



Executive

Tuesday, 15 September 2009 at 7.00 pm
Committee Rooms 1, 2 and 3, Brent Town Hall, Forty Lane, Wembley, HA9 9HD

Membership:

Lead Member Councillors:

Portfolio

Lorber (Chair)	Leader of the Council
Blackman (Vice-Chair)	Deputy Leader of the Council
Allie	Lead Member for Housing and Customer Services
Brown	Lead Member for Highways and Transportation
Colwill	Lead Member for Adults, Health and Social Care
Detre	Lead Member for Regeneration and Economic Development
Matthews	Lead Member for Crime Prevention and Public Safety
Sneddon	The Lead Member for HR & Diversity and Local Democracy & Consultation
Van Colle	Lead Member for Environment and Planning
Wharton	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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The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

Item **Page**

1 Declarations of personal and prejudicial interests

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

2 Minutes of the previous meeting 1 - 4

3 Matters arising (if any)

4 Deputations (if any)

Environment & Culture Reports

5 Addendum to the West London Joint Municipal Waste Management Strategy 5 - 38

This report presents an addendum to the previously adopted 2006 West London Waste Authority (WLWA) Joint Municipal Waste Management Strategy (JMWMS) and seeks Executive approval for the adoption of that addendum.

Ward Affected:
All Wards

Lead Member: Councillor Van Colle
Contact Officer: Richard Saunders, Director of
Environment and Culture
Tel: 020 8937 5002
richard.saunders@brent.gov.uk

Central Reports

6 The local impact of the recession - 6 month review 39 - 52

The report, the local impact of the recession, was received by the Executive on 16 of March 2009. This detailed the impact the recession was having in Brent and a number of recommendations. This report details Brent's position 6 months on and progress to date on recommendations made. Economic data indicates the recession has a high impact in Brent, particularly in our most deprived wards. Work continues to be undertaken across Brent to ameliorate the impact of the recession.

Ward Affected: All Wards
Lead Member: Councillor Lorber
Contact Officer: Phil Newby, Director of Policy and Regeneration
Tel: 020 8937 1032
phil.newby@brent.gov.uk

7 Performance and Finance Review - Quarter 1, 2009/10

53 - 68

This report summarises Brent Council's spending, activity and performance in Quarter 1, 2009/10 and highlights key issues and solutions to them. It takes a corporate overview of financial and service performance and provides an analysis of high risk areas. The report is accompanied by appendices providing budget, activity and performance data for each service area, the Local Area Agreement, ring fenced budgets and the capital programme. Vital Signs trend data and graphs are also provided along with the council's overall budget summary.
(Appendices to this report have been circulated separately)

Ward Affected: All Wards
Lead Member: Councillor Lorber
Contact Officer: Mick Bowden, Deputy Director of Finance, Cathy Tyson, Policy and Regeneration
mick.bowden@brent.gov.uk,
cathy.tyson@brent.gov.uk

8 Modernisation of the Council's financial management arrangements and approval for appointment of consultants 69 - 90

This report sets out proposals for modernisation of the Council's financial management arrangements. The proposals have been developed as part of the "One Council" stream of work set out in the Council's Improvement and Efficiency Strategy which was published in September 2008.
(Appendix C to this report is not for publication)

Ward Affected: All Wards
Lead Member: Councillor Blackman
Contact Officer: Duncan McLeod, Director of Finance and Corporate Resources
Tel: 020 8937 1424
duncan.mcleod@brent.gov.uk

Housing & Community Care Reports

None

Children & Families Reports

None

9 Reference of items considered by Forward Plan Select Committee (if any)

10 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.

11 Exclusion of Press and Public

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

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

APPENDIX C

Modernisation of the Council's financial management arrangements and approval for appointment of consultants
(report above refers)

Date of the next meeting: Monday, 19 October 2009



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

Agenda Item 2

MINUTES OF THE EXECUTIVE Monday, 17th August 2009 at 7.00 pm

PRESENT: Councillor Lorber (Chair), Councillor Blackman (Vice Chair), and Councillors Allie, D Brown, Detre, Van Colle and Wharton.

Councillors Dunwell and Malik also attended the meeting.

Apologies for absence were submitted on behalf of Councillors Colwill, Matthews and Sneddon.

1. Declarations of Personal and Prejudicial Interests

None declared at this meeting.

2. Minutes of the Previous Meeting

RESOLVED:-

that the minutes of the previous meeting held on 14th July 2009 be approved as an accurate record.

3. Matters arising

Leases of Council owned land and buildings to community and voluntary groups

Councillor Van Colle asked how many leases had now been entered into with the voluntary sector and it was agreed that a written response would be sent to him.

4. Lord Laming Report

Councillor Wharton (Lead Member for Children and Families) introduced the report which sought approval of the Council's response to Lord Laming's report, following the death of Baby Peter in Haringey, which was reported to the Executive on 16th March 2009. He drew attention to the action plan that had been produced although pointed out that most of the actions recommended by the Laming report were for other government agencies to carry out. In these cases, the Council's role was to use its influence through the two joint bodies established, the Local Safeguarding Children's Board and the Brent Children's Partnership Board, to get its partners to take the necessary action. One of the recommendations had been for Leading Members to attend as observers the meetings of the Local Safeguarding Children's Board which Councillor Wharton reported he had begun to do.

The Leader asked what actions had been taken by the Council's partners who were affected by the Laming report and in response it was explained that it appeared that the Government, having responded to the report now expected the Children's Partnership Boards to ensure implementation of

the actions. The Leader asked that the Council's partners in the health service be asked to produce an action plan with timescales for when the issues raised by the Laming report would be addressed and then for the Council to monitor the actions being taken.

RESOLVED:

- (i) that the local response to Lord Laming's report outlined in the action plan appended to the report before the Executive be endorsed;
- (ii) that the Local Safeguarding Children's Board take the lead on the actions specific to its remit and that the Brent Children's Partnership Board (Brent's Children's Trust arrangement) take overall responsibility for ensuring that all partner agencies carry out their required actions.

5. Authority to renew advice service grants to Brent Citizens' Advice Bureau and Brent Community Law Centre Limited

The report from the Director of Housing and Community Care sought authority to renew for a specified period the existing grant funding for the Citizens Advice Bureau (CAB) and the Brent Community Law Centre Limited (BCLC). As there was no provision in the Council's constitution to extend existing grant funding the renewals would amount to fresh grants.

RESOLVED:

- (i) that the grant for the CAB be renewed for a further 12 months, to conclude 30th September 2010 pending the outcome of a strategic review;
- (ii) that the grant for the BCLC be renewed for a further 6 months, to conclude 30th September 2010 pending the outcome of a strategic review.

6. Gypsy, Roma and Traveller Inclusion Strategy.

The Housing Act 2004 and the ODPM planning circular 01/2006 mainstreamed the accommodation needs of the Gypsy, Roma and Traveller (GRT) communities and placed a requirement on local housing authorities to:-

- (a) assess the accommodation needs of GRT communities, and
- (b) based on the findings produce a strategy and action plan to work towards providing/finding solutions for the identified need and ensure that the cultural needs of these communities are respected.

The report from the Director of Housing and Community Care presented a draft strategy and action plan covering the next five years, 2009 – 2014 and focussed on improving access to all Council/other statutory agencies'

services to work in partnership with these communities towards integration and community cohesion.

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

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

RESOLVED:

- (i) that the summary of findings of the GLA commissioned Gypsy and Traveller Accommodation Needs Assessment (GTANA) survey as it relates to Brent attached as Appendix 1 to the report be noted;
- (ii) that the draft strategy and action plan attached as Appendix 2 to the report be noted;
- (iii) that the reduction of pitches from 31 to 20 to ease overcrowding on the Lynton Close site once alternative facilities have been found be agreed;
- (iv) that a further report be submitted to a future meeting of the Executive, agreeing the purchase of the identified site(s), setting out how the cost will be met and all other financial implications, whilst noting that it will be necessary for the new site to:-
 - a) meet the criteria set out in the Council's Travellers Policy,
 - b) accommodate residents moved from the Lynton Close site, and
 - c) provide additional pitches in line with the targets set in the GLA's London Plan due to be published in Autumn 2011.
- (v) that a further report be submitted to a future meeting of the Executive setting out detailed costing to:-
 - a) refurbish and redesign the Lynton Close site, and
 - b) set up the new site in line with the good practice guidance issued by the Department of Communities & Local Government (DCLG).

7. Treasury Management Annual Report.

Councillor Blackman introduced the report before the Executive which provided information to Members on borrowing and investment activity during 2008/09. It also set out how the Council performed against prudential indicators set in the 2008/09 budget.

RESOLVED:-

that Full Council be recommended to:

- (i) approve the Treasury Management Annual Report and Annual Investment Strategy Report; and
- (ii) note the outturn for prudential indicators.

The meeting ended at.7:30pm.

P LORBER
Chair



Executive
15 September 2009

Report from the Director of Environment & Culture

Wards Affected:
ALL

Addendum to the West London Joint Municipal Waste Management Strategy.

Forward Plan Ref: E&C-09/10-12

1.0 Summary

- 1.1 This report presents an addendum to the previously adopted 2006 West London Waste Authority (WLWA) Joint Municipal Waste Management Strategy (JMWMS) and seeks Executive approval for the adoption of that addendum.
- 1.2 The WLWA has already adopted the addendum subject to the co-adoption of the addendum by the constituent boroughs.
- 1.3 The report also sets out other, very preliminary, proposals that are to be considered by Brent and the other constituent boroughs as part of a longer-term vision for sustainable waste management in the WLWA area.
- 1.4 Members must appreciate that failure to agree and adopt an updated long term Waste Strategy is likely to result in a failure to meet Government targets and Brent incurring resulting in financial penalties. Members need to be aware that the costs of collection/disposal are escalating at rates in excess of general inflation and whilst the measures suggested in this report will help to reduce this rate of increase they are still likely to require some budget growth in the short term.

2.0 Recommendations

- 2.1 That the Executive agree the adoption of the Addendum (attached as Appendix A) to the existing Joint Waste Management Strategy.
- 2.2 That the Executive note the measures required by constituent boroughs to increase recycling.
- 2.3 That the Executive note the WLWA proposal to review civic amenity site provision in the WLWA area.
- 2.4 That the Executive note the proposed changes to operational governance of the WLWA and borough partnership.

Addendum to the Joint Municipal Waste Management Strategy.

3.0 Detail

- 3.1 In two tier waste authority areas, the Waste and Emissions Trading Act 2003 s.32 (WET Act) places a statutory duty on waste collection and disposal authorities to produce a joint municipal waste strategy (JMWS) for their area.
- 3.2 The Partnership of West London Waste Authority (WLWA) and the constituent Boroughs of Brent, Ealing, Hounslow, Harrow, Hillingdon and Richmond produced and adopted a Joint Municipal Waste Management Strategy (JMWMS) in 2006.
- 3.3 Defra's Guidance for Municipal Waste Management Strategies recommends a periodic review of strategies as good practice. West London's JMWMS indicated that a review of the Strategy should occur every three years. The Addendum has been produced as part of the review of the JMWMS.
- 3.4 At a WLWA meeting on 10 December 2009, consultants, ERM, were appointed to update the existing JWMS. This work has been completed. The updates, including waste modelling, national and regional strategy update and gap analysis were presented to a workshop away day on 31 March 2009 and informed the discussions on the day.
- 3.5 The workshop involving all WLWA members along with senior officers from WLWA and constituent boroughs discussed a new vision for the WLWA joint waste management strategy. In many ways the partnership has been rejuvenated in recent months. A new management team has worked to galvanise borough collaboration and to address fundamental strategic issues. The proposed new vision is a consequence of this new - and more robust - joint approach and is set out as follows:
- i. To establish a better partnership with constituent boroughs
 - ii. To take a lead role in delivering on the boroughs Climate Change and Carbon Management agendas on waste management issues
 - iii. To become a resource management Authority rather than a waste disposal authority
 - iv. To champion waste reduction and minimisation in West London
 - v. To re-use, recycle, compost or recover 70% of our waste stream
 - vi. To send zero waste to landfill
 - vii. To be London's exemplar Resource Management Partnership
 - viii. To improve WLWA governance structure
- 3.6 The Addendum will provide a platform for this ongoing work. The Addendum should be read in conjunction with the JMWMS. It does not attempt to set new objectives or policy. The Partnership is currently reviewing its overall vision for waste management in West London, to strengthen the focus on Partnership working and managing waste as a resource.

- 3.7 Members must appreciate that failure to agree and adopt an updated long term Waste Strategy is likely to result in a failure to meet Government targets and Brent incurring resulting penalties. Members need to be aware that the costs of collection / disposal are escalating at rates in excess of general inflation.
- 3.8 The Addendum document is attached as Appendix A.
- 3.9 As suggested, in addition to approving the Addendum, key next steps have been proposed by WLWA. This work is ongoing and progress will be reported back at a later date. These other proposals are described below.

Other Proposals

4.0 Aspire to 70% Recycling and Composting and Zero Waste to Landfill

- 4.1 A new aspiration to recycle and compost 70% of municipal waste is proposed. Whilst 2020 has been suggested, WLWA and the boroughs have yet to agree a realistic date by which this rate of diversion can be achieved. The table below shows the current targets set out in Waste Strategy 2007, which whilst not statutory obligations on the boroughs provide a national context.

	2010	2015	2020
WS2007 Household Recycling & composting	40%	45%	50 or 60% (currently under review by Defra)
WS2007 Municipal Waste Recycling/Re-use/ Composting and Energy Recovery	53%	67%	75%
WS2007 Household kg per head	310kg 365kg (current)	270kg	225kg
Current WLWA Joint Strategy Target for municipal waste	40%		50%
Proposed WLWA Joint Strategy Target for municipal waste	40%	tba	70%

4.2 The current performance of the constituent authorities is set out in the table below, which also shows the stretch required to meet the new vision.

Borough	Current Performance	LAA NI 192 Target 2010/11	Increase from Current to 70%
Brent	30%	40%	133%
Ealing	35%	40%	100%
Harrow	43%	50%	63%
Hillingdon	36%	42%	94%
Hounslow	33%	37%	120%
Richmond	42%	NI 191	67%

4.3 Two of the constituent boroughs currently recycle over 40% of the household waste stream. Current best practice in London suggests 47% is a realistic and achievable short term target. To improve recycling and composting rates to the levels required by the new vision the boroughs will need to consider implementing some or all of the following measures;

- i. Kerbside kitchen waste collections
- ii. Provision of recycling services including food waste to all flats
- iii. Recycling additional materials
- iv. Compulsory recycling
- v. Limiting container size for residual waste
- vi. Changes in collection frequencies
- vii. Recycling of street cleansing arising
- viii. Recycling of 80% of CA site waste
- ix. Well planned and resourced waste minimisation campaigns

4.4 Implementation of any of these measures could each add between 1-4% to borough's recycling. However, following discussions of these proposals with the other borough representatives, it became apparent that there is currently insufficient data available to boroughs and the WLWA to make informed decisions on future services. The group agreed the following actions:

- I. The need for a waste model to be developed at borough level to allow detailed planning and evaluation of new waste services, this would include regular waste compositional analysis, and carbon impact modelling.
- II. To achieve high rates of recycling and composting at the Civic Amenity sites significant improvements will be required at all sites and consideration should be given to the sites being provided and managed by the WLWA. Members are advised that the cost implications of this are not yet clear. If it is proposed that all boroughs should share the costs of CA sites across the WLWA area, then given that Brent has the lowest provision currently this is likely to result in

an increase in our costs. Brent's finance officers will be fully consulted on any proposals as they are developed.

- III. The importance of waste minimisation, communications and education was recognised and the opportunity to provide Authority wide campaigns is to be investigated.

4.5 Whilst WLWA can be expected to meet the capital cost of developing the required treatment infrastructure, any changes to collection systems could lead to additional costs for the constituent boroughs. Research shows that achieving higher rates of recycling via collections can require disproportionate investment. Increased collection costs may not be covered by savings in disposal costs in the short term. It may be better to treat more than 70% of the waste stream instead. However, in the longer term it is likely that there will be a net saving if disposal costs continue to increase at current levels e.g. the £8 per tonne escalator announced in Budget 2009 plus increases in operating costs.

