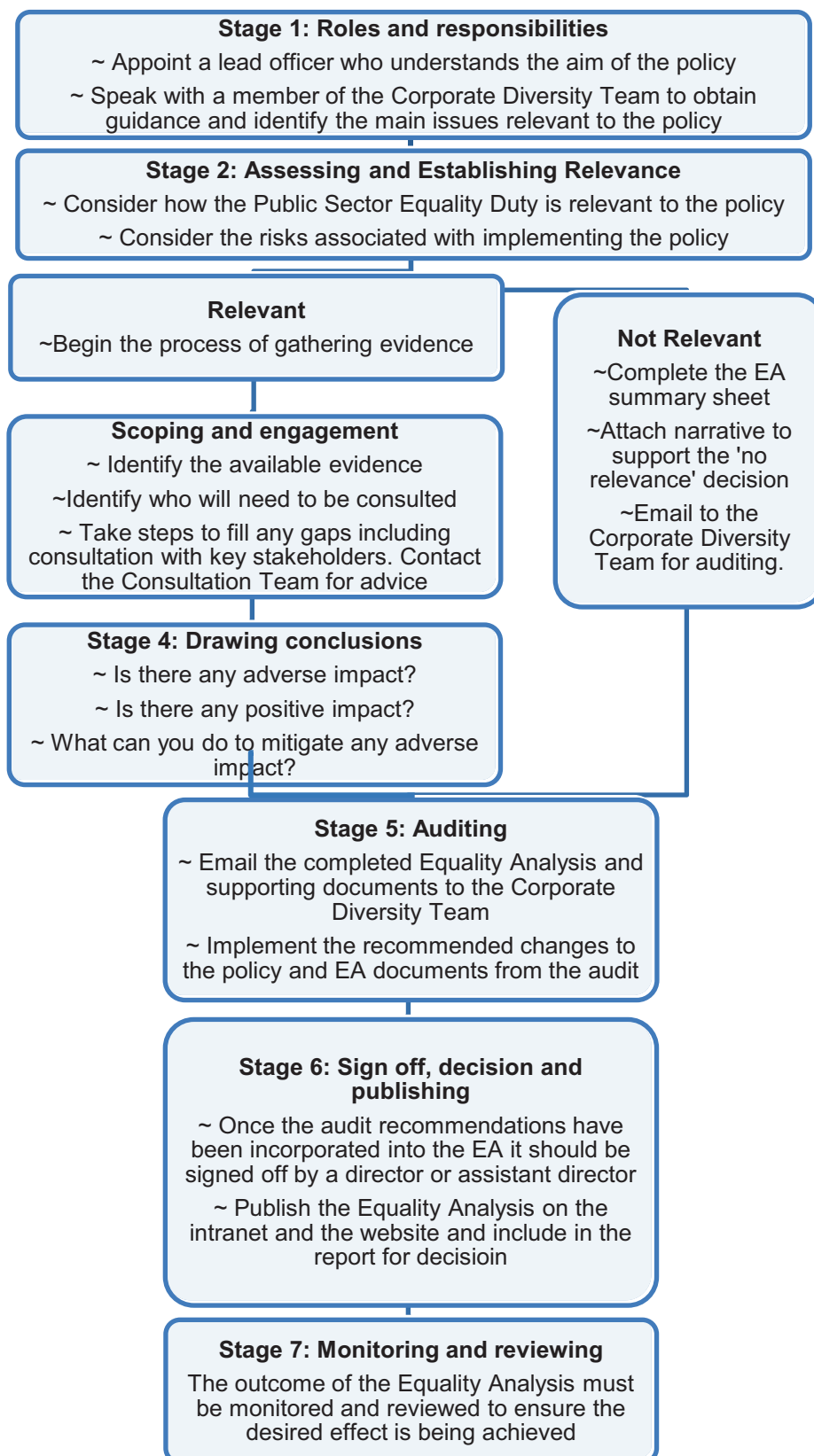
The EA must be completed before the policy is sent to the decision maker but should be carried out at the earliest possible stage. The advantage of starting early is that the equalities data informs and shapes the policy as it develops and progresses and this allows more time to address issues of inequality. You should also bear in mind that several changes may be happening at the same time. This would mean ensuring that there is sufficient relevant information to understand the cumulative effect of all of these decisions.

Positive action

Not all policies can be expected to benefit all groups equally, particularly if they are targeted at addressing particular problems affecting one protected group. (An example would be a policy to improve the access of learning disabled women to cancer screening services.) Policies like this, that are specifically designed to advance equality, will, however, also need to be analysed for their effect on equality across all the protected groups.

Brent Council's Equality Analysis Process

This flow chart sets out the process for carrying out an EA. Details on each stage of the process follow. Please note that it may be necessary to consult the Corporate Diversity team at each stage and that Legal may also need to be involved. This should be factored in to the time scale.



Stage 1: Roles and Responsibilities

The first stage in the process is to allocate the following roles.

Role	Responsibilities and tasks
Decision maker - the person or group making the policy decision (e.g. CMT/Executive/Chief Officer).	<ul style="list-style-type: none"> • Check that the analysis has been carried out thoroughly: • Read and be familiar with the EA and any issues arising from it and know, understand and apply the PSED. (The evidence on which recommendations are based must be available to this person.) • Take account of any countervailing factors e.g. budgetary and practical constraints
The officer undertaking the EA	<ul style="list-style-type: none"> • Contact the Corporate Diversity and Consultation teams for support and advice • Develop an action plan for the analysis • Carry out research, consultation and engagement if required • Develop recommendations based on the analysis • Submit the EA form to the Diversity team for audit with the evidence and any other relevant documents including the report the EA will be attached to • Incorporate the recommendations of the audit • Include the Equalities Analysis in papers for decision-makers
The Corporate Diversity Team. Usually an individual officer will be assigned at the start of the process	<ul style="list-style-type: none"> • Provide support and advice to the responsible officer • Carry out the audit of the EA to monitor quality standards and ensure it is sufficiently rigorous to meet the general and public sector duties. • Return the analysis to the responsible officer for further work if it fails to meet the necessary standard • Consult Legal if necessary (this stage of the process will take at least 5 days)
The council officer responsible for signing off the EA. Usually a senior manager within the relevant directorate	<p>Ensure:</p> <ul style="list-style-type: none"> • That the EA form is completed • That any issues raised as part of the auditing process have been fully dealt with • That the EA, the evidence used and any issues arising from the analysis are brought to the attention of the decision maker • Ensure that the findings are used to inform service planning and wider policy development.

Stage 2: Assessing and Establishing Relevance

We need to ensure that all of our policies and key decisions, both current and proposed, have given appropriate consideration to equality. Consideration of the need for an EA needs to be given to all new policies; all revised policies, all key decisions and changes to service delivery need an EA. Those that are more relevant will require more resources and data.

The following questions can help you to determine the degree of relevance, but this is not an exhaustive list:

Key Questions:

- Does the policy have a significant effect in terms of equality on service users, employees or the wider community? Remember that relevance of a policy will depend not only on the number of those affected but also by the significance of the effect on them.
- Is it a major policy, significantly affecting how functions are delivered in terms of equality?
- Will it have a significant effect on how other organisations operate in terms of equality?
- Does the policy relate to functions that previous engagement has identified as being important to particular protected groups?
- Does or could the policy affect different protected groups differently?
- Does it relate to an area with known inequalities (for example, access to public transport for disabled people, racist/homophobic bullying in schools)?
- Does it relate to an area where equality objectives have been set by Brent Council?

If the answer to any of the above is “yes”, you will need to carry out an Equalities Analysis.

“Not relevant”

If you decide that a policy does not impact on any of the equality needs contained in the public sector equality duty, you will need to:

- Document your decision, including the reasons and the information that you used to reach this conclusion. **A simple statement of no relevance to equality without any supporting information is not sufficient, nor is a statement that no information is available.** This could leave you vulnerable to legal challenge so obtaining early advice from the Corporate Diversity team would be helpful.
- Complete the EA Form and send it to the Corporate Diversity Team for auditing. If the Corporate Diversity Team advises that policy is relevant then you will need to continue the EA process (See flowchart). If the Corporate Diversity Team advises that the policy is not relevant then you will need to have it signed off, publish it and put in place monitoring arrangements for the policy.

Stage 3: Scoping

Scoping establishes the focus for the EA and involves carrying out the following steps:

- Identify how the aims of the policy relate to equality and which aspects have particular importance to equality.
- Identify which protected groups and which parts of the general equality duty the policy will, or is likely to, affect.
- Identify what evidence is available for the analysis, what the information gaps are, and establish which stakeholders can usefully be engaged to support the analysis.

Think about:

- The purpose of the policy, and any changes from any existing policy
- The reason for the policy
- The context
- The beneficiaries
- The intended results

At this early stage you should start to think about potential effects on protected groups. This could mean that you decide to change your overall policy aims or particular aspects of the policy in order to take better account of equality considerations. It is often easier to do this at an earlier stage rather than having to reconsider later on in the process.

Sources of information

It is important to have as much up-to-date and reliable information as possible about the different groups likely to be affected by the existing or proposed policy. The information needed will depend on the nature of the existing or proposed policy, but it will probably include many of the items listed below:

- The Brent Borough profile for demographic data and other statistics
- Census findings; the 2011 census data will be available during 2012
- Equality monitoring data for staff and/or service users
- Reports and recommendations from inspections or audits conducted on service areas
- Previous reports that have been produced either on a similar topic or relating to the same service user group
- Responses to public enquiries on similar topics e.g. Freedom of Information requests
- Comparisons with similar policies in other departments or authorities to help you identify relevant equality issues.
- Analysis of enquiries or complaints from the public to help you understand the needs or experiences of different groups.
- Recent research from a range of national, regional and local sources to help you identify relevant equality issues.
- Results of engagement activities or surveys to help you understand the needs or experiences of different groups.

- Local press and other media. This will tell you whether there is public concern about possible equalities implications and help you to highlight issues for engagement

Many of these sources will be consulted as a matter of course when reviewing or developing a policy. Equalities considerations are one part of the policy process, not an extra.

Service user information

The type of information you need will depend on the nature of the policy. However, information relating to service users is usually essential. Consider:

- The full range of information that you already have about the user group e.g. information contained within service reviews, audit reports, performance reviews, consultation reports
- Who actually uses the service?
- When do they use it?
- How do they use it and what are their experiences?
- Are there alternative sources of provision that could be accessed?
- Who will be using the service in the future?
- Information from groups or agencies who deliver similar services to your target group e.g. survey results from voluntary and community organisations.

Identify your information gaps

If you do not have equality information relating to a particular policy or about some protected groups, you will need to take steps to fill in your information gaps. This could mean doing further research, undertaking a short study, conducting a one off survey or consultation exercise, holding a focus group etc.

Engagement

The Consultation team are available to advise on all aspects of engagement. You may wish to carry out engagement, which can help you to:

- Gather the views, experiences and ideas of those who are, or will be, affected by your decisions.
- Base your policy on evidence rather than on assumptions
- Check out your ideas
- Find solutions to problems and develop ways to overcome barriers faced by particular groups.
- Design more appropriate services,
- Monitor and evaluate the success of your policies and understand where improvements may be necessary.
- Avoid the costs of remedying and adapting services after their implementation
- Pre-empt complaints, which can be costly and time-consuming.

But remember you don't always have to consult or embark upon engagement if you already have enough information to assess the likely impact of the policy change on the equality needs, and if there is no other legal duty to consult. This engagement

can form part of the broader consultation being carried out around service changes. You can also use recent engagement and research activities as a starting point, for example on a related policy or strategy and you can use documentation resulting from other equality analysis that Brent Council (or others) have undertaken.

For your engagement to be effective you will need to:

- Think carefully about who you should engage with. You will need to prioritise those who are most likely to be affected by the policy and those who will experience the greatest impact in terms of equality and good relations.
- In regard to people with a disability, as good practice it is recommended that they should be actively involved in engagement activity which directly affects them or the services that they receive.
- Make sure that the level of engagement is appropriate to the significance of the policy and its impact on equality
- Consider what questions you will need to ask, in order to understand the effect of the policy on equality. If you find it difficult to frame suitable questions you may take advice from the Corporate Diversity and Consultation teams
- Link into existing forums or community groups or to speak with representatives to help you reach less visible groups or those you have not engaged with before.
- Create opportunities for people to participate in supportive and safe environments where they feel their privacy will be protected, or via technology such as the internet
- Think of strategies that address barriers to engagement. Other people in the council have experience of this and can advise, as can the Corporate Diversity team and the Consultation team.

Stage 4: Drawing conclusions

You will need to review all of the information you have gathered in order to make a judgement about what the likely effect of the policy will be on equality, and whether you need to make any changes to the policy.

You may find it useful to ask yourself “What does the evidence (data, consultation outcomes etc.) tell me about the following questions”:

- Could the policy outcomes differ between protected groups? If so, is that consistent with the policy aims?
- Is there different take-up of services by different groups?
- Could the policy affect different groups disproportionately?
- Does the policy miss opportunities to advance equality and foster good relations, including, for example, participation in public life?
- Could the policy disadvantage people from a particular group?
- Could any part of the policy discriminate unlawfully?
- Are there other policies that need to change to support the effectiveness of the policy under consideration?