4.6 It is unlikely that boroughs will be able to achieve 70% recycling through improved collection schemes and improved management of CA sites, therefore further treatment processes would be required to increase recycling to the level required to meet this target. One of the options would be to treat specific waste streams such as residual waste from flats or street cleaning arisings where the opportunities for recycling are reduced or difficult to operate. For example, this waste flow could be treated via a "dirty MRF". It should be noted that dirty MRFs only achieve a recycling rate of 10-15% of general refuse and the recyclates produced are of very low quality which can present problems in securing reprocessing outlets. However whilst the contribution to recycling would not be great the remainder of the treated waste could be used as a refuse derived fuel for energy and heat generation in Combined Heat and Power (CHP) plants.

4.7 The current Joint Waste Management Strategy includes an overview of technology solutions available, but does not identify a specific solution for the WLWA. The West London Waste Plan is currently identifying potential sites for waste facilities in the WLWA area, but not assigning specific technologies to those sites. By reviewing all available sites and technologies the WLWA needs to develop a "hierarchy" of the most appropriate technologies to achieve its goals of 70% recycling and zero waste to landfill. The choice of the most appropriate technology will be dependent upon the detailed make up of the waste stream feed stock, which will be determined via waste composition analysis, and the outputs from the treatment which may still require disposal. The overall revenue and capital costs to the boroughs and the WLWA will need to be modelled for a number of scenarios to ensure that the correct balance between borough and WLWA costs and environmental benefits is achieved.

5.0 Zero Waste to landfill

5.1 One of the Mayor for London's main priorities for waste management is to unlock the economic value in London's waste and develop its potential as a resource. Increasing the amount of waste recycled reduces the need for the use of new materials in manufacture. Ensuring that no waste goes to landfill is vital. A range of technologies are becoming available, the choice of the most suitable being dependent upon a range of factors including waste composition, optimum size of plant, planning issues, land availability and cost. It is anticipated that, encouraged by policies of the Mayor for London, there will be an increased demand for refuse derived fuel for local combined heat and power plants, which if located in the WLWA area would allow waste to be managed close to where it has been generated.

- 5.2 If the boroughs with the support of the WLWA are able to successfully divert 70% of waste via recycling and composting, the quantity of residual waste requiring treatment will be reduced to approximately 227,000 tonnes per annum (based on current waste arisings). Approximately 45% of this waste stream will be treated at the Lakeside Energy from Waste plant from 2015. Further treatment facilities will need to be sourced for the balance of residual waste. The WLWA will have the option of either developing new facilities such as CHP itself (in partnership with a partner to use the energy and heat produced) or to adopt a treatment process that produces marketable refuse derived fuel for transport and use elsewhere. It is proposed that the WLWA and the constituent boroughs investigate these options further as part of the development of a “hierarchy” of technologies for report back to a future meeting.

6.0 Governance

- 6.1 The workshop away day also considered the Governance model used by the WLWA and how this could be changed to facilitate better partnership arrangements
- 6.2 At a constitutional level the current structure is appropriate for the partnerships requirements. In addition the Constituent Engineers' Group which is chaired by the WLWA's Chief Technical Advisor is also considered fit for purpose. This group will be the principle mechanism for the WLWA to consult with the boroughs. The group will continue to meet on a bi-monthly basis, but will meet more frequently if required. It shall be the responsibility of the Constituent Boroughs to ensure that they are represented at this meeting, that their representative is of a seniority required (minimum head of service suggested) and that their representative reports back to senior managers and members within their own borough.
- 6.3 It is proposed that a new group, to be called the Strategy and Performance Group, be convened on an annual basis, in the spring, to review the performance of the WLWA and boroughs against the actions agreed in the Joint Waste Strategy Implementation Action plan for the past 12 months, and agree the detailed actions for the next 12 months. This group will comprise the WLWA members and officers, constituent borough cabinet/executive members, directors, assistant directors and heads of waste services. It is further proposed that the officers from the Strategy and Performance Group meet in mid year between the annual meetings to monitor interim performance and consider actions for the next Annual Implementation Plan.

7.0 Next steps and Timescales

- 7.1 The Officers of the WLWA in partnership with the boroughs will continue to develop and evaluate the details of the new vision. Subject to the approval of the WLWA, development of the waste model should be complete by this autumn. The availability of the model to Brent will allow us to begin to plan future collection services and enable us to commit to stretch targets for recycling by the end of 2009.
- 7.2 The waste modelling process will be enhanced and improved by the waste compositional analysis, but this will be the subject of procurement process and sampling of borough waste streams is likely to commence in early 2010.
- 7.3 The proposal to transfer provision of the civic amenity sites to the WLWA will be developed through the coming year for report back to a future meeting. Members are reminded that the cost implications of this are not yet clear. If it is proposed that all boroughs should share the costs of CA sites across the WLWA area, then given that Brent has the lowest provision currently this is likely to result in an increase in our

costs. Brent's finance officers will be fully consulted on any proposals as they are developed.

7.4 The completion of the above work streams, particularly on borough recycling stretch targets, will enable the WLWA to consider the future waste treatment technologies required to deliver zero waste to landfill in the winter of 2009, at which time, the West London Waste Plan will have been further developed and the initial review the Mayor's Municipal Waste Strategy will be complete. This will enable procurement to commence in 2010/11.

7.5 The requirement to develop and adopt a new Joint Waste Strategy needs to be considered. The new vision is significantly more stretching than previous policy targets; however, they are still in general accordance with existing policies. Subject to the WLWA's agreement to the actions outlined above the requirement, cost and timetable to develop a new Joint Waste Strategy for the WLWA will be considered for report back to a future meeting.

8.0 Staffing/Accommodation Implications (if appropriate)

There are no implications as a result of this report.

9.0 Legal Implications

There are no implications as a result of this report.

10.0 Diversity Implications

There are no implications as a result of this report.

11.0 Financial Implications

11.1 It is not yet clear how the cost of the waste modelling exercise (4.4, i) will be borne or, indeed, what that cost is likely to be. If it is not wholly met by WLWA, Brent will need to fund this work from existing resources.

11.2 WLWA has yet to come up with details of how the costs of CA sites will be allocated in future years (4.4 ii). Until they do and the proposal is agreed by the boroughs, we cannot be sure what the financial effects will be for Brent. It is possible that there could be extra costs.

11.3 As discussed, Members must appreciate that failure to agree an updated long term Waste Strategy is likely to result in a failure to meet Government targets and Brent incurring resulting penalties. Members need to be aware that the costs of collection / disposal are escalating at rates in excess of general inflation and that, whilst WLWA may be expected to meet the capital cost of developing new treatment infrastructure, the measures proposed in the strategy are still likely to require some local budget growth in the short term.

12.0 Environmental Implications

Adopting an update to the Waste Strategy and jointly identifying a new longer-term vision for the treatment of the Borough's domestic waste will not only secure a sustainable disposal route for this waste, but also help the Council deliver its wider environmental objectives.

Background Papers

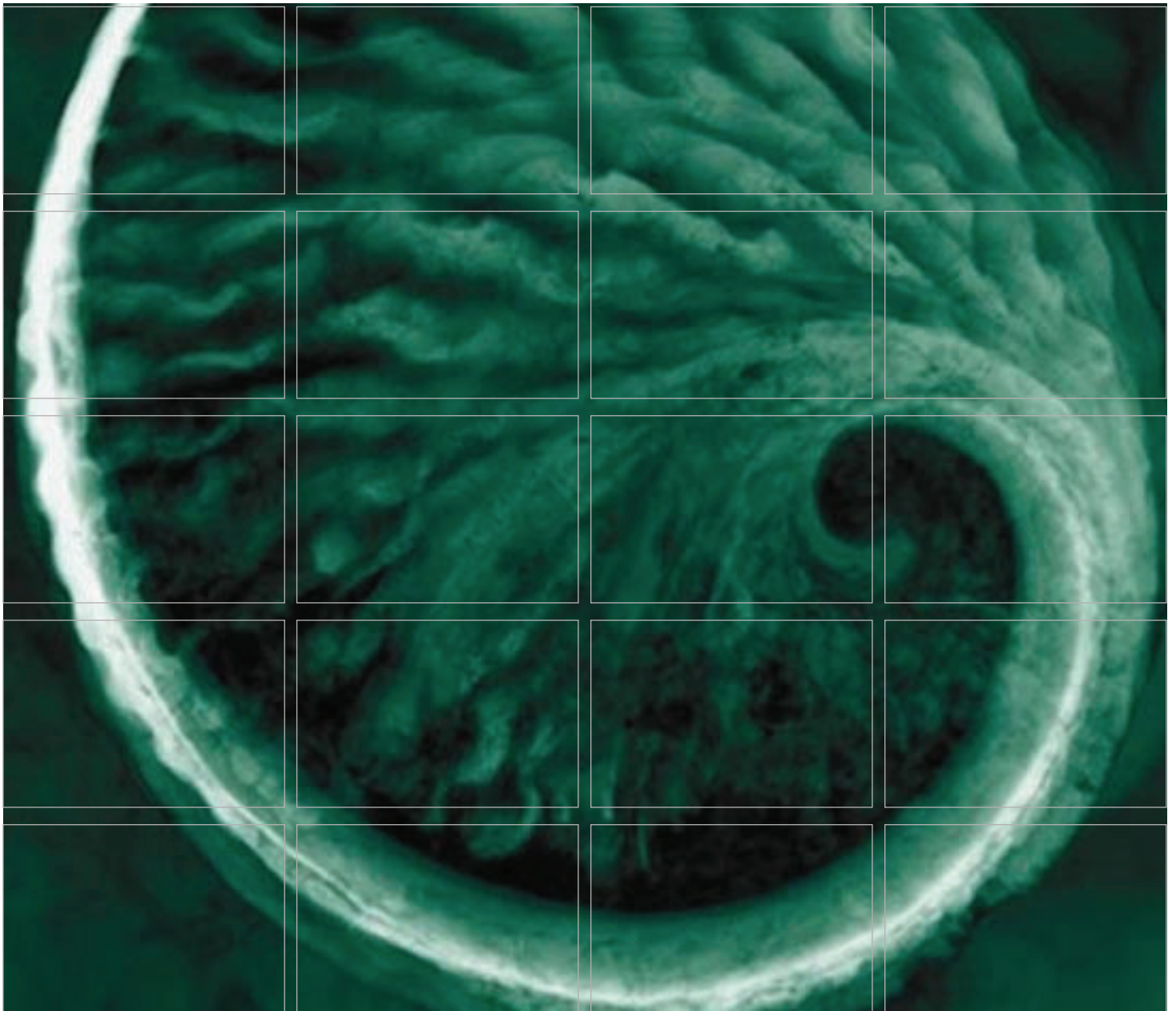
Addendum to the West London Waste Authority (WLWA) Joint Municipal Waste Management Strategy – attached as Appendix A

The 2006 West London Waste Authority (WLWA) Joint Municipal Waste Management Strategy may be accessed to provide additional and more detailed information.

Contact Officers

Chris Whyte, Head of Environmental Management x5342

Richard Saunders
Director of Environment and Culture



Addendum to West London's Joint Municipal Waste Strategy.

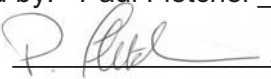
May 2009

WLWA

Addendum to West London's Joint Municipal Waste Strategy.

May 2009

Prepared by Philip Short

For and on behalf of Environmental Resources Management
Approved by: Paul Fletcher _____
Signed:  _____
Position: Partner _____
Date: 18 th May 2009 _____

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We disclaim any responsibility to the client and others in respect of any matters outside the scope of the above.

This report is confidential to the client and we accept no responsibility of whatsoever nature to third parties to whom this report, or any part thereof, is made known. Any such party relies on the report at their own risk.

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West London Waste Authority and the constituent Boroughs of Brent, Ealing, Hounslow, Harrow, Hillingdon and Richmond (*herein the Partnership*) produced and adopted a Joint Municipal Waste Management Strategy (JMWMS) in 2006. The JMWMS set the Partnership challenging targets and policy to drive the management of West London's waste up the waste hierarchy. It also included a number of detailed Action Plans to ensure implementation of the JMWMS.

Defra's Guidance for Municipal Waste Management Strategies recommends a periodic review of strategies as good practice. West London's JMWMS indicated that a review of the Strategy should occur every three years.

This Addendum has been produced as part of the review of the JMWMS. The review:

- acknowledges the increased recycling and composting performance of the Boroughs;
- updates current waste management data;
- updates waste growth predictions;
- re-examines the Partnership's landfill diversion requirements; and
- examines the impacts of changes to the national waste strategy - Waste Strategy for England 2007.

This Addendum should be read in conjunction with the JMWMS. It does not attempt to set new objectives or policy. The Partnership is currently reviewing its overall vision for waste management in West London, to strengthen the focus on Partnership working and managing waste as a resource. This Addendum will provide a platform for this ongoing work.

The Partnership also wishes to await the outcome of the Revised Waste Management Strategy for London, before making any formal policy revisions. The Mayor of London is expected to publish this Strategy later in 2009.

2 Current Performance

2.1 Waste Growth

The amount of municipal waste arising in West London has decreased over the last 7 years from 859,000 tonnes in 2002/3 to 735,000 in 2008/9. This is due to a significant decrease in the arisings of non-household municipal waste over this period. Arisings of household waste have fluctuated over this same period but in 2008/09 were at a similar level to those in 2003/04 (despite a slight increase in population). The vast majority of MSW that is produced (approximately 85%) is household waste.

Figure 2.1 Municipal Waste Arisings

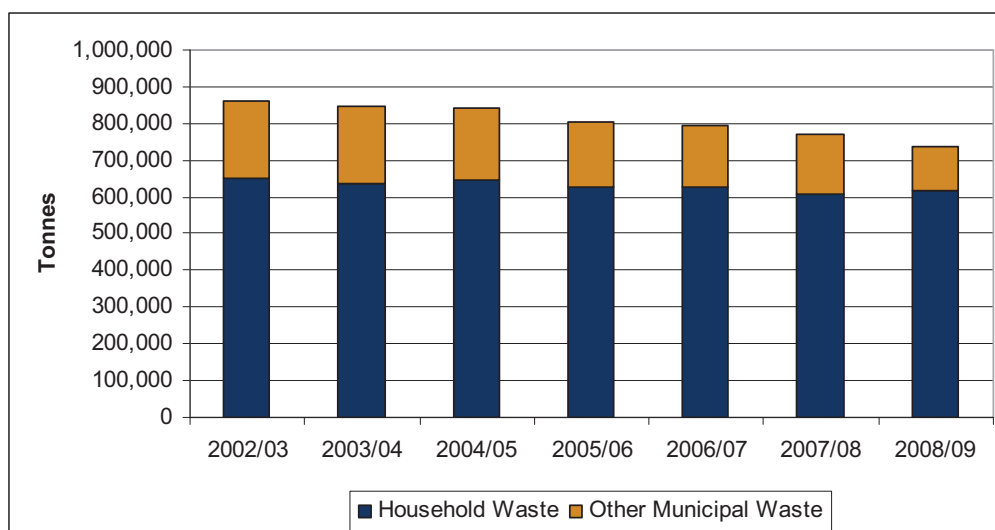


Table 2.1 Current and Historic Waste Arising Data for West London

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Municipal Waste (tonnes)	859,000	845,000	841,000	802,000	793,000	771,000	735,000
Household Waste (tonnes)	653,000	635,000	646,000	628,000	625,000	606,000	619,000
Number of households	577,000	555,000	555,000	564,000	564,000	564,000	564,000
Population	1,402,000	1,430,000	1,423,000	1,426,000	1,437,000	1,441,000	1,441,000

The exact reasons for this ongoing decrease in municipal waste arisings are unknown. However, it is likely to be due to a combination of reasons:

- tighter controls on unlawful trade waste collections;
- better overall monitoring of waste arisings;
- efforts from retailers and manufacturers to reduce unnecessary packaging; and
- national & Borough led awareness schemes to encourage waste minimisation.

Box 2.1 Examples of West London Borough Waste Minimisation Initiatives

Harrow offer a grant to encourage the use of reusable nappies which helps to reduce the amount of disposable nappies sent to landfill every year. They also provide home composters free of charge to householders.

Richmond will be continuing with their existing waste minimisation campaigns, which include encouraging waste aware shopping, stopping unwanted mail and home composting. They also advertise local scrap-stores and reuse centres to encourage re-use where possible.

Brent offer home composting facilities and a “Green Zone” scheme.

Hounslow offer home composting facilities and the option to buy a garden wormery at a subsidised rate. They have also established a re-use centre for potentially reusable materials such as furniture, paint and timber, they offer mobile phone and printer cartridge recycling.

It is also predicted that the economic downturn will have an affect on waste arisings although this impact is expected to become evident in the 20010/11 arisings data.

Table 2.2 Bororough Arisings 2007/08

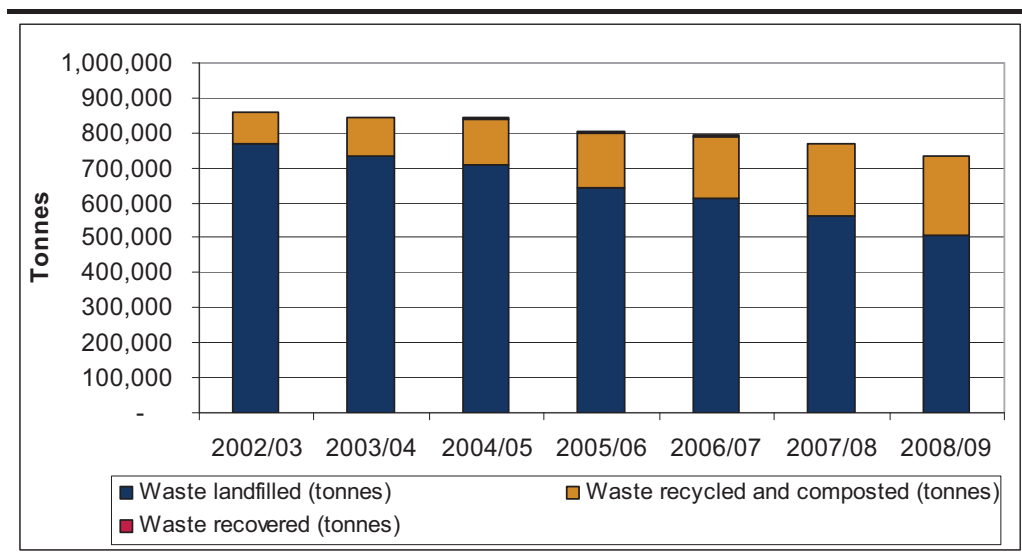
	Brent	Ealing	Harrow	Hillingdon	Hounslow	Richmond
Municipal Waste (tonnes)	129,000	149,000	114,000	151,000	131,000	99,000
Household Waste (tonnes)	111,000	119,000	99,000	120,000	79,000	78,000
Residual waste per household (kgs)	747	946	712	777	850	606

N.B. audited data for 2008/09 is not currently available for these figures on a Borough by Borough basis.
 N.B Date provided by WLWA

2.2 Recycling and Composting

Recycling and composting performance has increased significantly in West London over recent years with levels, rising from 10% in 2002/3 to 30.5% in 2008/9. The JMWMS set challenging targets for recycling and composting (Policy 3) with the overall ambition of recycling and composting 50% of municipal waste by 2020.

Figure 2.2 Recycling and Composting Performance



2.2.1 Current Collection Schemes

The improvements in recycling and composting performance have been largely due to the Boroughs improving their existing schemes, and introducing new recycling and composting schemes. The individual Borough recycling and composting performance for 2007/08 is shown in *Table 2.3* below.

Table 2.3 Borough Performance

	Dry Recycling (%)	Composting and Kitchen Waste (%)
Brent	12.08	8.90
Ealing	21.08	7.86
Harrow	21.35	18.20
Hillingdon	21.17	12.58
Hounslow	17.49	4.26
Richmond	24.60	11.54

N.B. audited data for 2008/09 is not currently available for these figures on a borough by borough basis.

Details of the current collection schemes for all the authorities are provided in *Annex A* and a brief summary is provided below. These details are an update of *Table 3.2* in the JMWMS.

Table 2.4 Borough Collection Schemes

	Residual Waste	Dry Recycling	Composting and Kitchen Waste
Brent	Wheeled bin – weekly collection	44 litre box – weekly collection	Wheeled bin – weekly collection Bio bags – collection on request
Ealing	Wheeled bin for c.15,000 households – weekly collections Remainder black sacks – weekly collection	Recycling box – weekly collection Reusable bag – weekly collection	Food waste bin – weekly collection Reusable green waste bag – weekly collection
Harrow	Wheeled bin – fortnightly collection	Wheeled bin – fortnightly collection	Wheeled bin – weekly collection
Hillingdon	Black sacks – weekly collection	Recycling sacks – weekly collection	Bags – fortnightly collection
Hounslow	Black sacks – weekly collection	Recycling box – weekly collection Reusable bag – fortnightly collection	Food waste sacks – weekly collection Green waste bag – fortnightly collection
Richmond	Black sacks – weekly collection	Recycling boxes – weekly collection	Food waste bin – weekly collection 140L green waste bin – fortnightly collection

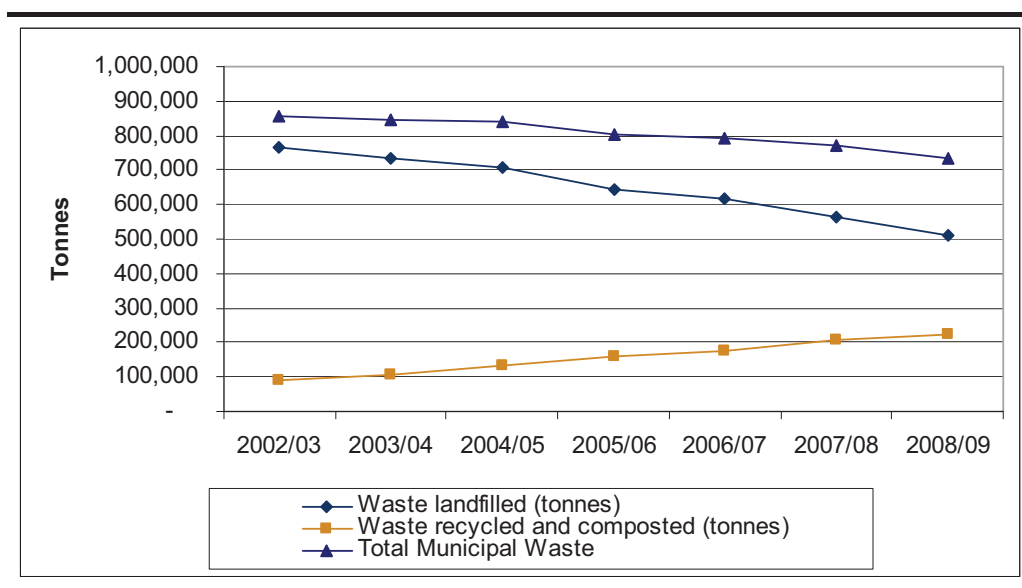
Table 2.5 Planned Changes to Collection Schemes

	Proposed Changes to Services
Brent	Expand public bring banks. Expand estates recycling. Possibly co-mingled collections for certain areas of the service. Increase organic collections throughout the borough. Increase compulsory recycling drive.
Ealing	No major changes planned. Continued expansion of flats recycling scheme (mini bring banks collecting glass, cans, paper). Potential expansion of schools recycling service to include cardboard and food waste dependent on funding.
Harrow	No changes planned.
Hillingdon	Looking into textiles kerbside collections, Bring Banks sites to be updated. Looking into the possibility of Tetra-pak containers to be introduced to recycling collections.
Hounslow	No further changes planned. All services listed above are those starting in March 2009.
Richmond	No changes to service for households - only to vehicles. Introducing split back fleet in 2010. After that may extend food waste collections to estates and possibly to commercial premises

2.3 Residual Waste

Currently, 70% of West London's residual waste goes to landfill for disposal. However, the amount of residual waste generated in West London has been reducing steadily over the last few years. This is illustrated in *Figure 2.3* below. The amount of waste landfilled has reduced by over 200,000 tonnes per annum in seven years. This has largely been achieved through an increase in recycling and composting performance as well as the reduction in overall arisings. The key drivers for this change have been changes in legislation and the increasing cost of landfill. The future impact of these changes is explained in more detail in *Section 3.3*.

Figure 2.3 Recent Trends in Waste Management



3 Planning for the Future

3.1 Waste Arisings

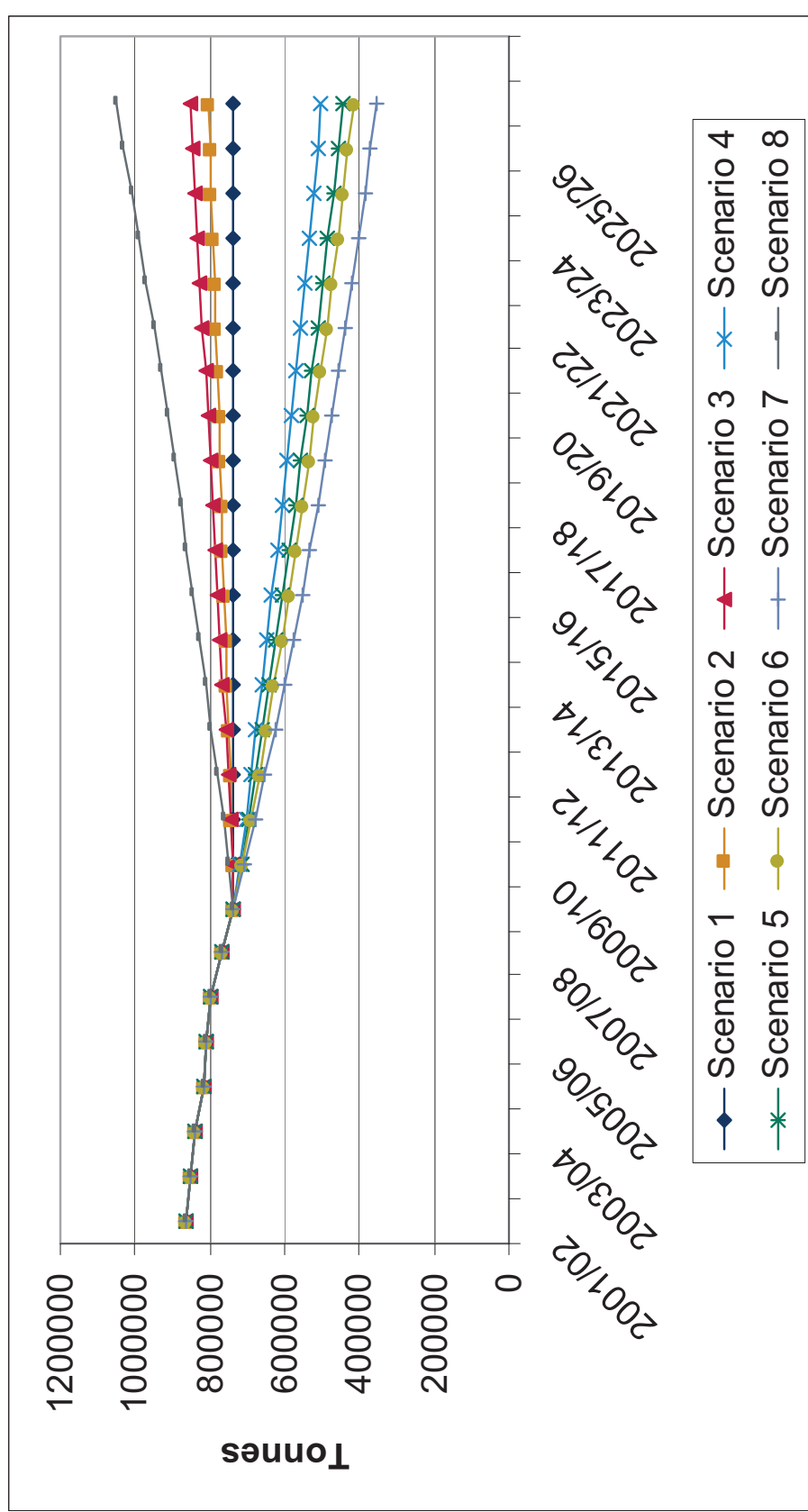
The waste growth forecast used in the JMWMS was based on a historic trend using 7 years of waste arisings data. It is essential that the Partnership continues to review and monitor waste arisings to understand the impacts this may have on future waste management needs. This Addendum has therefore re-examined the waste arisings predictions using current data and updated household prediction figures.

A number of other forecast scenarios have been examined. These are described in *Box 3.1* and illustrated in the graph below. For the purposes of estimating future landfill diversion needs, WLWA considers that Scenario 4, using 7 years of historic data, should be assumed.

Box 3.1 Waste Growth Scenarios

- **Scenario 1:** a forecast of no growth in municipal waste arisings (static)
- **Scenario 2:** a forecast of municipal waste arisings based on a constant 0.5% increase per annum, in line with the national rate quoted in Waste Strategy 2007
- **Scenario 3:** a forecast of municipal waste arisings based on the likely increase in households across WLWA (constant arisings per household) and assuming non-household waste arisings remain static
- **Scenario 4:** a forecast of municipal waste arisings based on the average growth rate experienced in WLWA between 2001/02 and 2008/09 (the historic 7-year growth rate)
- **Scenario 5:** a forecast of municipal waste arisings based on the average growth rate experienced in WLWA between 2003/04 and 2008/09 (the historic 5-year growth rate)
- **Scenario 6:** a forecast of municipal waste arisings based on the average growth rate experienced in WLWA between 2005/06 and 2008/09 (the historic 3-year growth rate)
- **Scenario 7:** a forecast of municipal waste arisings based on the average growth rate experienced in WLWA between 2006/07 and 2008/09 (the historic 2-year growth rate)
- **Scenario 8:** a forecast of municipal waste arisings based on assumptions in the Mayor of London's Municipal Waste Management Strategy (2% per annum)

Figure 3.1 Municipal Waste Growth Forecasts



3.2 Procurement of Recovery Capacity

The JMWMS identified that the Partnership was in danger of not meeting its landfill diversion requirements. It also recognised that new large-scale infrastructure was likely to take several years to procure, build and commission and thus an interim solution (Stage 1a) was required to achieve the necessary short-term landfill diversion.

The Stage 1a procurement process commenced at the end of 2007, via the competitive dialogue tendering procedure, with contracts expected to start in summer 2009.

The following recovery capacity has been secured through this procurement process:

- 25,000 tonnes per year for the period 2009/10 – 2013/14
- 45,000 tonnes in 2014/15
- 90,000 tonnes per year for the period 2015/16 – 2034/35

WLWA is currently assessing the need for procuring further recovery capacity in the light of the response to the Stage 1a procurement, the recent trends in declining waste arisings and changing performance and objectives of the Partnership.

3.3 Landfill Diversion Requirements

European and national legislation is driving the diversion of waste from landfill. An outline of this legislation is provided in *Box 3.2*. Waste disposal authorities, through the Landfill Allowance Trading Scheme (LATS), have been given challenging limits for the amount of biodegradable waste that they are allowed to landfill. Although these targets were set in principle at the time the JMWMS was adopted, the specific targets had not been confirmed. These are provided for information in *Table 3.2*.