If the answer to any of the above is "yes", you should consider what you can do to mitigate any harmful effects. Advice from the Diversity team will be particularly helpful at this stage.

You will also want to identify positive aspects of the policy by asking yourself:

- Does the policy deliver practical benefits for protected groups?
- Does the policy enable positive action to take place?
- Does the policy help to foster good relations between groups

Having considered the potential or actual effect of your policy on equality, you should be in a position to make an informed judgement about what should be done with your policy.

There are four main steps that you can take:

- **No major change**
- **Adjust the policy**
- **Continue the policy**
- **Stop and remove the policy**

(please see EA form for detailed descriptions of each decision)

Decisions may involve careful balancing between different interests, based on your evidence and engagement. For example, if the analysis suggests the needs of two groups are in conflict, you will need to find an appropriate balance for these groups and for the policy in question. The key point is to make sure the conclusions you reach can be explained and justified. Speak to the Diversity team if you are unsure. As a result of your analysis you may need to develop new equality objectives and targets. These should be documented on the EA form.

Stage 5: Auditing

Once you have completed the EA you will need to complete the EA Form and send it to the Corporate Diversity Team for auditing. It is important to ensure that the EA Form is completed as fully as possible. Documenting all of your analysis is important to ensure that you can show how the general and specific duties are being met. This aspect of the analysis has been subject to legal challenge so you need to be able to show how you reached your conclusions. The audit process involves the Corporate Diversity Team reviewing the completed form, the information and evidence. Sometimes this may require advice from Legal. You need to bear in mind that this will take at least five days. The team will send you back a feedback form with comments and recommendations which you will need to action prior to the sign off of the form.

Stage 6: Sign Off, Decision and Publishing

Once the EA Form is completed, the document must be signed off and the completed document must be sent to the Corporate Diversity Team to be published on the council website.

Decision-making

In order to have due regard to the aims of the public sector equality duty, decision-making must be based on a clear understanding of the effects on equality. This means that Directors, CMT and others who ultimately decide on the policy are fully aware of the findings of the EA and have due regard to them in making decisions. They are also entitled to take into account countervailing factors such as budgetary and practical constraints.

Stage 7: Monitoring and Reviewing

Your EA, and any engagement associated with it, will have helped you to anticipate and address the policy's likely effects on different groups. However, the actual effect of the policy will only be known once it has been introduced. You may find that you need to revise the policy if, for instance:

- Negative effects do occur
- Area demographics change, leading to different needs,
- Alternative provision becomes available
- New options to reduce an adverse effect become apparent

You will need to identify a date when the policy will be reviewed to check whether or not it is having its intended effects. This does not mean repeating the EA, but using the experience gained through implementation to check the findings and to make any necessary adjustments. Consider:

- How you will measure the effects of the policy?
- When the policy will be reviewed (usually after a year) and what could trigger an early revision (see above)?
- Who will be responsible for monitoring and review?
- What type of information is needed for monitoring and how often it will be analysed?
- How to engage stakeholders in implementation, monitoring and review?

Section 3: Glossary

Civil partnership: Legal recognition of a same-sex couple's relationship. Civil partners must be treated the same as married couples on a range of legal matters.

Direct discrimination: This refers to less favourable treatment of one individual, if, because of that person's protected characteristic, that person is treated less favourably than another. Direct discrimination cannot be justified unless it is discrimination on the grounds of age.

Disability: A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.

Equality information: The information that you have (or that you will collect) about people with protected characteristics that will help you to show compliance with the equality duty. This may include the findings of engagement with protected groups and others and evidence about the effect of your policies on protected groups. It includes both qualitative and quantitative information, as well as evidence of analysis you have undertaken.

Gender reassignment: This is the process of transitioning from one sex to another. See also trans, transgender, transsexual.

Harassment: Unwanted conduct related to a protected characteristic that has the purpose or effect of violating a person's dignity or creates an intimidating, hostile, degrading, humiliating or offensive environment. It may also involve unwanted conduct of a sexual nature or be related to gender reassignment or sex.

Indirect discrimination: This is when a neutral provision, criterion or practice is applied to everyone, but which is applied in a way that creates disproportionate disadvantage for persons with a protected characteristic as compared to those who do not share that characteristic, and cannot be shown as being a proportionate means of achieving a legitimate aim.

Mitigation: This is when measures are put in place that lessen the negative effects of a policy or policies on protected groups.

Objective justification: Your provision may indirectly discriminate against a particular group if:

- It is a proportionate means to achieve a legitimate end
- The discrimination is significantly outweighed by the benefits
- There is no reasonable alternative to achieve the legitimate end

For example, some employers have policies that link pay and benefits to an employee's length of service, such as additional holiday entitlement for long-serving employees. This may indirectly discriminate against younger people who are less likely to have been employed for that length of time, but in most circumstances it is seen as being a proportionate way of encouraging staff loyalty.

Direct discrimination on the grounds of age can also be objectively justified (no other direct discrimination can be).

Positive action: Lawful actions that seeks to overcome or minimise disadvantages that people who share a protected characteristic have experienced, or to meet their different needs (for example, providing mentoring to encourage staff from under-represented groups to apply for promotion).

Pregnancy and Maternity: Pregnancy is the condition of being pregnant. Maternity is the period after giving birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, including as a result of breastfeeding.

Proportionality: The weight given to equality should be proportionate to its relevance to a particular function. This may mean giving greater consideration and resources to functions or policies that have the most effect on the public or on employees.

Race: This refers to a group of people defined by their colour, nationality (including citizenship), ethnic or national origins.

Reasonable adjustment: Public authorities making adjustments to the way in which they carry out their functions so that disabled people are not disadvantaged by the way in which those functions are carried out. This is with regard to policies, practices or procedures, premises, and the provision of auxiliary aids or services.

Relevance: How far a function or policy affects people, as members of the public, and as employees of the authority. Some functions may be more relevant to some protected groups than to others, and to one or more of the three elements of the general equality duty. The function or policy may still be relevant if the numbers affected by it are very small.

Religion or belief: Religion means any religion, including a reference to a lack of religion. Belief includes religious and philosophical beliefs including lack of belief (for example, Atheism). Generally, a belief should affect your life choices or the way you live for it to be included.

Sexual orientation: This is whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.

Trans: The terms 'trans people' and 'transgender people' are both often used as umbrella terms for people whose gender identity and/or gender expression differs from their birth sex, including transsexual people (those who propose to undergo, are undergoing or have undergone a process of gender reassignment to live permanently in their acquired gender), transvestite/cross-dressing people (those who wear clothing traditionally associated with the other gender either occasionally or more regularly), androgyne/polygender people (those who have non-binary gender identities and do not identify as male or female), and others who define as gender variant.

Transgender: An umbrella term for people whose gender identity and/or gender expression differs from their birth sex. They may or may not seek to undergo gender reassignment hormonal treatment/surgery. Often used interchangeably with trans.

Transsexual: A person who intends to undergo, is undergoing or has undergone gender reassignment (which may or may not involve hormone therapy or surgery). Transsexual people feel the deep conviction to present themselves in the appearance of the opposite sex. They may change their name and identity to live in the preferred gender. Some take hormones and have cosmetic treatments to alter their appearance and physical characteristics. Some undergo surgery to change their bodies to approximate more closely to their preferred gender. Transsexual people have the protected characteristic of gender reassignment under the Equality Act 2010. Under the Act, gender reassignment is a personal process rather than a medical one and it does not require someone to undergo medical treatment in order to be protected.

Victimisation: Subjecting a person to a detriment because they have made a complaint of discrimination, or are thought to have done so; or because they have supported someone else who has made a complaint of discrimination. Victimisation is unlawful under the Equality Act 2010.

A Summary of the Equality Act 2010

The Equality Act 2010 replaces the existing anti-discrimination laws with a single Act. The legislation covers:

- Employment and work
- Goods and services
- The exercise of public functions
- Premises
- Associations
- Transport
- Education

The act prohibits:

- Direct discrimination
- Indirect discrimination
- Discrimination by association
- Discrimination by perception
- Discrimination arising from disability
- Victimisation
- Harassment

The new legislation no longer refers to 'diversity strands' instead it introduces the concept of 'protected characteristics or groups, the protected characteristics are:

- Age
- Disability
- Gender reassignment
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and civil partnership
- Pregnancy and maternity

The Public Sector Equality Duty

The public sector equality duty requires that the council must, in the exercise of its functions, have due regard to the need to:


- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

These are generally referred to as the three arms of the duty. In relation to 'fostering' there is a duty to have due regard to the need to tackle prejudice and promote understanding.

Equality of opportunity is expanded by placing a duty on the Council to have due regard to the need to:

- Remove or minimize disadvantages connected to a characteristic of a protected group.
- Take steps to meet the needs of protected groups.
- Encourage participation of protected groups in public life where participation is proportionately low.

There is also a specific requirement that councils must take steps to take account of a person's disability and there is a duty to make reasonable adjustments to remove barriers for disabled people. The duty is 'anticipatory'. For example, Brent Council cannot wait until a disabled person wants to use its services, but must think in advance (and on an ongoing basis) about what people with a range of impairments might reasonably need.

 <p>Brent</p>	<p>Executive 11 November 2013</p> <p>Report from the Director of Regeneration and Growth</p>
<p>For Action</p>	<p>Wards affected: Kilburn</p>
<p>South Kilburn Regeneration: Decentralised Energy System</p>	

APPENDICES 1 & 3 ARE NOT FOR PUBLICATION

1. Summary

- 1.1 This report concerns the proposed procurement of an Energy Supply Company ('**ESCo**') to deliver the South Kilburn decentralised energy system to install, manage and maintain the system and deliver heat to all properties developed as part of the regeneration of South Kilburn (referred to as '**the Project**').
- 1.2 This report seeks Executive's approval to alter the procurement process in respect of the Project as required by Contract Standing Orders 88 and 89 and seeks approval to procure an ESCo to deliver the Project through a competitive procedure similar to the Competitive Dialogue procedure (as set out in the Public Contracts Regulations 2006).
- 1.3 The report also seeks Executive approval to award a consultancy contract to Parsons Brinckerhoff Ltd to project manage the delivery of the project, advise on and provide commercial and strategic financial advice in respect of the Project.

2. Recommendations

- 2.1 That the Executive note progress made on the South Kilburn Decentralised Energy System Project.
- 2.2 That the Executive approve the Strategic Director of Regeneration and Growth to undertake a competitive procurement procedure (similar to the Competitive Dialogue procedure (as set out in the Public Contracts Regulations 2006) to procure an Energy Supply Company ('**ESCo**') to deliver the Project.
- 2.3 That the Executive approve the evaluation criteria as set out in this report which will form the basis for evaluation of the bids and the ultimate selection of the ESCo to deliver the Project. Further, that the Executive approves the Strategic Director of Regeneration and Growth to develop the detailed evaluation methodology and respective weightings to be applied to the evaluation criteria, within the parameters of the evaluation criteria set out in this report, prior to recommencement of the procurement process.

- 2.4 That the Executive award a consultancy contract to Parsons Brinckerhoff Ltd to project manage the delivery of the project, advise on and provide commercial and strategic financial advice in respect of the project.

3. Project Background

- 3.1 The delivery of the South Kilburn Regeneration Programme needs to, in accordance with The Greater London Authority (GLA) London Plan and Building Control Regulations, deliver a localised sustainability strategy, to ensure new and future developments achieve a 40% carbon reduction by 2013 and potentially zero carbon by 2016.
- 3.2 The GLA has actively encouraged the development of an estate wide energy centre. The decentralised energy scheme will incorporate one energy centre generating heat through a district-wide combined heat and power (CHP) plant. Electricity is also generated through capturing usable heat that is produced in this process. To meet heating demand at peak times especially in winter, centralised boilers are also installed in the energy centre. The hot water generated is pumped through pipes in the ground to each building (this is referred to as the primary heat network). Heat exchange units are also installed within the buildings to enable the heat to be taken from the network. Each property drawing heat from the heat pipe is metered for heat consumption (for hot water and central heating) and the occupant pays for this heat accordingly.
- 3.3 As part of the decentralised energy supply scheme, an ESCo will be formed to install, manage and maintain the system and deliver heat to all the properties developed by the Council as part of the regeneration of South Kilburn. The ESCo will deal with billing and collection of payments from residents. The Council will procure an ESCo which will be operated by a private company.
- 3.4 It is envisaged the Project will deliver;
- a) Lower energy costs for residents (*based on average consumption use*)
 - b) A district heating solution that is no more costly to developers than individual block heating solutions
 - c) CO2 savings contributing towards the levels required by the London Plan and the Building Regulations
 - d) A means to achieve higher Sustainable Code Levels in the future
 - e) A technically sound and reliable energy centre
 - f) A high standard of customer service to residents
- 3.5 To date the majority of the developments that have been brought forward as part of the South Kilburn Regeneration Programme have been built out to achieve Code for Sustainable Homes Level 3 with a commitment to retrospectively connect up to the decentralised energy scheme. Upon connection to the decentralised energy scheme the developments Code for Sustainable Homes will increase from Level 3 to Level 4, ensuring compliance with the GLA London Plan and Building Control Regulations. Through the development's Section 106 Agreements the Local Planning Authority has secured a standard connection charge fee per property. The connection charges secured will fund retrospective connection of these properties up to the decentralised energy system.

- 3.6 An air quality assessment, which was undertaken in December 2011, confirmed a preferred location for the energy centre within the Gloucester House and Durham Court development site. On 20th May 2013 the Executive approved an award of contract to Feilden Clegg Bradley Studios LLP to lead a design team to secure full planning approval (RIBA Stage D+) for the redevelopment of Gloucester House and Durham Court. Feilden Clegg Bradley Studio's design proposals for the site will include the provision of an energy centre. It is envisaged the future redevelopment of Gloucester House and Durham Court, if approved by the Executive, will incorporate the development of an energy centre to shell and core.
- 3.7 South Kilburn residents were invited to a consultation event on 24th September 2012 which provided an opportunity to have any questions they may have regarding the Project to be answered by technical experts. Three consultation events and three resident design workshops have been held with residents regarding the redevelopment of Gloucester House and Durham Court. At each event information on the decentralised energy centre has been made available to residents.

4 Procurement Process

- 4.1 On 18th July 2011 the Executive agreed to authorise officers to take preparatory steps with a view to procuring an EU compliant contract with a prospective energy supplier to bring forward this decentralised energy system for South Kilburn.
- 4.2 On 30th July 2011 a Prior Information Notice was published in the Journal of the European Union (OJEU) to alert potential bidders. On 17 October 2011, the Executive authorised officers to invite tenders for the decentralised energy contract following the restricted procedure. As there are many suppliers within the market and it is not feasible to issue an Invitation to Tender to each, a two-stage tendering process in which the Council invited interested suppliers to undergo a pre-qualification assessment was undertaken. Subsequently, a concession notice was published in OJEU on 13 December 2011. The Council received 22 expressions of interest. All 22 parties were sent a Pre Qualification Questionnaire (PQQ).
- 4.3 A total of 7 organisations responded and submitted a PQQ in accordance with the deadline on 30th January 2012. The completed PQQ were carefully evaluated based on submitted Contact and Administrative Information, Sub-Contracting and Consortia, Professional Conduct, Economic and Financial Standing, Insurance, Resources, Health and Safety, Quality Assurance, Equality, Environmental Considerations, Sustainability and Carbon Emissions, Business Continuity, Experience and References.
- 4.4 The three organisations (**'the bidders'**) as set out at Appendix 1, that passed the mandatory selection criteria and scored the highest were shortlisted to be Invited to Tender (ITT) in a competition to deliver the Project.
- 4.5 In preparing the ITT, officers identified that additional external technical and legal advice would be required to support the delivery of the Project. Specialist energy sector advisors were required to support the Council's internal project team to enable, in line with best practice, a commercial and viable project to be delivered that secures best value.
- 4.6 Pinsent Masons LLP solicitors have now been appointed to advise on the tender process, form of tender and tender documentation to ensure EU Procurement Regulations are complied with. Pinsent Masons will also prepare the concession agreement to be entered into between the Council and the ESCo (once procured).

5 Procurement of Consultants

- 5.1 On 20th August 2013 the Decentralised Energy Consultants Brief was issued to three selected high quality consultancy practices. The brief stated that the tender evaluation will be determined and the contract awarded on the basis of the evaluation matrix set out at Appendix 2 of this report. Overall 50% of the marks were awarded for price and 50 % for quality.
- 5.2 Tenders from two organisations (Appendix 3) were submitted on time and these were evaluated by officers in accordance with the evaluation matrix set out at Appendix 2. Details of the price and quality evaluation results are set out at Appendix 4. Following the evaluation of the tender submissions, the bid from Parsons Brinckerhoff Ltd has been identified as the top scoring tender. Executive approval is sought to award a contract to Parsons Brinckerhoff Ltd to project manage the delivery of the project, advise on and provide commercial and strategic financial advice in respect of the project.
- 5.3 Pinsent Masons have advised that, in order to deliver the Council's objectives set out in Section 3.4, it is appropriate for the Council to adopt an approach in the next stage in the procurement process which facilitates dialogue with bidders on a limited number of key commercial issues relating to the Project. It is anticipated that this dialogue, which is not permitted under the current restricted procedure, will enhance the deliverability of the Project and enable the Council to ensure that the contractual arrangements for the Project meet all of its needs as well as delivering best value.
- 5.4 Executive approval is sought to amend the procurement process to a competitive procurement procedure (similar to the Competitive Dialogue procedure (as set out in the Public Contracts Regulations 2006) to procure an ESCo to deliver the Project.
- 5.5 The OJEU Notice published on 13th December 2011 did not state if the Council intended to use a restricted or competitive OJEU process. The procurement process can therefore be amended without issuing a new OJEU Notice.
- 5.6 The original selection process, undertaken through the evaluation of completed pre-qualification questionnaires, remains fit for purpose as the process is the same no matter whether a restricted or competitive dialogue procedure is adopted. No new selection process is required and the original shortlisted bidders can be invited to commence a dialogue with the Council. Approval to amend the process to a competitive procurement procedure (similar to the Competitive Dialogue Procedure (as set out in the Public Contracts Regulations 2006)), in accordance with Contract Standing Orders 89 and 90, is now sought from the Executive in order that work can commence on the development of new tender rules and award criteria.
- 5.7 On 6th March 2013 Officers met with the bidders to discuss a number of key aspects of the Council's requirements to ensure that once the procurement process recommences it is undertaken as quickly and efficiently as possible. On 25th May 2013 the Council wrote to the bidders advising them of the delay in commencing the next stage of the procurement process and confirmed the Council's intention to amend the procurement process to a competitive procedure.
- 5.8 The Council is committed to delivering the Project and is determined to get the procurement process right to ensure best value for all. With this in mind, the Council is proposing a streamlined approach to the dialogue process in order to keep costs and timescales to a minimum.

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

	Requirement	Response																								
	The nature of the service	Design, Installation, Operation and Maintenance of the decentralised energy system in South Kilburn																								
	The estimated value	£10m - £15m																								
	The contract term	40 years with a 25 year break clause																								
	The tender procedure to be adopted	Competitive procedure (similar to the Competitive Dialogue procedure (as set out in the Public Contracts Regulations 2006)																								
	The procurement timetable	Indicative dates are:																								
		<table><tr><th>Milestone</th><th>Date</th></tr><tr><td>PIN published</td><td>30 July 2011</td></tr><tr><td>Market Engagement meeting</td><td>06 October 2011</td></tr><tr><td>Executive approval to tender</td><td>17 October 2011</td></tr><tr><td>OJEU Notice published and adverts placed</td><td>13 December 2011</td></tr><tr><td>PQQ returned</td><td>30 January 2012</td></tr><tr><td>Shortlist drawn up in accordance with the Council's approved criteria</td><td>8th March 2012</td></tr><tr><td>Executive Approval to alter the procurement process and approval of the evaluation criteria</td><td>11th November 2013</td></tr><tr><td>Issue Invitation To Participate in Dialogue (ITPD)</td><td>February 2014</td></tr><tr><td>Issue Invitation to Submit Outline Solutions (ISOS)</td><td>April 2014</td></tr><tr><td>Issue Invitation to Submit Detailed Solutions (ISDS)</td><td>End April 2014 May 2014</td></tr><tr><td>Issue Invitation to Submit Final Tender (ISFT)</td><td>June 2014</td></tr></table>	Milestone	Date	PIN published	30 July 2011	Market Engagement meeting	06 October 2011	Executive approval to tender	17 October 2011	OJEU Notice published and adverts placed	13 December 2011	PQQ returned	30 January 2012	Shortlist drawn up in accordance with the Council's approved criteria	8 th March 2012	Executive Approval to alter the procurement process and approval of the evaluation criteria	11th November 2013	Issue Invitation To Participate in Dialogue (ITPD)	February 2014	Issue Invitation to Submit Outline Solutions (ISOS)	April 2014	Issue Invitation to Submit Detailed Solutions (ISDS)	End April 2014 May 2014	Issue Invitation to Submit Final Tender (ISFT)	June 2014
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		Issue Invitation to Submit Detailed Solutions (ISDS)	End April 2014 May 2014																							
Issue Invitation to Submit Final Tender (ISFT)	June 2014																									

	Requirement	Response	
		Evaluate Tenders	August 2014
		Executive Approval for Award of Contract	October 2014
(vi)	The evaluation criteria and process.	<p>Shortlisted bidders were selected in accordance with the Council's Contract Procurement and Management Guidelines namely the Pre Qualification Questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>A panel will evaluate the Final Tenders against the following core award criteria;</p> <p>Financial Qualitative Technical Deliverability</p> <p>An indication of the considerations which may be taken into account when evaluating the core award criteria are set out below:</p> <p><u>Financial</u></p> <p>Connection Charge</p> <p>Customer heat price</p> <p>Pricing formula</p> <p>Tariff Structure</p> <p>Commercial benefits if use exceeds projected demand or profits exceed expectations</p> <p>Management of default and customer debt</p> <p><u>Qualitative</u></p> <p>Customer Service / Customer care</p> <p>Contractual terms and conditions</p> <p>Contractual structure of the ESCo and delivery model</p> <p>Management of reputation of Brent Council</p> <p>Added Value</p> <p>Maintenance proposals – response times</p> <p><u>Technical</u></p>	

	Requirement	Response
		<p>Security of supply and heat supply resilience</p> <p>System efficiency</p> <p>Noise, vibration and air quality impacts</p> <p>CO₂ reduction potential</p> <p>Technology risk/guarantee</p> <p>Design and build quality</p> <p>Metering approach</p> <p><u>Deliverability</u></p> <p>Risk Management</p> <p>Programme</p> <p>Project Management</p> <p>Management and maintenance of hot water/energy supply</p>
(vii)	Any business risks associated with entering the contract.	<p>The following business risks are considered to be associated with entering into the proposed contract:</p> <p>Future viability of the South Kilburn Regeneration Programme.</p> <p>Insolvency and breach of contract which could result in a requirement for the Council to step in and run the concession contract.</p> <p>Complexity of contract (various elements which are design, build, service, maintenance).</p>
(viii)	The Council's Best Value duties.	The Project was advertised in OJEU. The evaluation criteria will encourage higher capital contribution from suppliers, lower customer heat price and better customer services through open competition thus providing value for money for the council.
(ix)	Any staffing implications, including TUPE and pensions	None specific
(x)	The relevant financial, legal and other considerations	See Sections 7.

6. Delivery Approach

- 6.1 The Council intends to procure an ESCo and enter into a 40 year concession agreement with a 25 year break clause. The Council will grant the ESCo exclusivity over the development area contained in the South Kilburn Regeneration Programme for the period of the concession agreement. The Council will be required to stipulate, through development agreements, on all future developments bought forward as part of the South Kilburn Regeneration Programme, that the appointed delivery partner is required to enter into a connection agreement with the appointed ESCo.
- 6.2 The connection agreement will require the delivery partner to pay a specified one off connection fee per property (to be set through the procurement process) to secure connection to the decentralised energy system. The delivery partner will agree the terms and conditions of the connection agreement directly with the ESCo. It is envisaged the connection agreement will stipulate one connection charge to achieve a 20% reduction in carbon. Bidders may also be asked to stipulate another connection charge to assist achieving zero carbon. Although the delivery partner will be contractually required to enter into a connection agreement, they will not be contractually required to use heat from the decentralised energy system.
- 6.3 The ESCo will be responsible for installing the energy centre, the primary network which includes pipes that carry the heat to the developments and heat exchange units within the developments. The concession agreement will require the ESCo to connect up to all existing and new Council led residential developments within the South Kilburn regeneration area. The ESCo will not be required to connect up to non residential developments or non Council led residential developments however the ESCo can, if appropriate, agree terms to supply heat to such developments as well. The ESCo will be responsible for managing and maintaining the system and delivering heat.
- 6.4 A connection fee for the residential units already developed as part of the South Kilburn Regeneration programme, secured and held by the local planning authority through S106 contributions, will be used to fund the ESCo connection up to all the existing residential developments already built out as part of the South Kilburn Regeneration Programme.
- 6.5 The ESCo will enter into individual billing agreement with each individual residential household. The ESCo will take all debt risk and be responsible for billing management and customer care. This Project will restrict the ability for alternative heat suppliers to contract with the residents for the period of the concession agreement. The Council will be responsible, through the concession agreement, for monitoring performance and ensuring the ESCo delivers a high standard of customer care.
- 6.6 In order to achieve the Council's aim of delivering lower cost energy to residents it is the Council's intention to negotiate a discount pricing formula with an annual review mechanism for different uses against fixed and standard charge during the dialogue process. If the Council is unable to negotiate a minimum cost reduction for all households (as against the equivalent cost of gas) officers will revert to the GLA on the basis that the project is unviable, and seek alternative arrangements to meet the GLA's London Plan Energy Requirements.
- 6.7 Officers will report back to the Executive on the overall structure of the concession agreement upon completion of the procurement process prior to seeking approval for award of contract.