Table 3.2 Landfill Allowances for WLWA

Year	BMW landfill allowance (tonnes)
2004/05	524,917
2005/06	505,370
2006/07	476,050
2007/08	436,957
2008/09	388,090
2010 target	329,450
2010/11	292,779
2011/12	256,108
2013 target	219,437
2013/14	210,024
2014/15	200,611

Year	BMW landfill allowance (tonnes)
2015/16	191,198
2016/17	181,786
2017/18	172,373
2018/19	162,960
2020 target	153,547

Box 3.2 Waste & Emissions Trading Act 2003 and the Landfill Allowance Trading Scheme

The Waste and Emissions Trading (WET) Act 2003 ⁽¹⁾ was intended to help the country meet its national targets for reducing the amount of biodegradable municipal waste disposed to landfill, in line with Article 5 of the Landfill Directive. It is implemented through the Landfill (Scheme Year and Maximum Landfill Amount) Regulations 2004, which came into force on 22 July 2004 ⁽²⁾.

The Act provides a framework for the Landfill Allowance Trading Scheme (LATS), a system whereby tradable landfill allowances are allocated to waste disposal authorities each year. Each Waste Disposal Authority is able to determine how to use its allocation of allowances in the most effective way. Allowances can be traded with other authorities, saved for future years (banked) or used in advance (borrowed from future years). Allowances cannot be banked or borrowed into or across the Landfill Directive target years (with the UK's four-year derogation) of 2010, 2013 and 2020.

A fixed penalty for excess BMW that is landfilled will be enforced if local authorities do not have sufficient permits for the waste they landfill. The Government has indicated that local authorities who exceed their permitted allocation of allowance (taking account of any trading) will also have to bear the cost of any EU penalties imposed upon the UK in the Landfill Directive target years.

3.3.1 Prediction of Landfill Diversion Required

To help assist the Partnership in deciding the level of further diversion from landfill required, a 'LATS gap analysis' has been undertaken. Two scenarios have been examined, as illustrated below. Both scenarios are based upon the 7 year Historic Waste Growth Scenario.

Scenario 1 – Status Quo

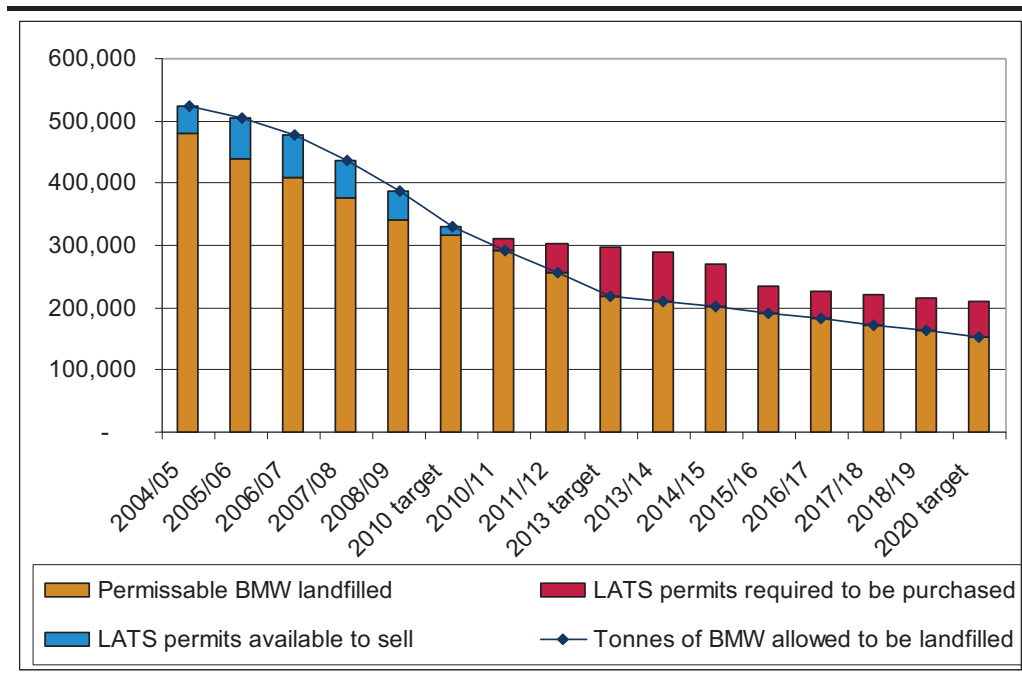
This scenario assumes the recycling and composting level of 30.5% will remain constant and incorporates the recovery capacity procured through Stage 1a procurement process.

The chart below shows that by 2010/11 WLWA will fall into deficit in terms of LATS allowances if the 'status quo' continues. The maximum additional allowances required in any one year will be 80,000 and the total required over the period to 2020 will be just over half a million.

(1)Waste and Emissions Trading Act, Defra, 2003, SI 3181/2004

(2) Landfill Allowances and Trading Scheme (England) Regulations 2004 (LATS Regulations) (S. I. 2004/3212)

Figure 3.2 LATS Performance - Status Quo

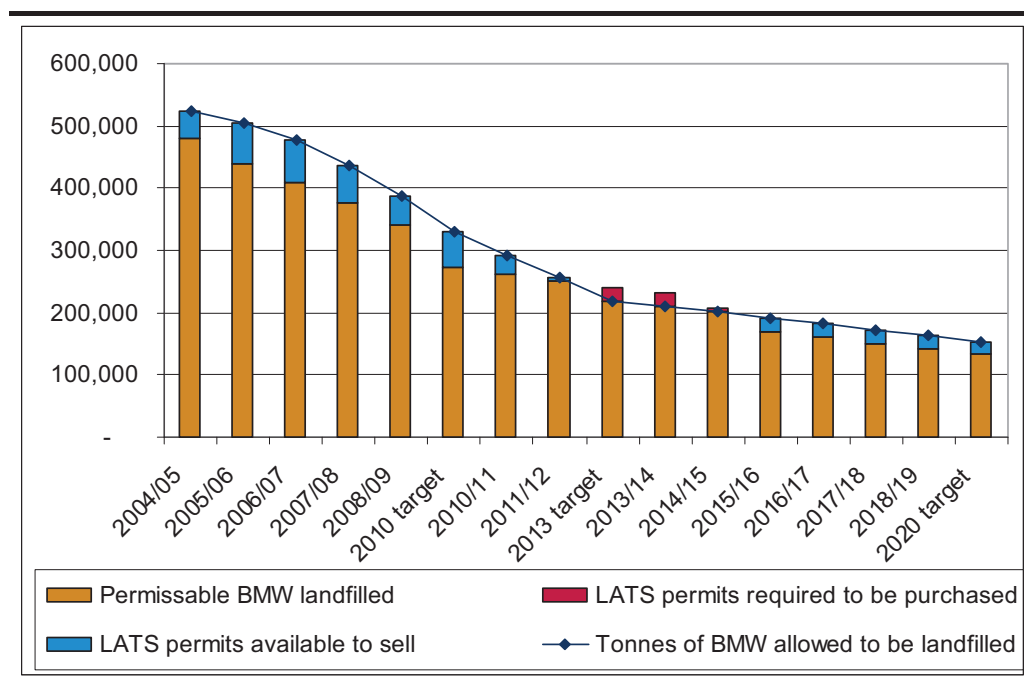


Scenario 2 – Increasing Recycling & Composting

This scenario incorporates the recovery capacity procured through Stage 1a procurement process and assumes the Partnership achieves the JMWMS recycling and composting targets set for 2010 and 2020 (40% & 50%) with a sliding scale of improvement between the two points.

The chart below shows that an increase in recycling to the target levels mentioned above will mean that WLWA will be in LATS surplus until 2011/12 when it dips slightly below. A couple of peak years occur, 2013-2015, where recovery is not maximised, however the overall allowance burden will be reduced to just over 50,000.

Figure 3.3 LATS Performance – Increasing Recycling and Composting



3.4 Impact of the New National Waste Strategy

The national Waste Strategy for England 2007 (WS2007) was introduced in May 2007. The overall objectives of the JMWMS are broadly consistent with those of the national strategy. Although it was developed before WS2007 was published, the JMWMS took account of the principles put forward by Defra in the consultation undertaken for WS2007⁽¹⁾ and hence it has very similar objectives and policies. However, WS2007 does include some additional key themes which will be considered by the Partnership when a formal review of the JMWMS is undertaken and new Action Plans are developed. These are outlined below.

Box 3.3 Key Objectives of the Waste Strategy for England 2007

- Decouple waste growth from economic growth and put more emphasis on waste prevention and reuse;
- Meet and exceed the Landfill Directive diversion targets for biodegradable municipal waste in 2010, 2013 and 2020;
- Increase diversion from landfill of non-municipal waste and secure better integration of treatment for municipal and non-municipal waste;
- Secure investment in infrastructure needed to divert waste from landfill; and
- Get the most environmental benefit from that investment, through increasing recycling of resources and recovery of energy from residual waste using a mix of technologies.

(1) Specifically, *A Review of England's Waste Strategy, February 2006*

Target for Reducing Residual Waste

The WS2007 contains a national target for reducing the amount of residual waste produced per person to 225kg per year in 2020. Assuming that waste growth continues at the same rate as it has for the past seven years (an overall decrease) and that recycling and composting targets are met, the Boroughs of West London could together reach or better this target by 2020. This would be a significant improvement on the current figure of 365kg per head and would require significant work if it is to be achieved.

Recycling, Composting and Recovery Targets

The targets in the JMWMS for recycling and composting are broadly in line with WS2007. However, there is currently no target for 2015 in the JMWMS whereas this is specified as a 45% target for England as a whole in WS2007. Similarly, there is no recovery target set in the JMWMS. However, the recovery targets set in WS2007 are closely linked to the LATS allowances allocated to WLWA.

WS2007 also indicates that revisions to recycling and composting targets are being considered, including making the targets more material specific and providing incentives to reduce waste rather than 'recycling for recycling sake'.

Table 3.3 National Recycling and Recovery Targets for Household and Municipal Waste

	2010	2015	2020
Household waste recycling and composting	40%	45%	50%
Municipal waste recovery	53%	67%	75%

Source: Waste Strategy for England 2007

Carbon Implications of the Strategy

In WS2007 there is a considerable focus on climate change and the carbon impacts of waste management operations. A key outcome of the WS2007 is to seek the reduction of net greenhouse gas emissions from waste management operations. This includes two elements, direct impacts and offset benefits for waste recycling and recovery. Some of the latter are generated in the UK and some overseas. The aim is to reduce these emissions by at least 9.3 million tonnes of carbon dioxide equivalent by 2020 compared to 2006/07.

The JMWMS does not specifically identify any carbon-related targets and CO₂ impacts of current waste management operations are not fully understood. The JMWMS does however consider CO₂ impacts throughout the options appraisal process, although this has not been developed into specific policy objectives.

Integration of Municipal and Non-Municipal Waste

One of the key objectives of WS2007 is to integrate the treatment of municipal and non-municipal waste. The Partnership currently only has the responsibility to manage municipal waste produced in West London and, thus, the JMWMS rightly focuses on this waste stream. Moving forward however, when considering future options, opportunities for co-management need to be appropriately considered.

3.5 Local Area Agreements

Each authority has signed up to Local Area Agreements including new national indicators to measure waste management performance.

5 of the Boroughs have signed up to indicator N192 – percentage household waste sent for re-use, recycling and composting. Their individual targets are set out below.

Table 3.4 LA Agreements (N192)

Local Authority	Targets		
	2008/09	2009/10	2010/11
Brent	27%	30%	40%
Ealing	32%	38%	40%
Harrow	42%	47%	50%
Hillingdon	35.5%	40%	42%
Hounslow	25%	30%	37%

Richmond upon Thames has signed up to the Local Area Agreement indicator N191 – residual household waste per household. This aims to achieve an overall reduction in residual household waste by producing less and recycling more. The residual household waste per household in 2007/08, in Richmond upon Thames, was 619 kg per household (kg/hh). The targets for this indicator, in Richmond upon Thames, are 613 kg/hh by 2008/09, 582 kg/hh by 2009/10 and 553 kg/hh by 2010/11.

This Addendum updates the Partnership's current waste management performance; it also goes on to review the impact of new policy and highlights areas for further consideration.

The Partnership is currently reviewing its overall vision for waste management in West London. This will strengthen the focus on partnership working and managing waste as a resource. The Partnership also wishes to await the outcome of the Revised Waste Management Strategy for London, before making any formal policy revisions.

Once the new vision has been agreed, further work will be undertaken to ensure any targets and objectives set can be implemented efficiently and effectively.

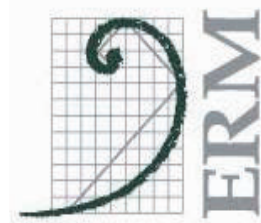
New detailed Action Plans need to be produced, and more importantly used as a tool to implement the Partnership's vision and objectives.

Annex A

Questionnaires

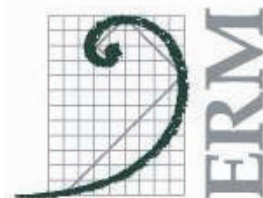
Please see attached summary of collections from previous JMWMS. An update on all aspects of collection systems is required. Where the data remains correct from the previous JMWMS please indicate.

Residual waste	<p>Container type 240 litre wheeled bin</p> <p>Frequency of collection Once a week</p> <p>Other policies (e.g. side waste accepted?, assisted collections?..) Side waste accepted. Assisted collections provided when applicable.</p> <p>Coverage? 105,000 properties</p> <p>Participation? 100%</p> <p>Operated by? Brent and its collection contractor Veolia</p>
Kerbside dry recyclable collections	<p>Container type 44 litre green box</p> <p>Frequency of collection Once a week</p> <p>Coverage? 81,000 properties</p> <p>Participation? 88%</p> <p>Operated by? Brent and its collection contractor Veolia</p> <p>Materials collected Paper, card, plastic bottles, glass, cans, aerosols, foil, shoes, textiles, engine oil, yellow pages, batteries.</p>
Kerbside organic waste collections	<p>Container type 240 litre wheeled bin and biobags</p> <p>Frequency of collection Once a week for 240s and arranged for bio bags</p> <p>Cost to householder? Chris Whyte to provide this info.</p> <p>Coverage? 105,000</p> <p>Participation? Unknown</p> <p>Operated by? Brent and its collection contractor Veolia</p> <p>Materials collected (green/food/card etc) Green waste, card and food waste</p>
Bring banks	<p>Operated by? Brent and its collection contractor Veolia apart from Glass, paper, cans, textiles, shoes, books, WLWA</p> <p>Number and type of containers, by material One</p>
CA sites	<p>Operated by? One</p> <p>Number of sites Glass, paper, card, textiles, shoes, books, spectacles, cans, rubble, soil, green waste, engine oil, cooking oil, plastic, WEEE, Fridges, Cartridges, Fluorescent tubes, batteries, scrap metal, bricabrac, furniture, wood and chipboard.</p>
Special collections	<p>Number and type of containers, by material Hazardous (chemicals and Asbestos) collected under COL contract. WEEE collected as special collections and delivered to Twyford. Clinical waste collected from Householders FOC.</p>
Changes to services	<p>Please record all details of household hazardous waste collections, WEEE collections, bulky waste collections, clinical waste collections, abandoned vehicles Possibly co-mingled collections for certain areas of the service. Increase organic collections throughout the borough. Increase compulsory recycling drive.</p> <p>Please provide details of any changes to any of the services listed above, for example if you are intending on collecting a new material at the kerbside in 2009/10, or reducing the number of bring banks etc...</p>

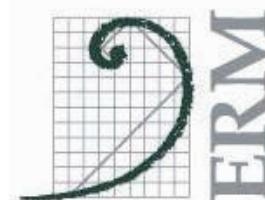


Please see attached summary of collections from previous JMWMS. An update on all aspects of collection systems is required. Where the data remains correct from the previous JMWMS please indicate.

Residual waste	Container type	Wheele bins for one area (approx. 15,000 households in Southall), rest of borough black sacks
	Frequency of collection	Weekly
	Other policies (e.g. side waste accepted?, assisted collections? ...)	Assisted collections available. Discouraging side waste in wheele bin area. Garden waste not accepted in refuse.
	Coverage?	Boroughwide
	Participation? Operated by?	May Gurney (formerly ECT Recycling)
	Container type	Green box & Reusable sack (white)
	Frequency of collection	Weekly, green box sorted at kerbside. Split bodied RCV for reusable sack (plastics and garden waste)
Kerbside dry recyclable collections	Coverage?	Serves approximately 95,000 properties
	Participation? Operated by?	Green box: 62%. Reusable sack: no data May Gurney (formerly ECT Recycling)
	Materials collected	Green box: mixed paper (including telephone directories & yellow pages), cardboard, glass bottles & jars, cans (including aerosol cans), aluminium foil, car batteries (household & car), textiles, shoes, engine oil. Reusable sack (white) for mixed plastics.
	Container type	Food waste bin & Reusable sack (pink)
	Frequency of collection	Weekly, food waste sorted at kerbside into separate stillage on kerbsider vehicle. Split bodied RCV for reusable sack (plastics and garden waste).
	Cost to household?	£0
	Coverage? Participation? Operated by?	Serves approximately 95,000 properties 38% May Gurney (formerly ECT Recycling)
Kerbside organic waste collections	Materials collected (green/food/card etc)	Food waste: all biodegradable food waste including meat, fish & bones. Reusable sack (pink) for garden waste.



Bring banks	Operated by?	May Gurney (formerly ECT Recycling) 50 bring banks in total. 43 collect glass, 45 collect cans, 41 collect paper (May Gurney), 21 collect textiles (Salvation Army or TRAUD), 25 collect shoes (European Recycling Company). 7 collect plastics (Grundons or Baylis).
Flats/estates	Number and type of containers, by material Operated by? Number of sites	May Gurney (formerly ECT Recycling) 250 sites estates/flats, 20 stations, 123 schools. Each estate/flats site has a set of five wheeled bins locked in a frame, collect glass (clear, brown, green), cans and paper. Stations have paper only. Schools have paper and cans.
CA sites	Number and type of containers, by material Operated by? Number of sites	May Gurney (formerly ECT Recycling) 3
Special collections	Number and type of containers, by material Please record all details of household hazardous waste collections, WEEE collections, bulky waste collections, clinical waste collections, abandoned vehicles	TO DO Household hazardous waste collections - no change.
		Fridges and freezers - free collection for residents.
		WEEE collections - collection points for WEEE at Ealing's three re-use and recycling centres.
		Bulky waste collections - up to 8 items for £20 collection for residents. Quotes available for larger number of items.
		Clinical waste collections - free collection from households, plus commercial collections.
		Abandoned vehicles given a 24-hour removal notice. Council has contract with Premier Recovery to remove these abandoned vehicles.
Changes to services	Please provide details of any changes to any of the services listed above, for example if you are intending on collecting a new material at the kerbside in 2009/10, or reducing the number of bring banks etc...	No major changes planned. Continued expansion of flats recycling scheme (mini bring banks collecting glass, cans, paper). Potential expansion of schools recycling service to include cardboard and food waste dependent on funding.



Please see attached summary of collections from previous JMWMS. An update on all aspects of collection systems is required. Where the data remains correct from the previous JMWMS please indicate.

	Container type	wheeled bin
	Frequency of collection	fortnightly
Residual waste	Other policies (e.g. side waste accepted?, assisted collections? ...)	No side waste. Second bins may be purchase. Assisted collections available
	Coverage?	70,000 households
	Participation?	all
	Operated by?	in house
Kerbside dry recyclable collections	Container type	wheeled bin
	Frequency of collection	fortnightly
	Coverage?	70,000 households
	Participation?	all
	Operated by?	in house
	Materials collected	paper, card, glass, cans, plastic bottles, plastic containers, tetrapaks
Kerbside organic waste collections	Container type	wheeled bin
	Frequency of collection	weekly
	Cost to household?	No charge
	Coverage?	70000 households
	Participation?	all
	Operated by?	in house
Bring banks	Materials collected (green/food/card etc)	food and garden
	Operated by?	in house
CA sites	Number and type of containers, by material	20 sites - comingled
	Operated by?	in house
	Number of sites	1
Special collections	Number and type of containers, by material	?????
	Please record all details of household hazardous waste collections, WEEE collections, bulky waste collections, clinical waste collections, abandoned vehicles	see Matrix A
Changes to services	Please provide details of any changes to any of the services listed above, for example if you are intending on collecting a new material at the kerbide in 2009/10, or reducing the number of bring banks etc...	no changes planned



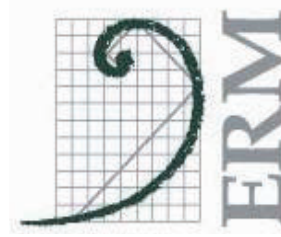
Please see attached summary of collections from previous JMWMS. An update on all aspects of collection systems is required. Where the data remains correct from the previous JMWMS please indicate.

	Container type	Black Bags
	Frequency of collection	Weekly
Residual waste	Other policies (e.g. side waste accepted?, assisted collections? ...)	All domestic taken
	Coverage?	100%
	Participation?	100%
	Operated by?	In House
Kerbside dry recyclable collections	Container type	Bags
	Frequency of collection	Weekly
	Coverage?	100%
	Participation?	50%
Kerbside organic waste collections	Operated by?	In House
	Materials collected	Dry recyclables, paper/card, glass, tins, plastic bottles
	Container type	Bags
	Frequency of collection	Fortnightly
	Cost to householder?	Free
	Coverage?	100%
	Participation?	50%
	Operated by?	In House
	Materials collected (green/food/card etc)	Green only
	Operated by?	Mixed - In House and Contractors
Bring banks	Number and type of containers, by material	59 Paperbanks, 49 Bottlebanks, 20 Textilesbank, 28 Can
	Operated by?	Mixed - In House and Contractors
CA sites	Number of sites	3
	Number and type of containers, by material	
Special collections	Please record all details of household hazardous waste collections, WEEE collections, bulky waste collections, clinical waste collections, abandoned vehicles	Asbestos (contractor) Bulky household & WEEE collections (in house), Abandoned Vehicles (contractor)
Changes to services	Please provide details of any changes to any of the services listed above, for example if you are intending on collecting a new material at the kerbide in 2009/10, or reducing the number of bring banks etc...	Looking into textiles kerbside collections, Bring Banks sites to be updated. Looking into the possibility of Tetra-pak containers to be introduced



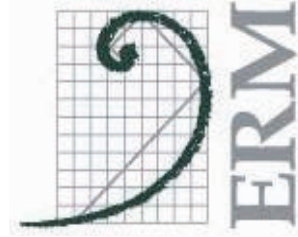
Please see attached summary of collections from previous JMWMS. An update on all aspects of collection systems is required. Where the data remains correct from the previous JMWMS please indicate.

	Container type	Black sack
Residual waste	Frequency of collection	weekly
	Other policies (e.g. side waste accepted?, assisted collections?...)	assisted collections where qualify
	Coverage?	boroughwide
	Participation?	boroughwide
	Operated by?	SITA UK
	Container type	box and bag, sack for plastic fortnightly
	Frequency of collection	weekly
	Coverage?	boroughwide
	Participation?	50-65%
	Operated by?	SITA UK
Kerbside dry recyclable collections	Materials collected	paper, glass, cans, card, batteries, textiles and shoes, mobile phones, cartons and printer cartridges (from 2nd March 2009)
	Container type	(from 2nd March 2009) 2 times 90 litre sack for garden fortnightly, food weekly
Kerbside organic waste collections	Frequency of collection	free - additional garden sacks £5 each
	Cost to household?	boroughwide
	Coverage?	15%
	Participation?	
	Operated by?	SITA UK
	Materials collected (green/food/card etc)	green seperately from food
Bring banks	Operated by?	SITA UK (some by supermarkets)
	Number and type of containers, by material	plastic, drinks cartons, textiles, card. Mainly 1100's
	Operated by?	LBH
CA sites	Number of sites	1
	Number and type of containers, by material	lots - please refer to www.hounslow.gov.uk
Special collections	Please record all details of household hazardous waste collections, WEEE collections, bulky waste collections, clinical waste collections, abandoned vehicles	Bulky waste, clinical waste
Changes to services	Please provide details of any changes to any of the services listed above, for example if you are intending on collecting a new material at the kerbside in 2009/10, or reducing the number of bring banks etc...	All service changes are listed above and start on 2nd March 2009. No reduction of bring sites planned




Please see attached summary of collections from previous JMWMS. An update on all aspects of collection systems is required. Where the data remains correct from the previous JMWMS please indicate.

	Container type	Bags
	Frequency of collection	weekly
Residual waste	Other policies (e.g. side waste accepted?, assisted collections?..)	Households - assisted yes. No bag limit. Front and side of property. Flats communal bins
	Coverage?	Borough wide
	Participation?	100%
	Operated by?	Veolia Limited
	Container type	2 box - blue for mixed paper and card. Black for
	Frequency of collection	weekly
	Coverage?	Borough wide household.
	Participation?	75% plus
	Operated by?	Veolia Limited
	Materials collected	paper card, mixed containers
	Container type	Green bin/kitchen caddy for food 140L bin for
	Frequency of collection	weekly food/fortnightly green
	Cost to household?	food free/greenwaste £30 per annum - rising to £60 per annum from 1/4/09
	Coverage?	Borough wide
	Participation?	food c 40%. Green c 20%
	Operated by?	Veolia Limited
	Materials collected (green/food/card etc)	food/green. Card is in dry recyclables
	Operated by?	Veolia Limited
Bring banks	Number and type of containers, by material	
	Operated by?	LBRuT
CA sites	Number of sites	1
	Number and type of containers, by material	Aluminium Banks – 17
Special collections	Please record all details of household hazardous waste collections, WEEE collections, bulky waste collections, clinical waste collections, abandoned vehicles	occasion. WEEE at CA site only. Clinical 1 vehicle 3 days per week - Veolia to Grundons. Abandoned vehicles service with Car Spares. Commercial
Changes to services	Please provide details of any changes to any of the services listed above, for example if you are intending on collecting a new material at the kerbide in 2009/10, or reducing the number of bring banks etc...	No changes to service for households- only to vehicles. Introducing split back fleet in 2010. After that may extend foodwaste to estates and possibly to commercial premises



ITEM NO:

	<p style="text-align: center;">Executive 15 September 2009</p> <p style="text-align: center;">Report from the Director of Policy and Regeneration</p>
<p style="text-align: right;">Wards affected: None</p>	
<p>The local impact of the recession – 6 month review</p>	

Forward Plan Ref: PRU-0910-05

1. Summary

- 1.1. The report, the local impact of the recession, was received by the executive on the 16th of March 2009. This detailed the impact the recession was having in Brent and a number of recommendations. This report details Brent's position 6 months on and progress to date on recommendations made. Economic data indicates the recession has a high impact in Brent, particularly in our most deprived wards. Work continues to be undertaken across Brent to ameliorate the impact of the recession.
- 1.2. When we reported to Members in March 2009 we stressed the importance of having a sober and fact based approach to responding to the recession and not asking ourselves or our partners to engage in a 'pre-emptive list of actions which lose focus, waste money and unnecessarily raise expectations'. Our approach and our interventions (as set out in para 4.17) exemplify this approach, we have made interventions where the evidence shows there is need and where they can be effective.

2. Recommendations

- 2.1. That the executive:
 - 2.1.1. note progress made against recommendations made in the report received by executive on the 16th of March 2009; and
 - 2.1.2. take under consideration the outcomes from the recession conference provided in Attachment 2.

Meeting
Date

Version no.
Date

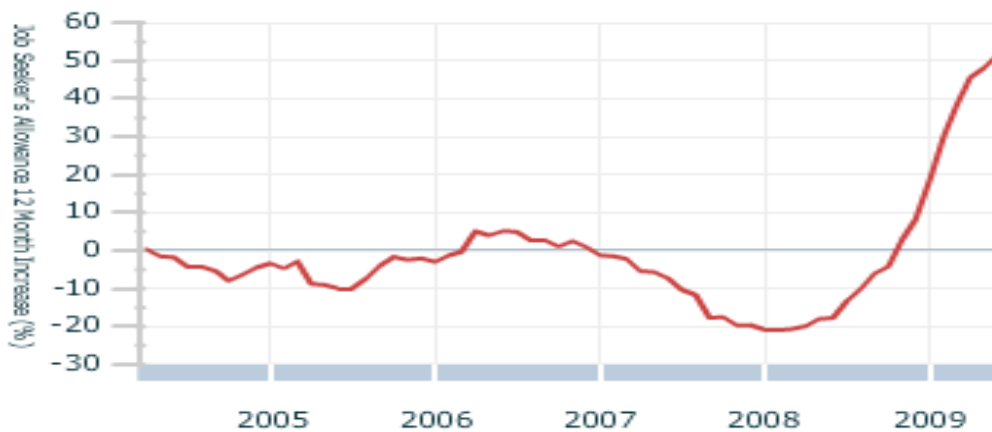
3. Recession indicators – Six month position

Job Seekers Allowance

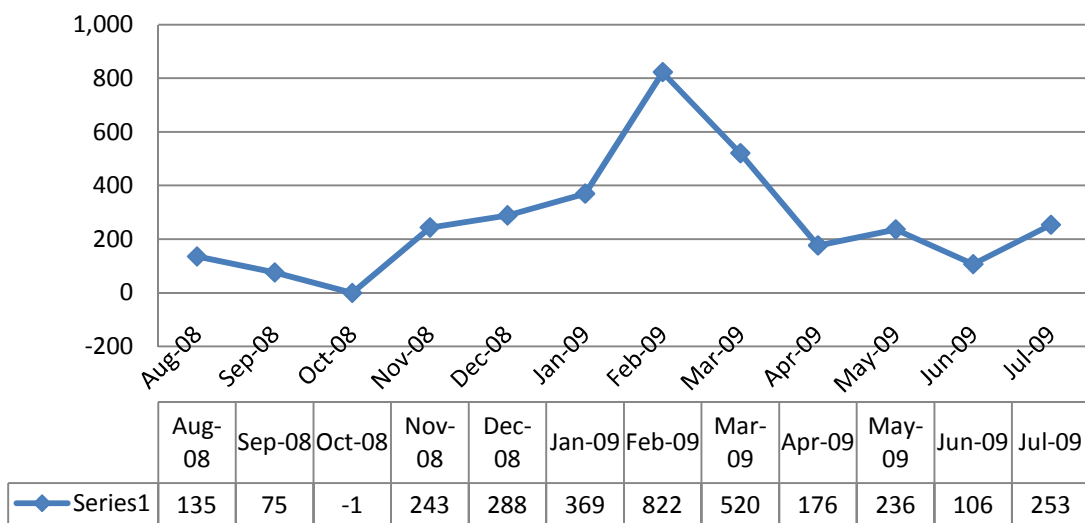
3.1. The number of people claiming Job Seekers Allowance (JSA) and national insurance credits is the closest measure the UK has to unemployment. This measure is available monthly and allows us to closely monitor the progress of the recession. In Brent the JSA claimant count has been increasing sharply over the past 6 months (**Graph 1**). In July 2009 there were 9278 people claiming, this is approximately 250 more than the previous month (June 09, 9025) and over 3000 more claimants than the same time last year (July 08, 6056). The largest increases were seen in the months of February and March 2009 (**Graph 2**). Brent's claimant count represents 5.11% of the working age population, this is above the London average of 4.33%. In July Brent had the 11th highest claimant count in London.

3.2. The highest numbers of JSA claimants live in Stonebridge and Harlesden wards (**Graph 3**). Whilst number of claimants has also increased in the more wealthy wards, the wards with the highest proportion of claimants continue to be the wards with the highest levels of deprivation.