7. Risks & Issues

- 7.1 There are a number of inherent risks associated with the delivery of the South Kilburn Decentralised Energy Project , including but not limited to the following:

Risk/Issue	Mitigation Action
<u>Viability:</u>	
The capital cost of installing the decentralised energy centre and primary heat network may increase the estimated connection charge fee potentially compromising the viability of future developments within the South Kilburn Regeneration area.	Stipulate a requirement for the ESCo to provide one connection charge to achieve a 20% reduction in carbon within their submission. Bidders may also be asked to stipulate another connection charge to assist achieving zero carbon. Assess the impact of the connection charges on the viability of future developments through the tender evaluation process to ensure that they are no more than the cost of an on site energy solution thus not compromising the future viability of developments in South Kilburn.
<u>Deliverability:</u>	
There is a risk that the South Kilburn developer partners may not agree to the terms of the connection agreement with the ESCo to enable existing development to connect up to the decentralised energy centre	The Council will consult South Kilburn developer partners on a Connection Agreement Template and agree a template with the ESCo during the dialogue process
<u>Reducing Low Cost Energy:</u>	
There is a risk that the cost of heat may not deliver real cost savings to residents as the savings can only be measured against average consumption use and not all South Kilburn residents use an average amount of heat.	The Council will endeavour to negotiate a discount pricing formula with an annual review mechanism for different uses against fixed and standard charge during the dialogue process to ensure the impact of the project on the identified protected groups is minimised. If the Council is unable to negotiate a minimum cost reduction for all households (as against the equivalent cost of gas) officers will revert to the GLA on the basis that the project is unviable, and seek alternative arrangements to meet the GLA's London Plan Energy Requirements.
<u>Achieving Carbon Zero:</u>	
There is a risk the decentralised energy may not be able to assist in achieving zero carbon due to limited size of energy centre which will restrict the method of generating heating.	Engage the GLA and establish if off site allowable solutions can be considered in order to achieve zero carbon targets

<u>High Quality Customer Care:</u>	
There is a risk that residents may receive a poor standard of customer care and bad debt management as this Project will restrict competition in the market.	Include KPI's for Utility Customer Care Standards within both the concession agreement and customer care standards in the connection agreement template. Through the dialogue process the Council will try to negotiate higher level of customer service and a considered bad debt management strategy (trickle feed, cut off etc).
<u>Property:</u>	
There is a risk that the Council may not have all the required powers and rights of access to enable the installation of the infrastructure required to connect the energy centre to the developments.	Undertake a full property review and potentially use Compulsory Purchase Order (CPO) powers to secure new rights required to enable the delivery of required infrastructure.
<u>Insolvency or Default</u>	
There is a risk that the Council maybe required to step in and run the ESCo if the ESCo becomes insolvent or they fail to meet their contractual obligations	Ensure the concession agreement is underpinned by a suitable security package (e.g. parent company guarantee and/or performance bond) to guard against performance failure along with a detailed mechanism to enable the Council to retender and procure a replacement ESCo (at the cost of the defaulting ESCo). Further, the Council may seek to mitigate the risk of insolvency through financial covenant protection.
<u>GLA Policy Requirements:</u>	
If the Project is not viable there is a risk that the Council will be unable deliver London Plan and Building Control Regulations requirements to achieve Code for Sustainable Homes Level 4 on the existing developments.	Develop a viable delivery strategy for increasing the Code for Sustainable Homes Level from Level 3 to Level 4 on existing developments.

7.2 The conditions set out in the Concession Agreement will aim to mitigate some of the identified risks by cascading as much risk as possible down to the ESCo whilst simultaneously allowing the Council to stipulate the overall framework of the agreement to ensure the Project delivers real benefits to residents on the ground and provides them with a high standard of customer care.

7.3 Through the dialogue process, officers hope to secure a commitment from the ESCo to deliver employment and training opportunities for local South Kilburn residents.

8. Financial Implications

- 8.1 The table below summarises the indicative Project budget which is forecasted to be spent over 2013/14 and 2014/15.

South Kilburn Regeneration Programme	£
Forecast Expenditure	
Site Surveys	20,000.
Legal Advice	100,000.
Design Advice	20,000.
Professional Advice	50,000.
Project Management, Financial & Commercial Advice	180,000.
Consultation	5,000.
Total Forecast Expenditure	£375,000.

- 8.2 The forecast expenditure includes provision within the Professional Advice and Project Management, Financial & Commercial Advice headings for the recommended award of a consultancy contract to Parsons Brinckeroff Ltd to manage the delivery of the project, advise on and provide commercial and strategic financial advice in respect of the project as per paragraph 2.4 above.
- 8.3 The Estimated Value of £10m - £15m stated in the table at 4.14 above refers to the value of the concessions that would be available under the proposed contract in respect of the operation of the decentralised energy system in South Kilburn.
- 8.4 The financial model for South Kilburn is for the regeneration scheme to be self financing. The Council should be able to progress the scheme on an on going basis within the cash envelope generated from on going disposals, provided it remains committed to ring fencing these receipts into South Kilburn. This delivery strategy has been agreed and endorsed by the Homes and Communities Agency.
- 8.5 The resource envelope for taking forward the South Kilburn Regeneration Programme in 2013/14 and beyond is determined by the level of the capital receipts to be secured from the disposals of long leases of land. The Project budget is allocated within the 2013/14 – 2014/15 South Kilburn Regeneration Programme Budget and will be met from the capital receipts secured through the disposal of land.
- 8.6 Oversight of this Project is provided by an officer board that regularly monitors progress and reviews updated costs plan information. In the event of any cost overruns on this Project, the board will review all possible options in order to bring the cost plan back into budget. In the event that this is not possible, then any cost overrun will sought to be met from within existing Regeneration and Growth budgetary provision.
- 8.7 The on going costs associated with monitoring the delivery of the Project, for the period of the concession contract, will be met from within existing Regeneration and Growth budgetary provision.

9. Legal Implications

- 9.1 The estimated value of the decentralise energy system is higher than the EU threshold for a Public Works Concession Contract and its establishment is therefore governed by the application of the Public Contracts Regulations 2006 (the EU Regulations) as they apply to such contracts.
- 9.2 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £250k or works contracts exceeding £500k shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 89.
- 9.3 Officers are seeking approval from the Executive to amend the procurement process from the Restricted Procedure to a competitive procurement procedure, akin to the Competitive Dialogue process under the EU Regulations, so as to enable dialogue with the pre selected bidders, with the view to achieving the council's objectives as stated at paragraph 3.4 of this report. Members will need to satisfy themselves that the original OJEU Contract Notice was open enough to enable the Council to amend its tender process at this stage of the procurement.
- 9.4 Once the tendering process is undertaken, Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and, if appropriate, recommending award.
- 9.5 In accordance with the EU Regulations, the Council will observe the requirements of the mandatory minimum 10 calendar standstill period before the contract is awarded.
- 9.6 Separate contracts for connecting to the decentralise energy system will be entered between the selected tenderer and the individual developers.
- 9.7 The selected tenderer will be required by the Council's contract to offer to each residential and non-residential occupier a standard Heat Supply Contract, which will include the following:
- Flexible Heat Tariffs (fixed and variable)
 - Standard Conditions of Service , including the compensation payable in the event of a failure to supply heat
 - Compliant procedure
 - Performance standards and response times
 - Market Price Comparator
 - Compliance with a Vulnerable Customer Policy (residential only)
 - Bad debt / failure to pay policy
 - Minimum duration and process to discontinue supply
- 9.8 The Council is also mindful of the potential State Aid implications of the Project and is seeking specialist advice on this issue. Pinsent Masons are advising on the risk that using the connection fees secured through S106 contributions, to fund the ESCo connection up to all the existing residential developments already built out as part of the South Kilburn Regeneration Programme could be deemed as State Aid. Their preliminary advice is that the use of a compliant, competitive bidding process to ascertain what the bidders would charge as a connection fee would create a good argument that there was no advantage, and thus no State aid. A no-aid argument is never without some degree of risk, however. Officers will continue to assess the state aid risk and report back to the Executive if the level of associated risk increases.

10. Diversity Implications

10.1 The South Kilburn Regeneration Programme aligns fully with the Council's Regeneration & Growth Objectives 'To deliver transformational change to the borough' and to provide 'Greater access to affordable housing'. This project will support the future delivery of the South Kilburn Regeneration Programme through delivering three of the GLA London Plan requirements: build efficiency, decentralised energy, & green agenda to reduce London's CO2 emissions to mitigate climate change.

10.2 The project also aligns with the Council's Health and Well Being Strategy which aims to *"Improve[ing] the economic, social and environmental factors which promote good health and wellbeing outcomes" by tackling one of the causes of fuel poverty*. The February 2011 *"Fuel Poverty and the impact it has on health"* Report by the Health Partnerships Overview and Scrutiny Committee Task Group identified fuel poverty is "the inability to afford to adequately heat the home". A household is said to be in fuel poverty if it needs to spend more than 10% of its income on fuel. The four main causes of fuel poverty are:

- Low income
- Size of home and under occupancy
- Price of fuel or the inability to access cheaper fuel
- Energy inefficient homes

Fuel poverty has a physical impact on the condition of homes if householders try to minimise their fuel bills. Inadequate heating can lead to some or all of the following problems:

- Condensation, dampness and mould growth
- Deterioration of the property
- Increased maintenance and repair costs
- Reduction of the asset value of the property

The aim of this project is to provide residents with lower energy costs, tackling one of the causes of fuel poverty.

10.3 There is a risk the project could have a negative impact on residents who move into new homes within the South Kilburn regeneration area from the following protected groups;

- Age
- Disability
- Pregnancy and maternity
- Race

An Equalities Analysis is set out at Appendix 5. The Council will endeavour to negotiate a discount pricing formula with an annual review mechanism for different uses against fixed and standard charge during the dialogue process to ensure the impact of the project on the identified protected groups is minimised. Another equality analysis will be undertaken once the procurement process is complete in order to clarify the full impact of the project on all protected groups prior to award of contract.

11 Staffing/Accommodation Implications (if appropriate)

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

Contact Officer

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South Kilburn Programme Manager
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abigail.stratford@brent.gov.uk

ANDREW DONALD
Strategic Director, Regeneration and Growth

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

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South Kilburn Regeneration Executive Report

11th November 2013

Authority to Tender Contract For A Decentralised Energy System

Appendix 2

Decentralised Energy Consultants Brief Evaluation Matrix

Section	Criteria	Weighting
Price	Price	50%
Quality	Experience advising or project managing competitive procurement processes, experience of advising on decentralised energy systems, experience of advising in relation to the design, build, finance and operation of concessions contracts with an indication of how this experience can be used in connection with this project.	25%
	Sufficient technical knowledge to provide strategic financial advice and evaluating tenders in relation to pricing formula, connection charge fees, fixed heat reduction and allowable solutions to ensure strong, viable bids are received to ensure viability and deliverability.	25%

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South Kilburn Regeneration Executive Report

11th November 2013

Authority to Tender Contract For A Decentralised Energy System

Appendix 4

Decentralised Energy Consultants Brief Evaluation Matrix

Section	Criteria	Bidder 1	Bidder 2
Price	Price	50.00%	43.59%
Quality	Experience advising or project managing competitive procurement processes, experience of advising on decentralised energy systems, experience of advising in relation to the design, build, finance and operation of concessions contracts with an indication of how this experience can be used in connection with this project.	20.32%	25.00%
	Sufficient technical knowledge to provide strategic financial advice and evaluating tenders in relation to pricing formula, connection charge fees, fixed heat reduction and allowable solutions to ensure strong, viable bids are received to ensure viability and deliverability.	17.00%	20.00%
Total		87.32%	88.59%

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2012

Equality Analysis

Guidance and Form



Brent Council Equality Analysis Form

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

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

1. Roles and Responsibilities: please refer to stage 1 of the guidance	
Directorate: Regeneration and Growth Service Area: Planning and Regeneration	Person Responsible: Name: Joyce Ip Title: Regeneration Officer Contact No: 020 8937 2274 Signed:
Name of policy: South Kilburn Neighbourhood Heating System	Date analysis started: 8 July 2013 Completion date: 14 August 2013 Review date:
Is the policy: <input type="checkbox"/> New <input checked="" type="checkbox"/> Old	Auditing Details: Name: Elizabeth Bryan Title: Principal Diversity Officer) Date: Contact No: 020 8937 1623 Signed:
Signing Off Manager: responsible for review and monitoring Name: Abigail Stratford Title: South Kilburn Programme Manager Date: Contact No: 020 8937 1026 Signed:	Decision Maker: Name individual /group/meeting/ committee: Executive Committee Date: 11 th November 2013

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

The South Kilburn Regeneration Programme:

The regeneration programme aims to change South Kilburn into a sustainable and mixed community by delivering 2,400 new high quality homes, improved open spaces, new shops, new health facilities and a new consolidated school. The South Kilburn programme comprises of four phases. 360 new homes have been completed as part of Phase 1a. Phase 1b, commenced in July 2012, it will deliver 208 homes by 2015. Work will commence on site later this year to develop a further 340 new homes as part of Phase 2a.

The Project:

The delivery of the South Kilburn Regeneration Programme needs to, in accordance with The Greater London Authority (GLA) London Plan and Building Control Regulations, deliver a localised sustainability strategy to ensure new and future developments achieve a 20% carbon reduction and potentially zero carbon by 2016.

To achieve the carbon reduction targets the Council will procure an Energy Supply Company ('**ESCo**') to deliver the South Kilburn decentralised energy system to install, manage and maintain the system and deliver heat to all properties developed as part of the regeneration of South Kilburn (referred to as '**the project**').

The decentralised energy scheme will incorporate one energy centre generating heat through a district-wide combined heat and power (CHP) plant. Electricity is also generated through capturing usable heat that is produced in this process. To meet heating demand especially in winter, centralised boilers are also installed in the energy centre. The hot water generated is pumped through pipes in the ground to each building (this is referred to as the primary heat network). Heat exchange units are also installed within the buildings to enable the heat to be taken from the network. Each property drawing heat from the heat pipe is metered for heat consumption (for hot water and central heating) and the occupant pays for this heat accordingly.

An ESCo will be formed to install, manage and maintain the system and deliver heat to all the properties developed as part of the regeneration of South Kilburn. The ESCo will deal with billing and collection of payments from residents. The Council will procure an ESCo which will be operated by a private company.

The Esco will enter into individual billing agreements with each individual residential household. This project will restrict residents heat supplier for the period of the concession agreement. In order to achieve the Council's aim of delivering lower cost energy to residents it is the Council's intension to negotiate, through the procurement process, a minimum of a fixed 10% discount on gas equivalent (based on average consumption use) however this will be subject to viability and detailed contractual negotiations with the ESCo through dialogue during the procurment process.

Project Objectives:

It is envisaged the project will deliver;

- a) Lower energy costs for residents (*based on average consumption use*)
- b) A district heating solution that is no more costly to developers than individual block heating solutions
- c) Significant CO2 savings - At least an additional 20% of carbon reduction.
- d) A means to achieve higher Sustainable Code Levels in the future
- e) A technically sound and reliable energy centre.
- f) A high standard of customer care to residents

Strategic Alignment:

The South Kilburn Regeneration Programme aligns fully with the Council's Regeneration & Growth Objectives 'To deliver transformational change to the borough' and to provide 'Greater access to affordable housing'.

This project will support the future delivery of the South Kilburn Regeneration Programme through delivering three of the GLA London Plan requirements: build efficiency, decentralised energy, & green agenda to reduce London's CO2 emissions to mitigate climate change.

The project will assist the Council and its delivery partners in achieving the following building regulation requirements:

2006 - Baseline emissions

2010 – 25% reduction

2014 – 44% reduction (Already happening in Growth Areas – CSH Level 4)

2016 – 100% on site reduction

The project also aligns with the Council's Health and Well Being Strategy which aims to *"Improve[ing] the economic, social and environmental factors which promote good health and wellbeing outcomes"* by tackling one of the causes of fuel poverty.

The February 2011 *"Fuel Poverty and the impact it has on health"* Report by the Health Partnerships Overview and Scrutiny Committee Task Group identified fuel poverty is "the inability to afford to adequately heat the home". A household is said to be in fuel poverty if it needs to spend more than 10% of its income on fuel.

The four main causes of fuel poverty are:

- Low income
- Size of home and under occupancy
- Price of fuel or the inability to access cheaper fuel
- Energy inefficient homes

Fuel poverty has a physical impact on the condition of homes if householders try to minimise their fuel bills. Inadequate heating can lead to some or all of the following

problems:

- Condensation, dampness and mould growth
- Deterioration of the property
- Increased maintenance and repair costs
- Reduction of the asset value of the property

The aim of this project is to provide residents with lower energy costs, tackling one of the causes of fuel poverty.

Scope of Works

To date the majority of the developments that have been brought forward as part of the South Kilburn Regeneration Programme have been built out to achieve Code for Sustainable Homes Level 3 with a commitment to retrospectively connect up to the decentralised energy scheme. Upon connection to the decentralised energy scheme the developments Code for Sustainable Homes will increase from Level 3 to Level 4, ensuring compliance with the GLA London Plan and Building Control Regulations. Through the developments Section 106 Agreements, the Local Planning Authority has secured a standard connection charge fee per property. The connection charges secured will pay for the properties to be retrospectively connected up to the decentralised energy system.

The Council will grant the ESCo exclusivity for the period of the concession agreement (anticipated 40 year period). The Council will be required to stipulate, through development agreements, on all future developments brought forward as part of the South Kilburn Regeneration Programme, that the appointed delivery partner is required to enter into a connection agreement with the appointed ESCo.

The Esco will enter into a connection agreement with the delivery partner and an individual billing agreement with each individual residential household. The ESCo will take all debt risk and be responsible for billing management and customer care. This project will restrict residents heat supplier for the period of the concession agreement. The Council will be responsible, through the concession agreement, for monitoring performance and ensuring the ESCo delivers a high standard of customer care.

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

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

The South Kilburn Regeneration Programme:

The South Kilburn regeneration scheme proposes a phased redevelopment of the majority of the current housing stock by prioritising the redevelopment of the worst quality blocks and delivering new homes within a higher quality, better managed and more connected place. The proposition is for traditional street patterns, front doors, high quality domestic materials, and retail and community space in the right locations. The South Kilburn regeneration scheme also proposes new health facilities that meet the health needs of the existing population as well as the anticipated health needs of the increased population and a new consolidated school.

We aim to ensure that the South Kilburn regeneration programme will meet the varied individual needs and expectations of residents with homes due for demolition as part of the South Kilburn regeneration programme. The new homes in South Kilburn are available to Secure Tenants within South Kilburn regardless of their age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race,

religion or belief, sex or sexual orientation.

(b) Advance equality of opportunity;

We also aim to ensure that everyone moving into the new developments has equal access to the Neighbourhood Heating System, regardless of their protected characteristics. We recognise the ESCo services provided to South Kilburn residents must be relevant, responsive and sensitive and that the ESCo must be fair and equitable in its provision of services to residents.

(c) Foster good relations

South Kilburn Neighbourhood Trust, a local regeneration charity working to bring about lasting change for the communities of South Kilburn, through its widening participation, seeks to find ways of involving and engaging with all local residents, particularly those who traditionally are 'hard to reach'.

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

A consultation exercise was carried out on 19 September 2012. The event was held at a local community centre in South Kilburn and advertised widely through leaflets, posters and SK Connect, a local publication that is delivered to all households. Unfortunately only two members of the community attended the event. Tailor made exhibition panels explaining the Neighbourhood Heating System were on display. Officers also explained the scheme to the attendees on a one to one basis. No one from the community raised any concerns regarding inequalities. Briefings on the project have also been given to the South Kilburn Neighbourhood Trust: Neighbourhood Co-ordination Group which is attended by two resident representatives. Three consultation events and three resident design workshops have been held with residents regarding the redevelopment of Gloucester House and Durham Court where the proposed energy centre will be located. At each event information on the energy centre and the South Kilburn Neighbourhood Heating System has been made available to residents. Please find below a summary of the events held and comments raised regarding the decentralised energy system.

What?	When?	Where?	What time?	No Of Attendees	Comments raised re Decentralised Energy System
Residents' Design Group Meeting Meeting for residents to have a say about the design of new homes at Gloucester House and	Wednesday 14 th August 2013	The Salvation Army, 55 Chichester Road, NW6 5QW	6pm to 7:30pm	18 tenants	No comments in particular in relation to the decentralised energy system but Workshop Group 2 noted low energy flats with good robust materials, double glazing and sustainable is a high priority for them.
	Wednesday 4 th September 2013	The Salvation Army, 55 Chichester Road, NW6 5QW	6pm to 7:30pm	10 tenants	N/A as discussed external areas of proposed redevelopment.

Durham Court					
	Thursday 26 th September 2013	The Salvation Army, 55 Chichester Road, NW6 5QW	6pm to 7:30pm	25 tenants (20 signed in)	No comments in particular in relation to the decentralised energy system but question asked about what type of heating would the new homes have.
Tenant's Steering Group Presentation on current design proposals for Gloucester and Durham	Thursday 5 th September 2013	The Vale Community Centre, 1 Pentland Road	7pm to 9pm	47 tenants	Questions asking about what properties will the heating system serve and will it result in cheaper bills for residents.

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

There is a risk the project could have a negative impact on residents who move into new homes within the South Kilburn regeneration area from the following protected groups;

- Age
- Disability
- Pregnancy and maternity
- Race

These protected groups may not benefit from reduced energy bills as their household types may not consume an average amount of heat. At the time of writing the Council is unable to confirm if their costs will remain static or increase but it is envisaged they will not incur an increase in their heat bills, the main impact is that they may not benefit from a fixed 10% reduction.

Although the Council will endeavour to secure a fixed 10% reduction on energy bills through the project, at the time of writing it is envisaged this can only be guaranteed, measured and enforced against an average consumption use. This project will restrict competition for the duration of the concession contract. Residents will be forced to enter

into a billing arrangement with the ESCo reducing residents ability within use competition in the market to secure best value.

Age:

Residents within the protected group age could be affected as households with young or elderly family members are more likely to be at home and could use more heat than the estimated average consumption use of 16kW/pa. 8.6% of the population are over the age of 65. 25.6% of the population have dependent children where the youngest is aged 0 to 4.

Similarly households with a smaller family size for example young professionals without children could be more likely to use less heat than the estimated average consumption use of 16kW as they are out of the home more. 11.7% of the population are aged between 16-24.

Disability:

Residents within the protected group disability could be affected as households with disabled family members are more likely to be at home and could use more heat than the estimated average consumption use of 16kW. 6.7% of residents who are of working age are currently economically inactive due to a disability or long term ill health.

Pregnancy and maternity:

Residents within the protected group pregnancy and maternity could also be affected as households with members who are pregnant or on maternity leave at home with a young baby could use more heat than the estimated average consumption use of 16kW during this period. 25.6% of the population have dependent children where the youngest is aged 0 to 4.

Race:

Residents within the protected group race may also be affected as some communities have extended families consisting of elderly grand parents which could result in the household using more heat than the estimated average consumption use of 16kW. 11.5% of the population are Asian/Asian British. 39.3% are Black/African/Caribbean/Black British.

Mitigating Action:

In order to mitigate the affect of the project on these protected groups, the Council will ensure through the concession agreement, a minimum of a fixed 10% discount on gas equivalent based on an average consumption use. The new properties built to Code for Sustainable Homes Level 3 or Level 4 will be extremely well insulated which may result in a reduction of residents overall heat consumption.

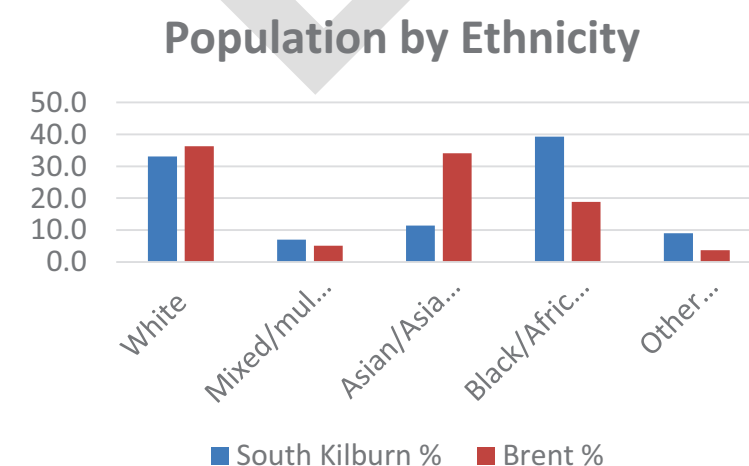
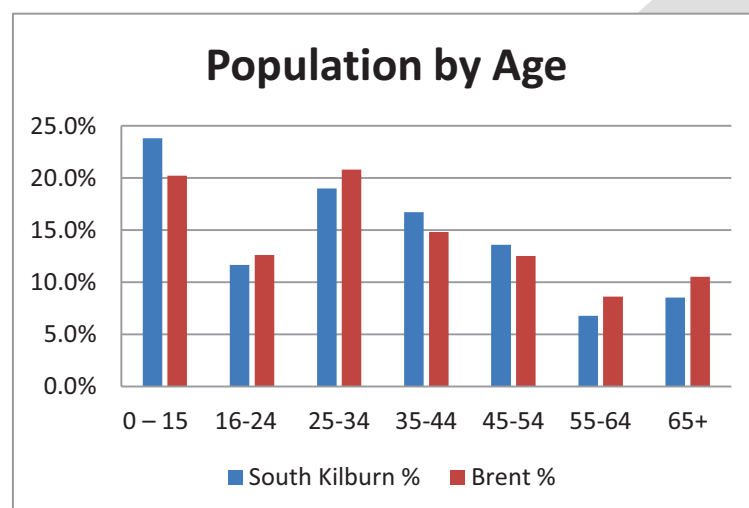
The Council will gather intelligence from their developer partners on average heat consumption per household size within the new developments already built out as part of the South Kilburn Regeneration Programme. Using this data as evidence, the Council will also endeavour to negotiate a discount pricing formula with an annual review mechanism for different uses against fixed and standard charge during the dialogue process to ensure the impact of the project on the identified protected groups is minimised.