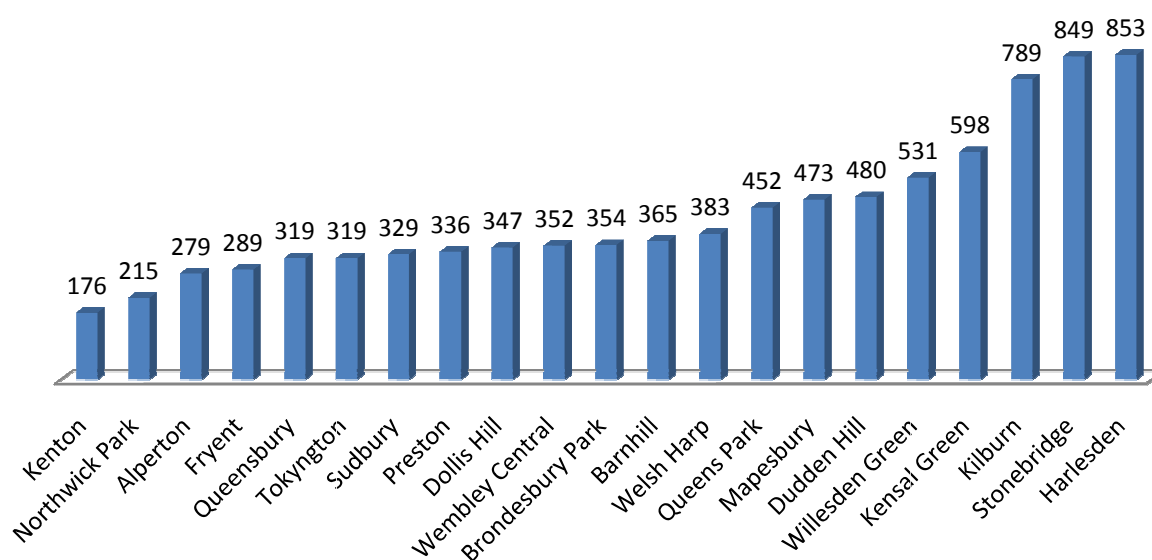
Graph 1: % JSA claimant count Brent (2005-2009)



Graph 2: Monthly increase JSA claimant count Brent (Aug 08- July 09)



Graph 3: JSA Claimant count, Brent Ward (July 09)



3.3. The top 15 jobs sought by JSA claimants in Brent are mainly low paying jobs, further supporting the scenario that the people worst affected by the recession are our most deprived residents.

Table 4: Sought Occupations, JSA claimants, Brent (July 09)

1. Sales and retail assistants	1,220
2. General office assistants/clerks	670
3. Other goods handling and storage occupations	665
4. Customer care occupations	400
5. Van drivers	325
6. Packers, bottlers, canners, fillers	270
7. Cleaners, domestics	255
8. Kitchen and catering assistants	175
9. Painters and decorators	165
10. Receptionists	155
11. Accounts and wages clerks, book-keepers, other financial clerks	145
12. Retail cashiers and check-out operators	145
13. Security guards and related occupations	145
14. Care assistants and home carers	130
15. Labourers in building and woodworking trades	130

Employment and Unemployment Rate

3.4. The employment and unemployment rate for working age population is another measure used by national government. This is a more broader measure and captures number of unemployed that are not necessarily receiving a benefit. The impact of the recession has not yet been evident through this data source. There is an investigation being undertaken by the DWP to determine why this might be the case. This data set is updated quarterly, however, the period of measurement is annual. Considering this, it is unlikely the impact of the recession would become evident until 2009 data is released.

3.5. Brent's employment rate is currently 71.3 this is under the UK average of 74 but just above the London average of 70.4. Brent's unemployment rate is 7.1 this is inline with the London average but above UK average of 5.9.

Table 5: Working Age Employment Rate, Brent Nomis, (2006-2008)

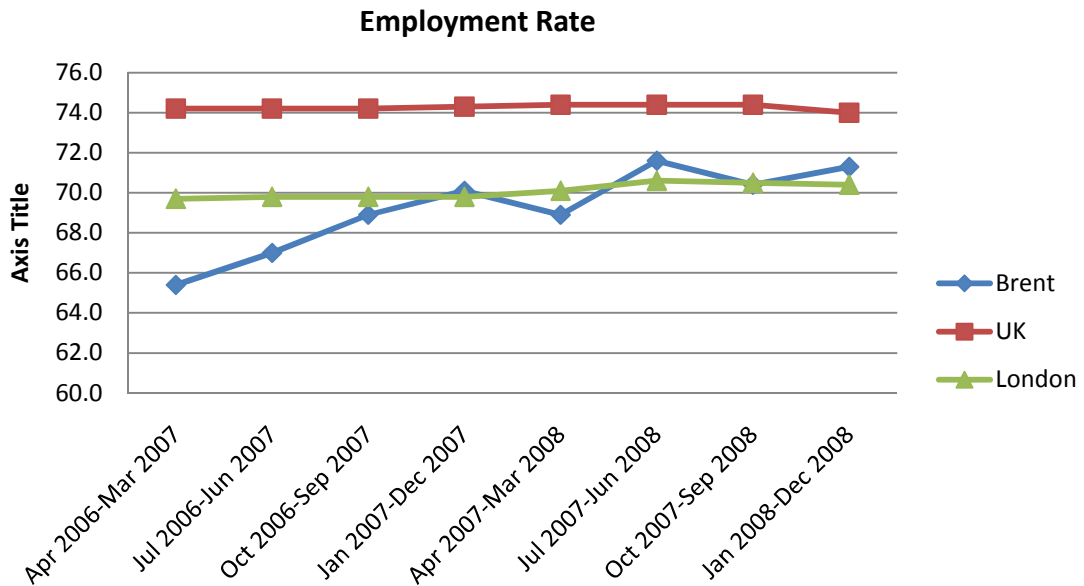
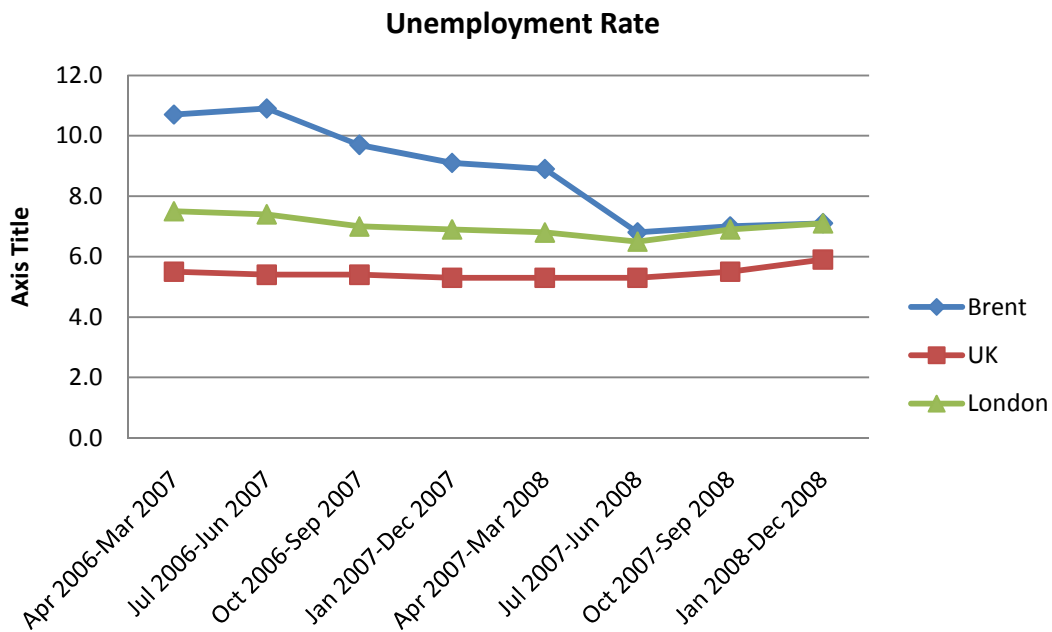


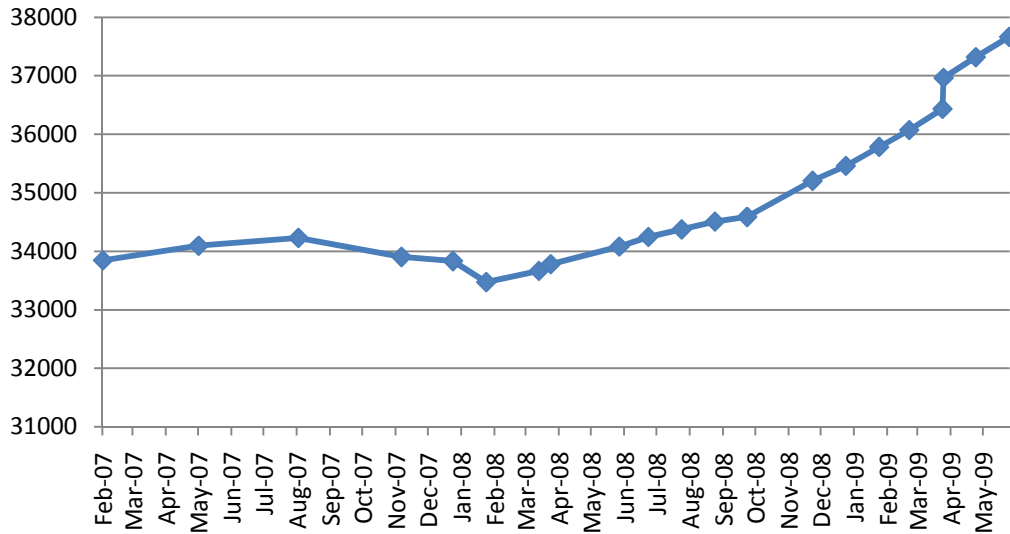
Table 6: Working Age Unemployment Rate, Brent Nomis, (2006-2008)



Housing and Council Tax

3.6. The number of people claiming housing and council tax benefits is 37,663 (June 09). This number has also been steadily increasing since the recession and it is over 3,500 more than the same time last year (June 08, 34,245).

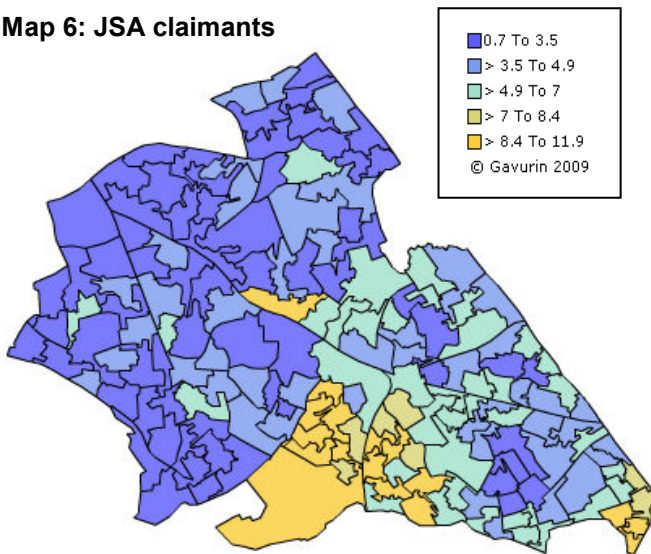
Graph 5: Housing and Council Tax, Brent time-series (Feb 07 - July 09)



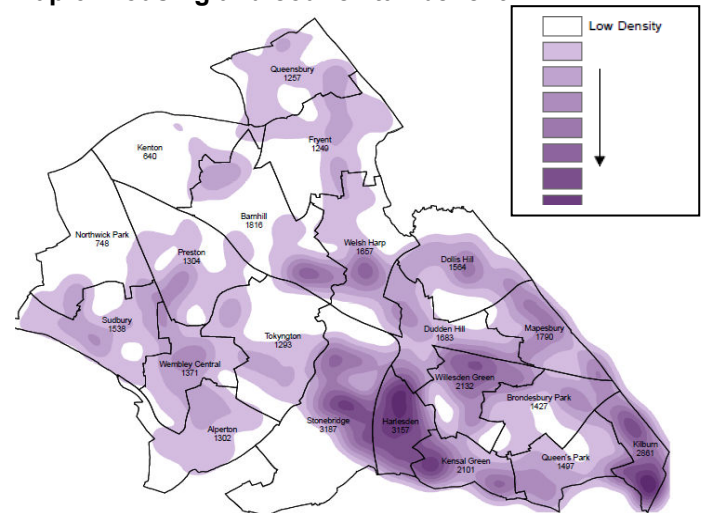
Deprivation and Satisfaction

3.7. The Wards with the highest levels of deprivation also have the highest levels of JSA claimants and housing and council tax benefit claimants, the lowest income levels and the poorest satisfaction with their local area and Brent Council.

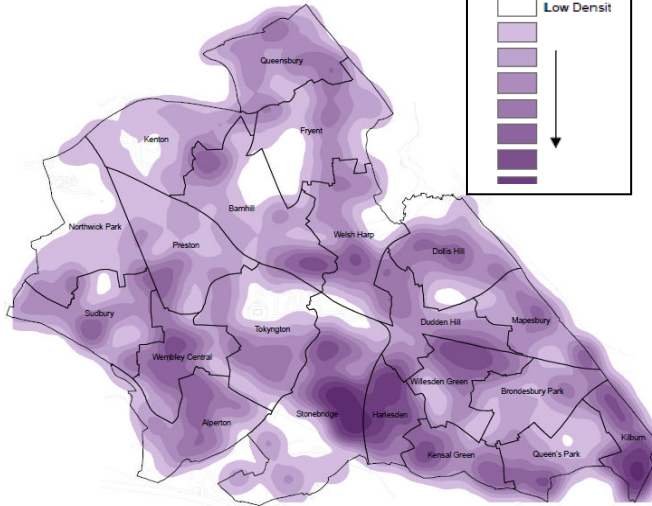
Map 6: JSA claimants



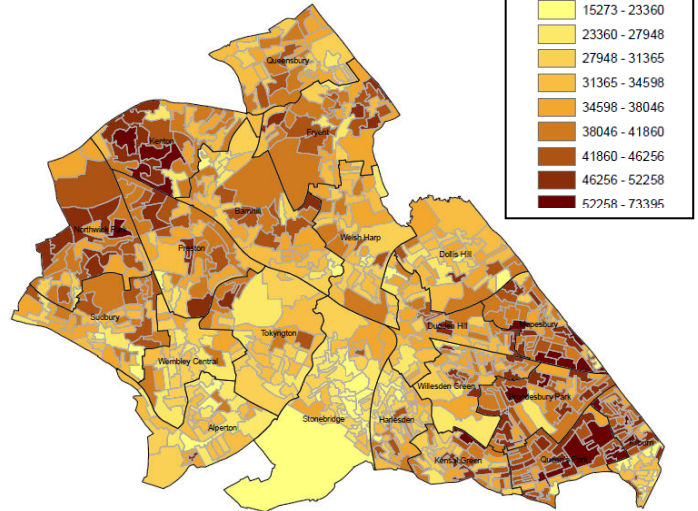
Map 6: Housing and council tax benefit



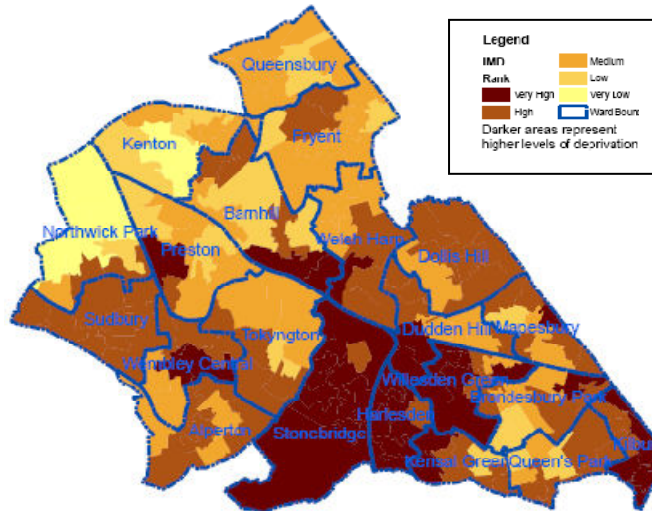
Map 8: Income £15,000 or less



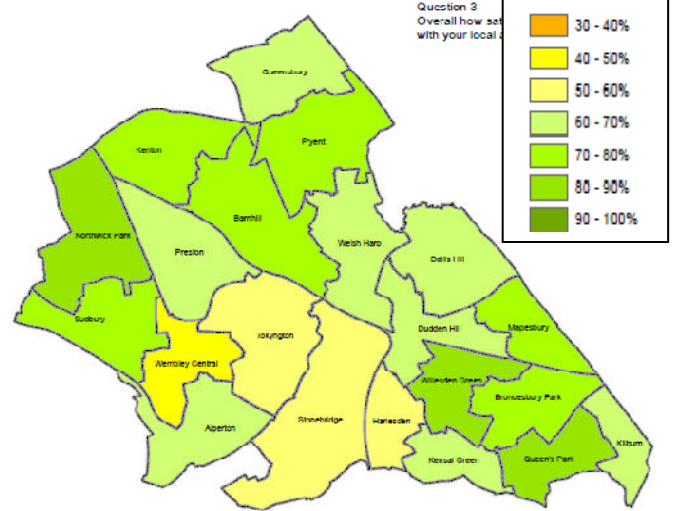
Map 9: Mean Annual Income



Map 10: Index of Multiple Deprivation



Map 11: Satisfaction with local area



Map 5: JSA claimants Brent, Nomis, June 2009

Map 6: Housing and council tax benefit, Brent Council, April 20 09

Map 7: Households with income £15,000 or less, CACI, 2008

Map 8: Mean Annual Income, CACI, 2008

Map 9: Index of Multiple Deprivation, CLG, 2007

Map 10: Satisfaction with local area, Place Survey, 2008-09

4. Progress made against key recommendations

4.1. The recession report sent to executive on the 16th of March had a number of recommendations. This report lists progress made against each recommendation.

Regular Monitoring

4.2. The report highlighted that regular monitoring should take place to assess the impact of recession across council services. A set of 16 national indicators were selected for monitoring. Performance for quarter 1, 2009-10, is provided in **Appendix 1**. The majority of these indicators are monitored via the council's quarterly reporting process, Vital Signs. There are a few exceptions with some indicators being annual and not available for in year monitoring.

4.3. Figures from quarter 1, 2009-10 for this set of key indicators do not yet indicate any have had a negative impact from the recession. Only 3 indicators are flagged as high risk / not meeting target:

- NI016 Serious acquisitive crime rate
- NI146 Adults with learning disabilities in employment
- NI150 Adults receiving secondary mental health services in employment.

4.4. Whilst most indicators are achieving their target, many are on a negative trend reflecting worse performance from the previous quarters figure. This may indicate an impact from the effects of the recession, or it might simply reflect an unrelated in year variation. Indicators on a negative direction of travel include:

- NI136 People supported to live independently through social services (all adults)
- NI155 Number of affordable homes delivered (gross)
- NI117 16 to 18 year olds who are not in education, employment or training (NEET)
- NI045 Young offenders engagement in suitable education, employment or training

4.5. In addition to the quarterly performance monitoring, an economic bulletin is produced each month by the Regeneration Team. This bulletin specifically concentrates on how the job market is affected by the recession. It provides an overview of changes to Job Seeker Allowance data and the employment rate. In addition, Brent's new Evidence Base was finalised in June 2009. This comprises of key datasets (including economic data) for the partnership are provided in an easy to, accessible format. Tools are made available on the external website and will be updated quarterly. The tools can be used by the council and partners to develop a better understanding of the needs of our customers. In particular, the evidence base focuses on geographic differences within data sources, clearly illustrating the difference in outcomes across wards in Brent.

Improvement and Efficiency Programme

- 4.6. The Improvement and Efficiency Programme aims to ensure the council is using its resources efficiently and is delivering high quality services to our customers, especially those who have the highest need. For the first year of the programme, an Improvement and Efficiency delivery plan is being developed. The plan will comprise of projects critical to the success of the programme. Prioritisation of projects has been in terms of expected efficiencies to be achieved. The BEST team are working closely with finance to help identify and capture savings and efficiencies which will pump prime future improvement and efficiency work as well as being re-invested to improve the quality of council services to residents.

Regeneration Agenda

- 4.7. Over the last six months the Council has pro-actively driven forward the Borough's large physical regeneration schemes. In South Kilburn the Council is taking the lead on preparing planning applications for two residential sites which combined will deliver some 500 new homes, which will assist in decanting existing tenants from poor quality tower blocks. In addition the Council has established the South Kilburn Neighbourhood Trust, which is utilising regeneration funding to acquire sites, secure planning applications and re-invest capital receipts and ground rents back into delivering further regeneration. To date one residential site has been acquired, and discussions are under way with regard to a further site for a healthy centre being transferred to the Trust.
- 4.8. In relation to Wembley, consultants have been commissioned to identify the Council's options in relation to potential land acquisition, with a view to identifying the most appropriate sites in terms of providing local infrastructure, stimulating future growth, and securing value for money.
- 4.9. In relation to the North Circular Road the Council has completed a full study of the first two rows of residential properties, which has shown that their redevelopment could solve the local noise and air pollution issues. Ongoing work is being undertaken to assess financial viability.
- 4.10. Key to ensuring that local people are best placed to benefit from a future upturn will be their ability to secure future new jobs that may be created. In the financial year 2008/09, Brent in2work placed over 1000 people into work, and secured sustainable employment for a significant majority of these. Funding for Brent in2work is threatened beyond March 2010, and to this end the Council is progressing towards an innovative Joint Venture arrangement with Working Links, one of the country's leading providers of employment services. This will allow us to bid for large DWP contracts and secure a local service which the Council can influence for at least the next five years.

Recession Conference

- 4.11. A Partnership Recession Conference was successfully held on the 15th of July 2009. A range of council and external speakers were heard including:-
- The Leader of the Council, Councillor Paul Lorber spoke of the impact the recession was having in the UK and in Brent, as well as his own personal experiences.

- Phil Newby, Director Policy and Regeneration provided an in depth overview of the impact of the recession in Brent.
- Jackie Sadek, Chair, British Urban Regeneration Association discussed the impact of the recession on the housing market and regeneration industry.
- Sandra van der Feen, London Voluntary Service Council spoke of recent research undertaken on the impact of the recession on the voluntary sector.

4.12. An interactive session was held where participants were asked to discuss ideas which could be taken forward in partnership for existing projects or potential new projects. Many ideas were generated by this exercise (Appendix 2). Those relating to existing projects will be taken forward by staff across the council with relevant partners. New ideas will be reviewed by the Local Strategic Partnership for consideration.

Income Maximisation

4.13. Income maximisation is a project within Brent's Local Area Agreement 2008-11 which is aimed at improving the quality of life of Brent's most disadvantaged residents. The aim of the project is to work strategically across the Council and its partners to develop and implement interventions which increase the entitlement take up of council benefits and reduce financial hardship, debt and deprivation across a range of key groups of residents. The project will facilitate new ways of working across service boundaries, which are much more focussed on overall outcomes for customers (as opposed to service specific outcomes and more effective use of existing resources). In particular the project will create links between employment initiatives (eg. Brent n2 Work), the corporate debt policy and benefits service.

Benefit Take Up

4.14. Relating to the income maximisation project, the Benefits Team have used Brent's customer segmentation model mosaic to identify target customers from benefits service. These particular included the mosaic customer 'types' which were likely to be from the older age groups who may have moderate income levels and not realise they are eligible for a benefit. Letters were sent out that were designed in consideration of the identified mosaic types key characteristics. The benefits service reported an increase in take up after this initiative.

Mortgage Rescue Scheme (MRS)

4.15. Brent Council was selected as a Fast Track Authority to trial the Government's new Mortgage Rescue Scheme, before it was launched nationwide on 5th January 2009. MRS is a new £200m package of measures designed to prevent some of the most vulnerable families from losing their homes and experiencing the trauma of repossession. This scheme is aimed at those who would be eligible for homelessness assistance and is subject to a range of eligibility criteria. This includes those whose gross income is less than £60K and where the current valuation of their properties is less than £295K.

4.16. There has been very limited take up of this scheme to date. The main reason for this is the eligibility criteria restricting households, particularly the property

value cap of £295K which is not inline with London property values. Brent is currently lobbying government for a relaxation of these criteria. Despite this, the scheme has proven to be very helpful in preventing homelessness and working with families early on to resolve financial difficulties through other channels. Prior to the scheme, few families would contact the council, or contact us too late regarding difficulties in paying their mortgage. The scheme has increased the profile of the council and enabled the provision of a variety of support, guidance and aid to families in need.

Overall

- 4.17. Overall the key things Brent is doing regarding the recession include:
- Collect robust evidence base on impact on local people since recession
 - Improvement & Efficiency Programme – freeing up resources
 - Encourage take up of small business rate relief
 - Support for firms in paying business rates (planned)
 - Provision of information and support on job opportunities
 - Provide targeted employment training and support to job seekers
 - Closer working with Job Centre Plus and Learning Skills Council
 - Introduce more apprenticeships (work in progress)
 - Benefit take up initiatives
 - Council tax rebate schemes (planned)
 - Provision of debt and financial advice
 - Developing councils initiative in join public / private ventures (work in progress)
 - Bringing forward councils planned major capital programmes (planned)
 - Reviving stalled private housing development by purchasing land to develop social housing schemes
 - The council, police and businesses working together in Harlesden using a PCSO team to tackle town centre crime
 - The council, police and small businesses working to improve security on industrial estates
 - The council and police offering shadowing opportunities to young people to provide them with the stepping stones into employment

5. Financial Implications

- 5.1. There are no direct financial implications from this report. The impact the recession is having on Council finances and other resources is high. The increase in the number of people receiving housing and council tax benefits has significantly increased council's expenditure. In addition, the council's ability to increase the amount of revenue earned from external sources has reduced. Revenue from external sources has either not been improving or seen reductions. For instance in June 2009 revenue gained from planning application was half that from the same time last year. The impact of the recession on the council's finances continues to be closely monitored.

6. Legal Implications

- 6.1. There are no direct legal implications from this report.

7. Diversity Implications

- 7.1. There are no direct diversity implications from this report. Economic data on the impact of the recession suggest that Brent's most deprived wards are the most affected.

Background Papers

Executive Report: The Local Impact of the Recession, 16th of March

Contact Officers

Phil Newby
Director of Policy and Regeneration

Rebecca Fogarty
Policy and Regeneration

Appendix 1: Select national indicators for recession monitoring

	YTD Actual	YTD Target	Alert	Distance between Actual & Target	Perf. previous Qtr	Perf. this Qtr	DOT	Annual target	Good perf. is?
NI016 Serious acquisitive crime rate	6.71	6.59		0.12	2.32	2.36		2.4	Smaller is Better
NI045 Young offenders engagement in suitable education, employment or training	85	90		-5	88.24	85		?	Bigger is Better
NI052 Free school meals take up	*54.7	50%		4.7					Bigger is Better
NI062 Stability of placements of looked after children: number of moves	1.6	3		-1.4	15.8	1.6		?	Smaller is Better
NI117 16 to 18 year olds who are not in education, employment or training (NEET)	5.2	6.5		-1.3	4.8	5.2		6.5	Smaller is Better
NI136 People supported to live independently through social services (all adults)	2217	?		!	3985.49	2217		?	Bigger is Better
NI146 Adults with learning disabilities in employment	3.83	60		-56.17	6.9	3.83		?	Bigger is Better
NI150 Adults receiving secondary mental health services in employment	7.19	8		-0.81	6.83	7.19		?	Bigger is Better
NI151 Overall employment rate (working-age)d	***70.34	69		1.34	71.59	70.3		?	Bigger is Better
NI155 Number of affordable homes delivered (gross)	29	29		0	253	29		458	Bigger is Better
NI156 Number of households living in Temporary Accommodation	3549	3667		-118	3651	3549		3485	Smaller is Better
NI171 New business registrations	**85.49	n/a		14.59	70.9	85.5			Bigger is Better
NI154 Net additional homes	n/a	n/a							Bigger is Better
NI159 Supply of ready to develop housing sites	n/a	n/a							Bigger is Better
NI174 Skills Gap in the current work force reported by employer	n/a	n/a							Smaller is Better

Key:

Indicators highlighted in orange are annual and data is not yet available

Indicators highlighted in purple have no targets as they are not part of vital signs

* NOTE: This is performance figure for 2008-09

** NOTE: This is 2007 figure

*** NOTE: Quarter 2's figure has been provide in section 3.2 of this report, this figure is 71.3 which is an improvement.

Meeting
Date


Version no.
Date

Appendix 2: Recession Conference

Results from Interactive Session:-

- Investigate gap in support for white, young people aged 14-19, who are a growing group of NEETs. Provide analysis by locality and neighbourhood.
- Further develop the voluntary and community strategy regarding key themes: community cohesion, domestic violence and racism.
- Build capacity in the voluntary sector to capitalise on results of recession, in particular emerging highly skilled volunteers.
- Sell the opportunities of redundancy for retraining and new career paths.
- Learn from the successful commissioning by the connexions service of the voluntary sector to undertake outreach/engagement.
- Get the best from the Future Jobs Fund for London (BACES, JCP, Regen, others).
- Consider what influence we can exert on banks to lend to limit the stalling of regeneration projects
- Link smaller businesses to financial advice, particularly ensuring they are aware of available options for loans
- Develop a robust tourist strategy which markets Brent as a tourist attraction, capitalising on the benefits of the borough and attracting more people into the borough for recreation, shopping, commercial purposes.
- Work with partners (eg. hotels) to market to different concert crowds going to Wembley
- Improve communication across the partnership, promoting successes of partners on BRAIN, raise awareness of services and develop opportunities for joint working
- Improve coordination and delivery of critical services to high need groups such as the migrant communities
- Improve coordination across departments and partners on financial advice, services, to affected priority customer groups e.g. financial safeguarding, loan sharks
- Review approach to commissioning to ensure approach does not disadvantage local voluntary and community organisations
- Review the options for the Voluntary and Community Resource Centre as soon as possible - is their space in the civic centre?
- Encourage businesses to cross train and multi-skill staff to make them more flexible and explore flexible contracts.
- Develop an approach for retaining skilled school leavers in the Borough.
- Look at work based training and apprenticeships across the borough as a single project to improve access and co-ordination.
- Learn from successful training programmes and replicate eg. E&C engineering training offered for unemployed people. Delivered through a charity, this assisted sixty people. It was motivated by a particular gap in the market for people with engineering skills, and was made possible in part by the voluntary efforts of E&C staff in offering their spare time.
- Look at planning policy on use of building to ensure it is flexible to cope with change in circumstances.
- Develop “green” opportunities in the economy for businesses and for volunteers.

- BACES to work with partners to bridge the funding gap (more users than funding). In particular through the provision of education/training
- Working smarter across partner organisations to genuinely reduce costs for everyone, in particular shared services to ensure economies of scale, e.g. finance, HR, financial management, building space.
- The impact of the recession on business needs to be highlighted more. Utilise businesses in improving employment opportunities during the recession, for example advertise in JobCentre Plus. Other areas for discussion are self-employment and social enterprise.
- Improve volunteering opportunities
 - Learn from and mirror other successful volunteer programme taking place across partnership (eg. Police programme for long term volunteering, 1-2 years to build up a higher skill level).
 - Explore opportunities with big employers (public and private), perhaps by changing the way big organisations accommodate volunteers. This should be done as a branded initiative for partnership (eg Volunteering into Work) rather than individually across separate organisations.
- Develop more coordinated support package for business, including where to go for funding opportunities, help for business to build capacity.

	Executive 15 September 2009 Report from the Directors of Finance and Corporate Resources and Policy and Regeneration
Wards Affected: ALL	
Performance and Finance Review Quarter 1, 2009/10	

Forward Plan Ref PRU-08/09-06

1. Summary

- 1.1 This report summarises Brent Council's spending, activity and performance in Quarter 1, 2009/10 and highlights key issues and solutions to them. It takes a corporate overview of financial and service performance and provides an analysis of high risk areas. The report is accompanied by appendices providing budget, activity and performance data for each service area, the Local Area Agreement, ring fenced budgets and the capital programme. Vital Signs trend data and graphs are also provided along with the council's overall budget summary.