Another equality analysis will be undertaken once the procurement process is complete in order to clarify the full impact of the project on all protected groups prior to award of contract.

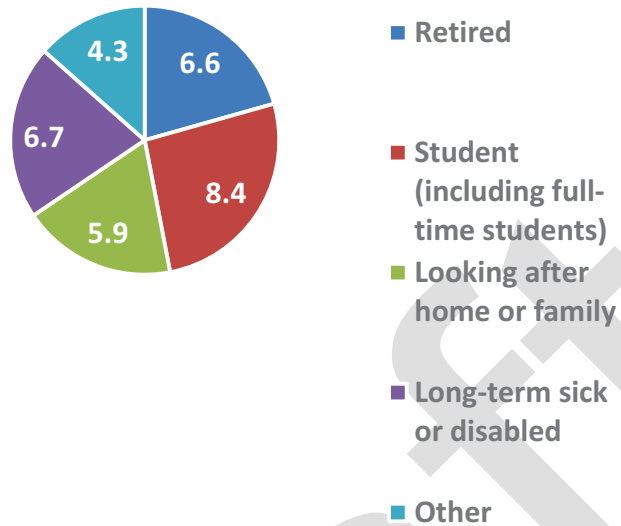
At the time of writing it is not envisaged the project will result in an increase in energy bills for any of the identified protected groups but this will be assessed again within the equalities impact assessment prior to award of contract when the pricing formula has been agreed.

Please give details of the evidence you have used:

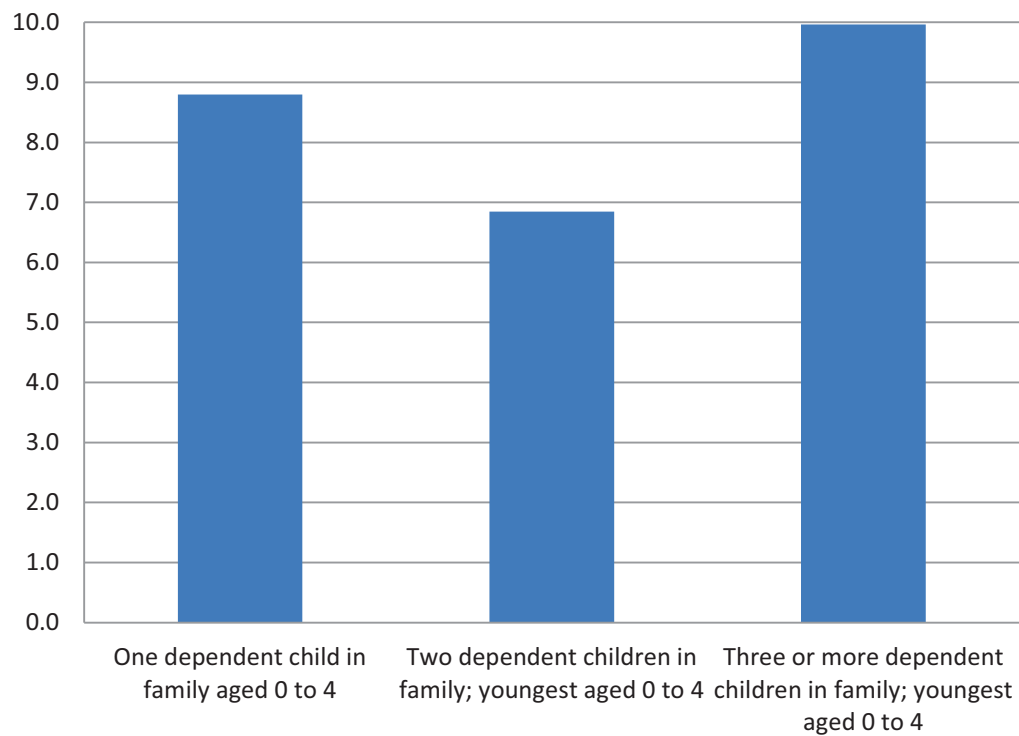
Data gathered from the 2011 Census has provided evidence to inform the Equality Analysis.



Economically Inactive (31.9%)



Family with Dependent Children aged 0 - 4



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7. Analysis summary

Please tick boxes to summarise the findings of your analysis.

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

8. The Findings of your Analysis

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

Please refer to stage 4 of the guidance.

No major change

Adjust the policy

Continue the policy

The installation of a decentralised energy system will go ahead and the strategy for residents living in the new flats to connect to the heating system remains the same.

Stop and remove the policy

9. Monitoring and review

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

Please refer to stage 7 of the guidance.

Another equality analysis will be undertaken once the procurement process is complete in order to clarify the full impact of the project on all protected groups prior to award of contract.

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10. Action plan and outcomes

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

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

Action	By when	Lead officer	Desired outcome	Date completed	Actual outcome
Provide updates on the South Kilburn regeneration programme.	Regularly	Abigail Stratford	Provide an update on the progress being made on the South Kilburn regeneration programme including the Neighbourhood Heating System.		

Please forward to the Corporate Diversity Team for auditing.

Introduction

The aim of this guidance is to support the Equality Analysis (EA) process and to ensure that Brent Council meets its legal obligations under the Equality Act 2010. Before undertaking the analysis there are three key things to remember:

- It is very important to keep detailed records of every aspect of the process. In particular you must be able to show a clear link between all of your decisions and recommendations and the evidence you have gathered.
- There are other people in the council and in your own department who have done this before and can offer help and support.
- The Diversity and Consultation teams are there to advise you.

The Equality Act 2010

As a Public Authority, Brent Council is required to comply with the Public Sector Equality Duty (PSED) contained in the Equality Act 2010. These duties require Brent Council to have 'due regard' to the need to

- Eliminate discrimination, be it direct or indirect discrimination
- Advance equality of opportunity between persons who share a relevant protected characteristic and others who do not share it; and
- Foster good relations between people who share a protected characteristic and those who do not share it

The equality duty covers:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Marriage and civil partnership (direct discrimination only)
- Race
- Religion or belief
- Sex (formally known as gender)
- Sexual orientation

What is equality analysis?

Equality Analysis is core to policy development and decision making and is an essential tool in providing good services. Its purpose is to allow the decision maker to answer two main questions.

- Could the policy have a negative impact on one or more protected groups and therefore create or increase existing inequalities?
- Could the policy have a positive impact on one or more protected groups by reducing or eliminating existing or anticipated inequalities?

What should be analysed?

Due consideration of the need for an Equality Analysis should be addressed in relation to all policies, practices, projects, activities and decisions, existing and new. There will be some which have no equalities considerations, but many will. Where an EA is undertaken, some policies are considered a higher risk than others and will require more time and resources because of their significance. This would include:

- Policies affecting a vulnerable group such as young people, the elderly and people with a disability
- Policies related to elective services such as Sports Centres or Libraries
- High profile services
- Policies involving the withdrawal of services
- Policies involving significant reductions in funding or services
- Policies that affect large groups of people
- Policies that relate to politically sensitive issues

It can sometimes be difficult to identify which policies are more sensitive. If you are in doubt seek advice from a more senior officer or the Diversity Team.

When should equality analysis be done?

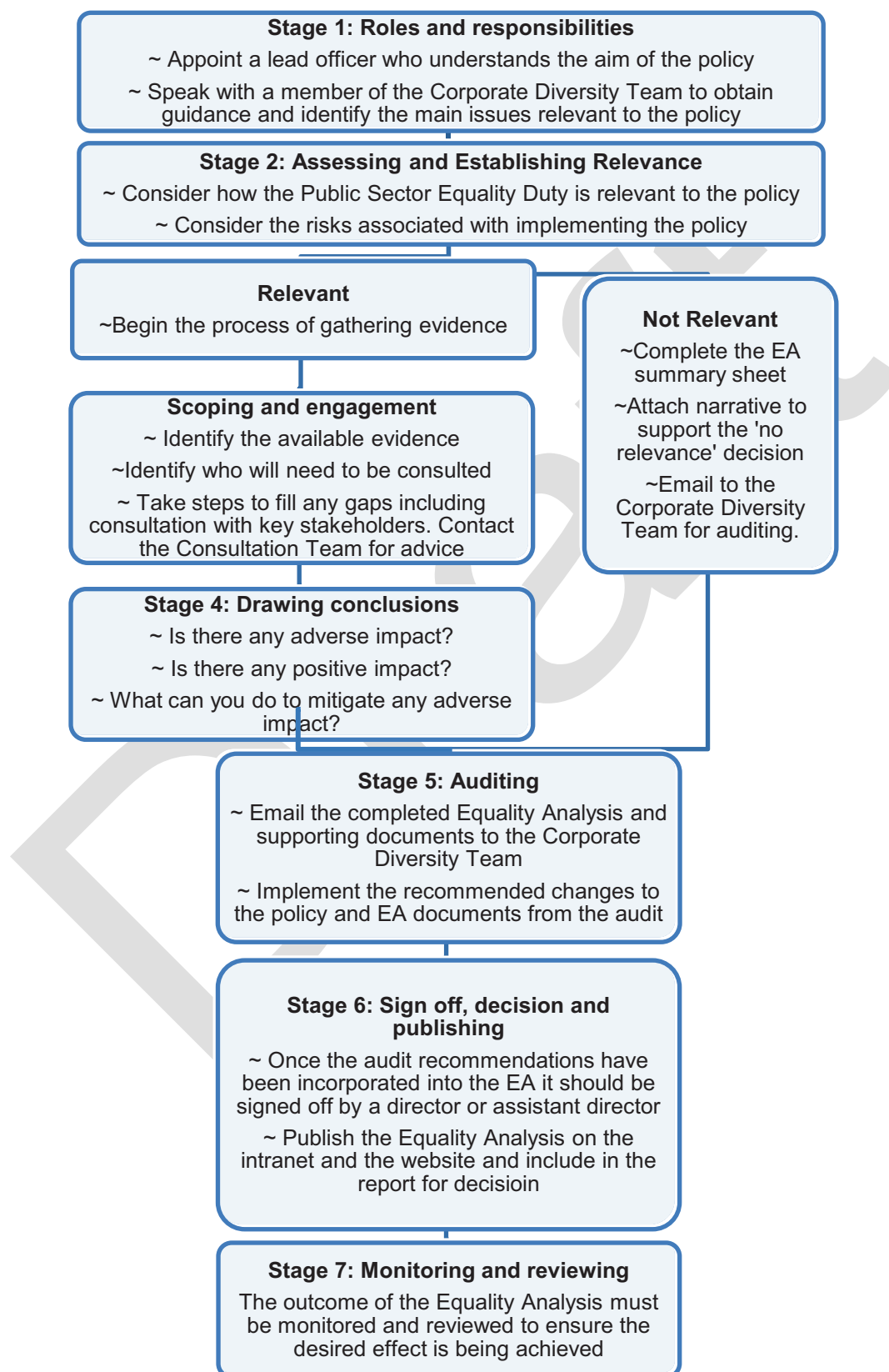
The EA must be completed before the policy is sent to the decision maker but should be carried out at the earliest possible stage. The advantage of starting early is that the equalities data informs and shapes the policy as it develops and progresses and this allows more time to address issues of inequality. You should also bear in mind that several changes may be happening at the same time. This would mean ensuring that there is sufficient relevant information to understand the cumulative effect of all of these decisions.

Positive action

Not all policies can be expected to benefit all groups equally, particularly if they are targeted at addressing particular problems affecting one protected group. (An example would be a policy to improve the access of learning disabled women to cancer screening services.) Policies like this, that are specifically designed to advance equality, will, however, also need to be analysed for their effect on equality across all the protected groups.

Brent Council's Equality Analysis Process

This flow chart sets out the process for carrying out an EA. Details on each stage of the process follow. Please note that it may be necessary to consult the Corporate Diversity team at each stage and that Legal may also need to be involved. This should be factored in to the time scale.



Stage 1: Roles and Responsibilities

The first stage in the process is to allocate the following roles.

Role	Responsibilities and tasks
Decision maker - the person or group making the policy decision (e.g. CMT/Executive/Chief Officer).	<ul style="list-style-type: none">• Check that the analysis has been carried out thoroughly:• Read and be familiar with the EA and any issues arising from it and know, understand and apply the PSED. (The evidence on which recommendations are based must be available to this person.)• Take account of any countervailing factors e.g. budgetary and practical constraints
The officer undertaking the EA	<ul style="list-style-type: none">• Contact the Corporate Diversity and Consultation teams for support and advice• Develop an action plan for the analysis• Carry out research, consultation and engagement if required• Develop recommendations based on the analysis• Submit the EA form to the Diversity team for audit with the evidence and any other relevant documents including the report the EA will be attached to• Incorporate the recommendations of the audit• Include the Equalities Analysis in papers for decision-makers
The Corporate Diversity Team. Usually an individual officer will be assigned at the start of the process	<ul style="list-style-type: none">• Provide support and advice to the responsible officer• Carry out the audit of the EA to monitor quality standards and ensure it is sufficiently rigorous to meet the general and public sector duties.• Return the analysis to the responsible officer for further work if it fails to meet the necessary standard• Consult Legal if necessary (this stage of the process will take at least 5 days)
The council officer responsible for signing off the EA. Usually a senior manager within the relevant directorate	<p>Ensure:</p> <ul style="list-style-type: none">• That the EA form is completed• That any issues raised as part of the auditing process have been fully dealt with• That the EA, the evidence used and any issues arising from the analysis are brought to the attention of the decision maker• Ensure that the findings are used to inform service planning and wider policy development.

Stage 2: Assessing and Establishing Relevance

We need to ensure that all of our policies and key decisions, both current and proposed, have given appropriate consideration to equality. Consideration of the need for an EA needs to be given to all new policies; all revised policies, all key decisions and changes to service delivery need an EA. Those that are more relevant will require more resources and data.

The following questions can help you to determine the degree of relevance, but this is not an exhaustive list:

Key Questions:

- Does the policy have a significant effect in terms of equality on service users, employees or the wider community? Remember that relevance of a policy will depend not only on the number of those affected but also by the significance of the effect on them.
- Is it a major policy, significantly affecting how functions are delivered in terms of equality?
- Will it have a significant effect on how other organisations operate in terms of equality?
- Does the policy relate to functions that previous engagement has identified as being important to particular protected groups?
- Does or could the policy affect different protected groups differently?
- Does it relate to an area with known inequalities (for example, access to public transport for disabled people, racist/homophobic bullying in schools)?
- Does it relate to an area where equality objectives have been set by Brent Council?

If the answer to any of the above is “yes”, you will need to carry out an Equalities Analysis.

“Not relevant”

If you decide that a policy does not impact on any of the equality needs contained in the public sector equality duty, you will need to:

- Document your decision, including the reasons and the information that you used to reach this conclusion. **A simple statement of no relevance to equality without any supporting information is not sufficient, nor is a statement that no information is available.** This could leave you vulnerable to legal challenge so obtaining early advice from the Corporate Diversity team would be helpful.
- Complete the EA Form and send it to the Corporate Diversity Team for auditing. If the Corporate Diversity Team advises that policy is relevant then you will need to continue the EA process (See flowchart). If the Corporate Diversity Team advises that the policy is not relevant then you will need to have it signed off, publish it and put in place monitoring arrangements for the policy.

Stage 3: Scoping

Scoping establishes the focus for the EA and involves carrying out the following steps:

- Identify how the aims of the policy relate to equality and which aspects have particular importance to equality.
- Identify which protected groups and which parts of the general equality duty the policy will, or is likely to, affect.
- Identify what evidence is available for the analysis, what the information gaps are, and establish which stakeholders can usefully be engaged to support the analysis.

Think about:

- The purpose of the policy, and any changes from any existing policy
- The reason for the policy
- The context
- The beneficiaries
- The intended results

At this early stage you should start to think about potential effects on protected groups. This could mean that you decide to change your overall policy aims or particular aspects of the

policy in order to take better account of equality considerations. It is often easier to do this at an earlier stage rather than having to reconsider later on in the process.

Sources of information

It is important to have as much up-to-date and reliable information as possible about the different groups likely to be affected by the existing or proposed policy. The information needed will depend on the nature of the existing or proposed policy, but it will probably include many of the items listed below:

- The Brent Borough profile for demographic data and other statistics
- Census findings; the 2011 census data will be available during 2012
- Equality monitoring data for staff and/or service users
- Reports and recommendations from inspections or audits conducted on service areas
- Previous reports that have been produced either on a similar topic or relating to the same service user group
- Responses to public enquiries on similar topics e.g. Freedom of Information requests
- Comparisons with similar policies in other departments or authorities to help you identify relevant equality issues.
- Analysis of enquiries or complaints from the public to help you understand the needs or experiences of different groups.
- Recent research from a range of national, regional and local sources to help you identify relevant equality issues.
- Results of engagement activities or surveys to help you understand the needs or experiences of different groups.
- Local press and other media. This will tell you whether there is public concern about possible equalities implications and help you to highlight issues for engagement

Many of these sources will be consulted as a matter of course when reviewing or developing a policy. Equalities considerations are one part of the policy process, not an extra.

Service user information

The type of information you need will depend on the nature of the policy. However, information relating to service users is usually essential. Consider:

- The full range of information that you already have about the user group e.g. information contained within service reviews, audit reports, performance reviews, consultation reports
- Who actually uses the service?
- When do they use it?
- How do they use it and what are their experiences?
- Are there alternative sources of provision that could be accessed?
- Who will be using the service in the future?
- Information from groups or agencies who deliver similar services to your target group e.g. survey results from voluntary and community organisations.

Identify your information gaps

If you do not have equality information relating to a particular policy or about some protected groups, you will need to take steps to fill in your information gaps. This could mean doing further research, undertaking a short study, conducting a one off survey or consultation exercise, holding a focus group etc.

Engagement

The Consultation team are available to advise on all aspects of engagement.

You may wish to carry out engagement, which can help you to:

- Gather the views, experiences and ideas of those who are, or will be, affected by your decisions.
- Base your policy on evidence rather than on assumptions
- Check out your ideas
- Find solutions to problems and develop ways to overcome barriers faced by particular groups.
- Design more appropriate services,
- Monitor and evaluate the success of your policies and understand where improvements may be necessary.
- Avoid the costs of remedying and adapting services after their implementation
- Pre-empt complaints, which can be costly and time-consuming.

But remember you don't always have to consult or embark upon engagement if you already have enough information to assess the likely impact of the policy change on the equality needs, and if there is no other legal duty to consult. This engagement can form part of the broader consultation being carried out around service changes. You can also use recent engagement and research activities as a starting point, for example on a related policy or strategy and you can use documentation resulting from other equality analysis that Brent Council (or others) have undertaken.

For your engagement to be effective you will need to:

- Think carefully about who you should engage with. You will need to prioritise those who are most likely to be affected by the policy and those who will experience the greatest impact in terms of equality and good relations.
- In regard to people with a disability, as good practice it is recommended that they should be actively involved in engagement activity which directly affects them or the services that they receive.
- Make sure that the level of engagement is appropriate to the significance of the policy and its impact on equality
- Consider what questions you will need to ask, in order to understand the effect of the policy on equality. If you find it difficult to frame suitable questions you may take advice from the Corporate Diversity and Consultation teams
- Link into existing forums or community groups or to speak with representatives to help you reach less visible groups or those you have not engaged with before.
- Create opportunities for people to participate in supportive and safe environments where they feel their privacy will be protected, or via technology such as the internet
- Think of strategies that address barriers to engagement. Other people in the council have experience of this and can advise, as can the Corporate Diversity team and the Consultation team.

Stage 4: Drawing conclusions

You will need to review all of the information you have gathered in order to make a judgement about what the likely effect of the policy will be on equality, and whether you need to make any changes to the policy.

You may find it useful to ask yourself "What does the evidence (data, consultation outcomes etc.) tell me about the following questions":

- Could the policy outcomes differ between protected groups? If so, is that consistent with the policy aims?

- Is there different take-up of services by different groups?
- Could the policy affect different groups disproportionately?
- Does the policy miss opportunities to advance equality and foster good relations, including, for example, participation in public life?
- Could the policy disadvantage people from a particular group?
- Could any part of the policy discriminate unlawfully?
- Are there other policies that need to change to support the effectiveness of the policy under consideration?

If the answer to any of the above is "yes", you should consider what you can do to mitigate any harmful effects. Advice from the Diversity team will be particularly helpful at this stage.

You will also want to identify positive aspects of the policy by asking yourself:

- Does the policy deliver practical benefits for protected groups?
- Does the policy enable positive action to take place?
- Does the policy help to foster good relations between groups?

Having considered the potential or actual effect of your policy on equality, you should be in a position to make an informed judgement about what should be done with your policy.

There are four main steps that you can take:

- **No major change**
- **Adjust the policy**
- **Continue the policy**
- **Stop and remove the policy**

(please see EA form for detailed descriptions of each decision)

Decisions may involve careful balancing between different interests, based on your evidence and engagement. For example, if the analysis suggests the needs of two groups are in conflict, you will need to find an appropriate balance for these groups and for the policy in question. The key point is to make sure the conclusions you reach can be explained and justified. Speak to the Diversity team if you are unsure.

As a result of your analysis you may need to develop new equality objectives and targets. These should be documented on the EA form.

Stage 5: Auditing

Once you have completed the EA you will need to complete the EA Form and send it to the Corporate Diversity Team for auditing. It is important to ensure that the EA Form is completed as fully as possible. Documenting all of your analysis is important to ensure that you can show how the general and specific duties are being met. This aspect of the analysis has been subject to legal challenge so you need to be able to show how you reached your conclusions. The audit process involves the Corporate Diversity Team reviewing the completed form, the information and evidence. Sometimes this may require advice from Legal. You need to bear in mind that this will take at least five days. The team will send you back a feedback form with comments and recommendations which you will need to action prior to the sign off of the form.

Stage 6: Sign Off, Decision and Publishing

Once the EA Form is completed, the document must be signed off and the completed document must be sent to the Corporate Diversity Team to be published on the council website.

Decision-making

In order to have due regard to the aims of the public sector equality duty, decision-making must be based on a clear understanding of the effects on equality. This means that Directors, CMT and others who ultimately decide on the policy are fully aware of the findings of the EA and have due regard to them in making decisions. They are also entitled to take into account countervailing factors such as budgetary and practical constraints.

Stage 7: Monitoring and Reviewing

Your EA, and any engagement associated with it, will have helped you to anticipate and address the policy's likely effects on different groups. However, the actual effect of the policy will only be known once it has been introduced. You may find that you need to revise the policy if, for instance:

- Negative effects do occur
- Area demographics change, leading to different needs,
- Alternative provision becomes available
- New options to reduce an adverse effect become apparent

You will need to identify a date when the policy will be reviewed to check whether or not it is having its intended effects. This does not mean repeating the EA, but using the experience gained through implementation to check the findings and to make any necessary adjustments. Consider:

- How you will measure the effects of the policy?
- When the policy will be reviewed (usually after a year) and what could trigger an early revision (see above)?
- Who will be responsible for monitoring and review?
- What type of information is needed for monitoring and how often it will be analysed?
- How to engage stakeholders in implementation, monitoring and review?

Section 3: Glossary

Civil partnership: Legal recognition of a same-sex couple's relationship. Civil partners must be treated the same as married couples on a range of legal matters.

Direct discrimination: This refers to less favourable treatment of one individual, if, because of that person's protected characteristic, that person is treated less favourably than another. Direct discrimination cannot be justified unless it is discrimination on the grounds of age.

Disability: A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.

Equality information: The information that you have (or that you will collect) about people with protected characteristics that will help you to show compliance with the equality duty. This may include the findings of engagement with protected groups and others and evidence about the effect of your policies on protected groups. It includes both qualitative and quantitative information, as well as evidence of analysis you have undertaken.

Gender reassignment: This is the process of transitioning from one sex to another. See also trans, transgender, transsexual.

Harassment: Unwanted conduct related to a protected characteristic that has the purpose or effect of violating a person's dignity or creates an intimidating, hostile, degrading, humiliating or offensive environment. It may also involve unwanted conduct of a sexual nature or be related to gender reassignment or sex.

Indirect discrimination: This is when a neutral provision, criterion or practice is applied to everyone, but which is applied in a way that creates disproportionate disadvantage for persons with a protected characteristic as compared to those who do not share that characteristic, and cannot be shown as being a proportionate means of achieving a legitimate aim.

Mitigation: This is when measures are put in place that lessen the negative effects of a policy or policies on protected groups.

Objective justification: Your provision may indirectly discriminate against a particular group if:

- It is a proportionate means to achieve a legitimate end
- The discrimination is significantly outweighed by the benefits
- There is no reasonable alternative to achieve the legitimate end

For example, some employers have policies that link pay and benefits to an employee's length of service, such as additional holiday entitlement for long-serving employees. This may indirectly discriminate against younger people who are less likely to have been employed for that length of time, but in most circumstances it is seen as being a proportionate way of encouraging staff loyalty.

Direct discrimination on the grounds of age can also be objectively justified (no other direct discrimination can be).

Positive action: Lawful actions that seeks to overcome or minimise disadvantages that people who share a protected characteristic have experienced, or to meet their different needs (for example, providing mentoring to encourage staff from under-represented groups to apply for promotion).

Pregnancy and Maternity: Pregnancy is the condition of being pregnant. Maternity is the period after giving birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, including as a result of breastfeeding.

Proportionality: The weight given to equality should be proportionate to its relevance to a particular function. This may mean giving greater consideration and resources to functions or policies that have the most effect on the public or on employees.

Race: This refers to a group of people defined by their colour, nationality (including citizenship), ethnic or national origins.

Reasonable adjustment: Public authorities making adjustments to the way in which they carry out their functions so that disabled people are not disadvantaged by the way in which those functions are carried out. This is with regard to policies, practices or procedures, premises, and the provision of auxiliary aids or services.

Relevance: How far a function or policy affects people, as members of the public, and as employees of the authority. Some functions may be more relevant to some protected groups than to others, and to one or more of the three elements of the general equality duty. The function or policy may still be relevant if the numbers affected by it are very small.

Religion or belief: Religion means any religion, including a reference to a lack of religion. Belief includes religious and philosophical beliefs including lack of belief (for example, Atheism). Generally, a belief should affect your life choices or the way you live for it to be included.

Sexual orientation: This is whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.

Trans: The terms 'trans people' and 'transgender people' are both often used as umbrella terms for people whose gender identity and/or gender expression differs from their birth sex, including transsexual people (those who propose to undergo, are undergoing or have undergone a process of gender reassignment to live permanently in their acquired gender), transvestite/cross-dressing people (those who wear clothing traditionally associated with the other gender either occasionally or more regularly), androgyne/polygender people (those who have non-binary gender identities and do not identify as male or female), and others who define as gender variant.

Transgender: An umbrella term for people whose gender identity and/or gender expression differs from their birth sex. They may or may not seek to undergo gender reassignment hormonal treatment/surgery. Often used interchangeably with trans.

Transsexual: A person who intends to undergo, is undergoing or has undergone gender reassignment (which may or may not involve hormone therapy or surgery). Transsexual people feel the deep conviction to present themselves in the appearance of the opposite sex. They may change their name and identity to live in the preferred gender. Some take hormones and have cosmetic treatments to alter their appearance and physical characteristics. Some undergo surgery to change their bodies to approximate more closely to their preferred gender. Transsexual people have the protected characteristic of gender reassignment under the Equality Act 2010. Under the Act, gender reassignment is a personal process rather than a medical one and it does not require someone to undergo medical treatment in order to be protected.

Victimisation: Subjecting a person to a detriment because they have made a complaint of discrimination, or are thought to have done so; or because they have supported someone

else who has made a complaint of discrimination. Victimisation is unlawful under the Equality Act 2010.

Draft

A Summary of the Equality Act 2010

The Equality Act 2010 replaces the existing anti-discrimination laws with a single Act. The legislation covers:

- Employment and work
- Goods and services
- The exercise of public functions
- Premises
- Associations
- Transport
- Education

The act prohibits:

- Direct discrimination
- Indirect discrimination
- Discrimination by association
- Discrimination by perception
- Discrimination arising from disability
- Victimisation
- Harassment

The new legislation no longer refers to 'diversity strands' instead it introduces the concept of 'protected characteristics or groups, the protected characteristics are:

- Age
- Disability
- Gender reassignment
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and civil partnership
- Pregnancy and maternity

The Public Sector Equality Duty

The public sector equality duty requires that the council must, in the exercise of its functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

These are generally referred to as the three arms of the duty. In relation to 'fostering' there is a duty to have due regard to the need to tackle prejudice and promote understanding.

Equality of opportunity is expanded by placing a duty on the Council to have due regard to the need to:

- Remove or minimize disadvantages connected to a characteristic of a protected group.
- Take steps to meet the needs of protected groups.
- Encourage participation of protected groups in public life where participation is proportionately low.

There is also a specific requirement that councils must take steps to take account of a person's disability and there is a duty to make reasonable adjustments to remove barriers for disabled people. The duty is 'anticipatory'. For example, Brent Council cannot wait until a disabled person wants to use its services, but must think in advance (and on an ongoing basis) about what people with a range of impairments might reasonably need.

Draft

 <p>Brent</p>	<p>Executive 11 November 2013</p> <p>Report from the Chief Finance Officer</p>
<p>Wards Affected: ALL</p>	
<p>2013/14 Mid–Year Treasury Report</p>	

1. SUMMARY

- 1.1 This report updates Members on recent treasury activity.

2. RECOMMENDATION

- 2.1 The Executive is asked to note the 2013/14 mid-year Treasury report as also submitted to the Council and Audit Committee.

3. DETAIL

BACKGROUND

- 3.1 The Council's Treasury Management Strategy is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 3.2 The Code also recommends that Members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority is embracing Best Practice in accordance with CIPFA's recommendations.
- 3.3 Treasury Management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 3.4 In addition to reporting on risk management, the Code requires the Authority to report on any financial instruments entered into to manage treasury risks.

ECONOMIC BACKGROUND

- 3.5 Growth rates have risen in most major economies in the last six months. The US and Germany continue to grow slowly and the Eurozone as a whole has started to experience slow growth. The UK is now growing comparatively quickly (0.7% growth in the second quarter of 2013) although sustained growth is still to

be delivered. Some developing economies are experiencing reduced growth compared to recent years. However, inflation in the UK is still largely under control with annual growth in the Consumer Price Index currently at 2.7%.

- 3.6 Gilt yields fluctuated in a narrow range for the first half of the year with a slight upward trend but suggestions that the Federal Reserve was on the verge of starting to unwind Quantitative Easing caused interest rates to rise by up to 1% over the summer. The movement in rates at which local authorities can borrow from the Public Works Loans Board (PWLB) is set out in the table below:

Period	March 2013	September 2013
1 year	0.9%	1.1%
5 year	1.6%	2.3%
10 year	2.6%	3.5%

The Federal Reserve's stance seemed to be more influential than the Bank of England's new regime of forward guidance in the short term, as the major moves over the summer reflected developments in the US rather than the UK. Eurozone markets were calm, but the feeling amongst many commentators was that this owed much to the natural summer pause and the (then) approaching election in Germany, and that there are still fundamental problems to be solved in many European economies.

- 3.7 The interest rate the Council receives on money market funds has changed little for 1-12 month maturities during the first half of the year at 0.4%.

DEBT MANAGEMENT

- 3.8 The Authority continues to qualify for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate). This is reviewed on an annual basis and has been confirmed as applying until 31 October 2014.
- 3.9 Alternative sources of long term funding to long-dated PWLB borrowing are available, but the Council will continue to adopt a cautious and considered approach to funding from the capital markets as the affordability, simplicity and ease of dealing with the PWLB represents a strong advantage. No long term loans have been raised so far this year as is shown in the table below:

	Balance on 01/04/2013 £m	Debt Repaid £m	New Borrowing £m	Balance on 30/09/2013 £m
Short Term Borrowing	0.0	67.0	97.4	30.4
Long Term Borrowing	432.3	2.1	0.0	430.2
TOTAL BORROWING	432.3	69.1	97.4	460.6
Average Rate %	4.69			4.41

- 3.10 Affordability and the "cost of carry" remained important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing.
- 3.11 For the Council the use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments. However this position will not be sustainable over the medium term and the Council will need to give careful consideration to its future capital programme and how this is financed in due course. Borrowing options and the

timing of such borrowing will continue to be assessed in conjunction with the Council's treasury advisor, Arlingclose.

- 3.12 No debt rescheduling has been considered in the last half year as present discount rates make the premia involved unattractive.

INVESTMENT ACTIVITY

- 3.13 The Council gives priority to security and liquidity and aims to achieve a yield commensurate with these principles.

	Balance on 01/04/2013 £m	Investments Made £m	Investments Repaid £m	Balance on 30/09/2013 £m
Short Term Investments	64.7	342.7	305.7	101.7

- 3.14 Security of capital has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2013/14. New investments were made with the following classes of institutions:

A- rated banks;
AAA rated Money Market Funds;
Other Local Authorities;
The UK Debt Management Office.

- 3.15 Counterparty credit quality was assessed and monitored with reference to Credit Ratings (the Council's minimum long-term counterparty rating of A- (or equivalent) across rating agencies Fitch, Standard & Poors and Moody's); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; sovereign support mechanisms; potential support from a well-resourced parent institution; share price.

BUDGETED INCOME AND OUTTURN

- 3.16 The Council's financing charges budget for the year is £26.7m, net of investment income of £0.6m and the latest estimate is that the Council will achieve this figure. The average cash balances, representing the Council's reserves and working balances, were £91m during the period.
- 3.17 The UK Bank Rate has been maintained at 0.5% since March 2009 and is not expected to rise until 2016. Short-term money market rates have remained at very low levels.

ICELANDIC BANK INVESTMENT UPDATE

Glitnir

- 3.18 On 16 March 2012 the Council received £4m of its original £5m deposit. A further £1m remains in a ring-fenced account in Icelandic Krone, pending a decision of the Icelandic Central Bank to enable its return. At present the residual deposit is earning interest although the final sum returned to the Council will be affected by currency movements.

Heritable

- 3.19 The Council received £1.7m in August 2013, which means that only £0.6m of the original £10m deposit now remains outstanding. It is expected that further distributions will be made although there is no indication as to likely amounts.

COMPLIANCE WITH PRUDENTIAL INDICATORS

- 3.20 Officers confirm that they have complied with its Prudential Indicators for 2013/14, which were set in February 2013 as part of the Council's Treasury Management Strategy Statement (TMSS). Details can be found in Appendix 1.

OUTLOOK

- 3.21 At the time of writing this activity report in October 2013, economic growth remains slow but consistent. Tight credit conditions and weak earnings growth, as well as restrictive fiscal policy, are constraining consumer and corporate spending, but growth in real earnings is expected to resume in 2014. The outlook is for official interest rates to remain low for an extended period. Gilt yields rose in response to improved economic news and the prospect of an end to Quantitative Easing in the United States, but only limited rises are anticipated over the next two years. Markets will continue to be affected by the potential for a US sovereign default, although the recent agreement to suspend the debt ceiling until 7 February 2014 provides further time for agreement on the US budget.

SUMMARY

- 3.22 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during the first half of 2013/14. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

- 4. FINANCIAL IMPLICATIONS**
These are covered in the report.

- 5 DIVERSITY IMPLICATIONS**
None.

- 6 STAFFING IMPLICATIONS**
None.

- 7 LEGAL IMPLICATIONS**
None.

- 8 BACKGROUND**

Annual Treasury Strategy – Report to Full Council as part of the Budget Report – February 2013.

Persons wishing to discuss the above should contact the Anthony Dodridge Treasury and Pension Investments Section, Finance, on 020 8937 1472/74 at Brent Civic Centre.

CONRAD HALL
Chief Finance Officer

Appendix 1

Capital Financing Requirement

Estimates of the Council's cumulative maximum external borrowing requirement for 2013/14 to 2015/16 are shown in the table below (excluding Private Finance Initiative schemes):

	31/03/2013 Actual £m	31/03/2014 Estimate £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m
CFR	559	559	559	552

Usable Reserves

Estimates of the Council's level of Usable Reserves for 2013/14 to 2015/16 are as follows:

	31/03/2013 Actual £m	31/03/2014 Estimate £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m
Usable Reserves	58	35	24	21

Prudential Indicator Compliance

Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Council to set an Authorised Borrowing Limit. This is a statutory limit which should not be breached. The Council's Authorised Borrowing Limit was set at £800m for 2013/14. The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The Operational Boundary for 2013/14 was set at £700m. The Chief Finance Officer confirms that there were no breaches to the Authorised Limit or the Operational Boundary so far this year; borrowing at its peak was £466m.

Upper Limits for Fixed Interest Rate and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2013/14	Maximum during 2013/14
Upper Limit for Fixed Rate Exposure	100%	100%
Upper Limit for Variable Rate Exposure	40%	0%

Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 30/09/13 £m	% Fixed Rate Borrowing as at 30/09/13	Compliance with Set Limits?
Under 12 months	40	0	34	7	Yes
12 months and within 24 months	20	0	4	1	Yes
24 months and within 5 years	20	0	13	3	Yes
5 years and within 10 years	60	0	25	5	Yes
10 years and above	100	0	385	84	Yes

Net Debt and the CFR

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Authority should ensure that the net external borrowing does not exceed the total of the CFR in the preceding year plus the estimates of any additional increases to the CFR for the current and next two financial years.

The Authority had no difficulty meeting this requirement so far in 2013/14, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Total principal sums invested for periods longer than 364 days

This indicator allows the Council to manage the risk inherent in investments longer than 364 days.

The limit for 2013/14 was set at £20m.

The Council's practice since the onset of the credit crunch in 2007 has been to keep investment maturities to a maximum of 12 months. At 30 September, the last maturity date in the deposits portfolio was 1 July 2014.

Credit Risk

This indicator has been incorporated to review the Council's approach to credit risk. The Council confirms it considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not the sole feature in the Authority's assessment of counterparty credit risk. The authority considers the following tools to assess credit risk, with advice and support from our advisers, Arlingclose:

- Published credit ratings of the financial institution and its sovereign;
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum.

The Council can confirm that all investments were made in line with a minimum long term credit rating of A- or equivalent, as set in the 2013/14 TMSS.

HRA Limit on Indebtedness

This purpose of this indicator is for the Council to report on the level of the limit imposed at the time of implementation of self-financing by the Department for Communities and Local Government.

HRA Limit on Indebtedness	31/03/2013 Actual £m	31/03/2014 Estimate £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m
HRA CFR	137	141	141	141
HRA Debt Cap (as prescribed by CLG)	199	199	199	199
Difference	62	58	58	58

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