2.0 Recommendations

The Executive is asked to:

- 2.1 Note the council's spending, activity and performance in the first quarter of 2009/10.
- 2.2 Require that all directors ensure that spending is kept within budget and underperformance tackled, and that measures are taken, in consultation with relevant portfolio holders, to achieve this.
- 2.3 Agree the virements detailed in appendix F.

3.0 Background

- 3.1 The success of the council is ultimately measured by the delivery of the priorities within the Corporate Strategy and its jointly agreed outcomes in the Local Area Agreement. That is principally determined by the council's overall strategic planning framework and reviewed through the annual report to

Council in November on progress against the Corporate Strategy and the Annual Review published in late summer. Regular Performance and Finance Review reports allow members to ensure that council finances and performance remain on track to help achieve these priorities.

3.2 This approach to monitoring and reporting reflects other changes in the council's approach in recent years, including strengthening the link between the Corporate Strategy and the Medium Term Financial Strategy, active performance monitoring and management, a greater focus on outcomes as part of capital programme monitoring, and bringing together financial and performance monitoring of partnership activity through the Local Area Agreement. It provides more clarity about the relationship between spending, performance and activity – for example the impact of reductions in the number of children in different forms of care on the children's service provision and budget – and provides a basis for assessing the potential impact of future decisions. It also provides a more holistic view of the council's spending and activity by bringing together revenue and capital, the General Fund, Schools Budget and Housing Revenue Account budgets, and council and partnership activity and performance in one report.

3.3 Appendices included in this report are as follows:

Appendix A	General Fund services – Financial, activity and performance monitoring information for each of the council's main service areas:
- A1	- A Great Place
- A2	- A Borough of Opportunity
- A3	- One Community
Appendix B	Capital programme
- B1	- Children and Families
- B2	- Environment and Culture
- B3	- Housing and Community Care
- B4	- Corporate Centre
Appendix C	Housing Revenue Account
Appendix D	Local Area Agreement
- D1	Local Area Agreement 1
- D2	Local Area Agreement 2
Appendix E	Budget Summary
Appendix F	Budget Virements
Appendix G	Vital Signs – high and medium risk performance

3.4 Supplementary documentation circulated to members includes a Vital Signs report providing detailed explanation of performance and an activity monitoring report.

4.0 Corporate context

- 4.1 The long term objectives for Brent were agreed by the council in the Corporate Strategy which sets out the main aims of making Brent a great place, a borough of opportunity and one community. The themes reflect the broad approach in our inter-agency Community Strategy for 2006-10 and also results of local polling about residents' concerns. These aims need to be achieved within the context of a reduction in real terms in government grant, members' ambitions to keep council tax increases low, and significant budget pressures resulting from the current economic climate, demographic pressures, the increasing costs of waste disposal and increased cost of continuing care.
- 4.2 Continuous improvement has been at the centre of the council's approach to service development and financial planning, and we have demonstrably raised the effectiveness, relevance and quality of our public services. Despite these real and sustained improvements, the organisation has recognised the need to go beyond reliance on silo-based or incremental approaches to secure future changes in performance and efficiency. Brent is undertaking an ambitious change programme set out in the new Improvement and Efficiency Strategy. The change programme is structured around three themes:
- *Making the 'One Council' approach a reality*
Development of the organisational infrastructure and establishment of a Business Transformation department to integrate critical support functions
 - *Raising performance and maximising efficiency*
Service reviews run by cross-council teams to develop and implement more customer-focused and effective service delivery models
 - *Delivering on major projects*
Delivering large capital schemes notably the Civic Centre, the expansion programme for schools, regeneration of Wembley and South Kilburn and the North Circular Road project
- 4.3 The impact of recession and recent heightened public concern about child protection means that the council has had to reassess its priorities. However, this does not mean that the council has fundamentally changed its approach. A lot of what we already do supports people who might be most affected by recession by helping them find work through Brent-in2-Work, adult and community education and other employment and training initiatives, preventing homelessness and providing accommodation when people become homeless, ensuring people receive the state benefits to which they are entitled, and supporting those with social care needs. We also have a programme in place to transform our children's social care service which has improved from an 'adequate' (2 out of 4) service that overspent, to a 'good' service (3 out of 4) that lives within its budget. The 2009/10 budget includes additional measures aimed at helping combat the impact of recession and strengthen our child protection structures and these are areas that will need

to be a particular focus of attention through the Performance and Finance Review process in 2009/10.

5.0 Overall financial position

General Fund Revenue budget

- 5.1 A summary of the 2009/10 budget position is included in Appendix E.
- 5.2 The 2008/09 provision outturn was reported to the Executive as part of the quarter 4 2008/09 Performance and Finance review on 14th July 2009. That showed an improvement in balances brought forward from 2008/09 of £41k, from £8.013m forecast when the 2009/10 budget was set to £8.054m. This improvement is provisional, pending completion of the audit of the 2008/09 accounts by the Audit Commission. The Executive agreed at the July meeting to allocate £22k towards the cost of the Wembley Central by-election in July from balances effectively reducing forecast balances to £8.031m.
- 5.3 It is an early stage in the financial year. However, a number of the budget pressures that emerged in the latter part of last year and caused overspends in 2008/09 are still evident. Service areas have already taken urgent action to reduce the level of these overspends though it is likely that further measures will be required. The table below shows a forecast net overspend of £4.5m at the end of quarter 1. This is made up of two main areas of overspend Children and Families (£2.8m) and Environment and Culture (£1.6m). Action is being taken in order to significantly reduce these projected overspends. On the basis of forecasts at the end of Quarter 1, general fund balances at 31st March 2010 would fall to £3.1m including the monies agreed for the by-election and the £500k of balances used to support the 2009/10 budget (as set out in the budget report to Full Council on 2nd March). This would be more than £4m below our target balances of £7.5m and, unless resolved during this year, would seriously impact on the 2010/11 budget setting process.

	Latest Budget £'000	Forecast £'000	Variance £'000
Children and Families	58,990	61,761	2,771
Environment and Culture	47,858	49,433	1,575
Housing & Community Care:			
o Housing	14,188	14,188	0
o Adult social care	87,741	87,877	136
Finance & Corporate Resources / Central Units / Business Transformation	25,542	25,542	0
Service Area Total	234,319	238,801	4,482
Central items	44,065	44,065	0
Area Based Grants	(16,048)	(16,048)	0
Total council budget	262,336	266,818	4,482
Application of balances	(500)	(4,982)	(4,482)
Total after application of balances	261,836	261,836	0

5.4 There are some general underlying issues that are causing pressure on budgets across the council, there is the state of the economy and the downturn in income, there are areas of overspending from 2008/09 which are continuing into 2009/10 and there are increasing demand pressures. The main issues in individual services areas are as follows:

- Children and Families. The major risk areas to the General Fund budget in 2009/10 are the cost of children's placements for children in care and costs associated with children with disabilities. The children's placement budget is projected to overspend by £2.0m. There are a number of factors contributing to that overspend. The budget for 2009/10 anticipated a reduction in the total number of looked after children and a greater proportion of those children being placed with Brent foster carers. Although the overall number of looked after children has decreased over recent years there has been an increase during the first quarter of 2009/10. In addition the level of placements with independent fostering agencies has been steadily rising, from 111 (March 2008) to 132 (June 2009), whilst the level of placements with Brent carers has remained constant at 90. Overall placement costs have also increased as the cost of supporting non-looked after children has risen. These are children who have been permanently placed in the care of others either through adoption, special guardianship or residence orders. Children are also choosing to stay in care rather than move into semi independent living leading to greater cost pressures. A review of foster care services in Brent is planned to look at these various issues. The other area of main concern is children with disabilities which is predicting an overspend of £600k. This is a budget that historically has been under pressure and this has been exacerbated by increases in the number direct payments together with pressures on the respite care units. As an overall measure Children and Families have implemented a spending freeze across the service area to limit non-essential expenditure but further action may be required.
- Environment and Culture. The most significant issue in Environment and Culture is the effect of the recession on the level of income across the service area. This is particularly true of parking income where there is a shortfall of more than £1m – this continues to be a problem across London where income has fallen by 11%. In addition land search income fell sharply during the past year and is now projected to overspend by £166k even allowing for the additional £400k virement put forward within this report. Pressures on section 52(9) disposal costs for recycling have continued into 2009/10 and there is also overspending in the Libraries budget. In response to the fall off in income there have already been reductions in agency staff within Building control and Planning and plans to make savings on the parking contract and off street parking. Environment and Culture has set internal targets across its units to make further savings. It is felt that these measures could achieve savings of £500k of the forecast £1.575m overspend. Further action would need to be agreed to meet the remaining £1.1m.

- Adult Social Care Service pressures identified to the end of June amounted to a year end forecast overspend of £745k. However taking account of the increase in ASC transformation grant for 2009-10 of £609k reduces the forecast overspend to £136k. Significant pressures continue to impact on the ASC budget. These include the increasing demand for care services, transitions, delayed hospital discharges and the implementation of the transformation programme. The transformation programme, which is modernising the traditional ways of providing care services (such as switching to direct payment) needs to, and continues to, be monitored carefully.
- 5.5 A series of meetings have been held with Service Directors and their management teams over the summer to review the budget pressures and there is ongoing work to identify those actions required to bring the budget back into line without affecting front-line service delivery. If any actions are needed over and above these they will be brought to a future Executive for consideration.
- 5.6 The forecast for central items is for breakeven. Although there are pressures on the efficiency and income generation budgets it is felt that these can be managed in the context of the overall budget.
- 5.7 There are a number of budget virements in 2009/10 which members are asked to agree. These are included in Appendix F and are as follows:
- Subsequent to the setting of the 2009/10 budget there have been two changes to Area Based Grant (ABG) funding. An additional £12k has been allocated in respect of the designated teacher training fund and this money will be vired to Children and Families. In addition £250k for preventing violent extremism which was originally planned to be funded through a specific grant has now been included in ABG funding and so the budget will need to be transferred to Communications and Diversity.
 - Monies of £85k held centrally for job evaluation staff as part of the remuneration strategy budget need to be vired to Human Resources to cover two posts.
 - A net transfer of £98k needs to be made to Streetcare in Environment and Culture for the additional section 52(9) waste costs. These were included centrally as part of the West London Waste Levy budget.
 - Additional growth monies of £400k were provided centrally in the 2009/10 budget to meet the reduction in land charge income as a result of the recession and downturn in the housing market. It is proposed that these monies are transferred to Environment and Culture given the continuing shortfall in income. This is a one off transfer for 2009/10 though £200k has been earmarked for 2010/11 if income does not fully recover.

- A technical adjustment moving £70k leasing income to the capital financing budget is required to better reflect the prudential borrowing regime. A number of minor adjustments are also being made to reflect changes in HRA recharges.

In addition the July Executive agreed £22k for the Wembley Central by-election to be met from general fund balances. This increases the contribution from balances to £522k in 2009/10 budget.

The above changes will be reflected in the second quarter monitoring report.

Housing Revenue Account

- 5.7 The Housing Revenue Account (HRA) is a ring-fenced account containing the income and expenditure relating to the Council's Landlord duties for more than 9,000 dwellings.
- 5.8 The HRA forecast outturn for 2009/10 indicates a surplus of £1.2m, which is £0.8m more than that provided for in the original budget due to a higher surplus brought forward from 2008/09.

Schools Budget

- 5.9 The ring-fenced Schools Budget is split into two parts. The first part delivers delegated funding to schools - school budget shares. The second part is termed central items expenditure and covers local authority retained elements to support activities such as pupil referral units and payments to non maintained nurseries.
- 5.10 The central items budget for 2009/10 is £20.4m and the latest forecasts indicate there will continue to be pressures on this budget due to increased numbers of children being given Special Education Needs (SEN) statements in schools. We will have a clearer picture of the position after the start of the new school year. Any overspend will be met by the earmarked central items' reserve, which is £0.7m in 2009/10. An SEN review is being undertaken which will amongst other things is seeking to identify measures to reduce pressure on the SEN budget.

Capital programme

- 5.11 Financial monitoring information for the capital programme is included in Appendix B.
- 5.12 There have been a number of changes to the forecast outturn position for 2009/10 since the budget was set in March 2009, including the inclusion of re-phased expenditure from 2008/09 which was detailed in the Quarter 4 Performance and Finance Review report to the Executive in July 2009. The following paragraphs detail those changes to the forecast outturn position not previously reported.

Children and Families capital

- 5.13 Additional grant allocations have been received, as follows:
- £219k – Ring Fenced Grant Notifications.
 - £1.712m – Surestart Grant.
 - £1.417m – Co-Location Fund, this has been profiled as £709k in 2009/10 and £708k in 2010/11 and is proposed for use on integrated service schemes.
 - £860k – Playbuilder Grant, this has been profiled as £418k in 2009/10 and £442k in 2010/11
 - £645k – Practical Cooking Grant allocated as £300k for Preston Manor and £345k for Cardinal Hinsley.
 - £4.977m – Myplace Grant from the Big Lottery Fund to be utilised at the Roundwood Youth Centre. This has been profiled as £1.244k in 2009/10, £2.489k in 2010/11 and £1.244k in 2011/12.
 - £814k – Targeted Capital Fund grant to St Mary Magdalen's.
 - £1.492m – School Kitchens and Dining Areas, this has been profiled as £746k in 2009/10 and £746k in 2010/11.
 - £21.977m – ARK Academy scheme funding from the DCSF.
- 5.14 In line with the Council's policy the Capital Board has agreed the use of £76k of the capital receipt arising from the sale of the caretaker's house at Fryent Primary by the school.
- 5.15 Allocated resources of £35k for BACES are no longer required and have been taken as a saving on the programme reducing the level of unsupported borrowing accordingly.

Environment and Culture capital

- 5.16 Additional Contaminated Land Grant of £29k has been received relating to St. Raphaels Estate, Wembley.
- 5.17 A new self funded scheme totalling £70k has been agreed by the Capital Board for the provision of additional burial vaults at New Willesden Cemetery.

Housing and Community Care: Adults capital

- 5.18 A total of £32k has been transferred from the Learning Disabilities Kiosk Project to a new scheme at Kensal Rise Senior Club to bring the passenger lift back into service and bring into compliance with DDA requirements.
- 5.19 Additional grant of £164k for Social Care and £147k for Mental Health has been received from the Department of Health in both 2009/10 and 2010/11.

Housing and Community Care: Housing capital

- 5.20 The re-phasing of £140k from 2008/09 for new units is not required and has been taken as a saving on the programme reducing the level of unsupported borrowing accordingly.





Prudential Indicators

5.21 Prudential indicators were introduced as part of the prudential borrowing regime introduced as part of the Local Government Act 2003. The arrangements are aimed at ensuring authorities exercise their borrowing powers responsibly, with capital expenditure plans that are affordable, external borrowing that is prudent and sustainable, and treasury management decisions taken in accordance with good professional practice. Prudential limits are set as part of the budget process, monitored during the year, and actual performance reported at outturn. There are no variations to report for quarter 1.

6.0 Overall performance position

Corporate and Community Strategies

6.1 Overall the council has made good progress towards delivering the key objectives in the Corporate and Community Strategies in Quarter 1 with the majority of Vital Signs indicators considered critical to the success of the council performing broadly in line with target. 55% are currently on target (green star) or just below target (blue circle) and 31% are well below target (red triangle).

Overall Council Performance				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 1 PIs	42%	13%	31%	16%





Local Area Agreement Update

6.2 The Local Area Agreement for 2008-2011 was refreshed between January and March of 2008/09. The Local Area Agreement is currently made up of 29 targets, seven of which are local indicators. March 2008/09 was the final year in which the 12 stretch targets were reported. This is the first Local Area Agreement report under the new Comprehensive Area Assessment regime (CAA). The CAA replaces the Comprehensive Performance Assessment that came to an end in 2008/09.

Performance by theme

6.3 The following section of the report provides a summary of the performance against each theme and highlight in detail priority projects in the LAA which are below target.

- **A Great Place**

A Great Place				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 1 PIs	47%	0%	35%	18%

6.4 Key risks for the council in this theme include: pressures on budgets as a result of the state of the economy, levels of acquisitive crime in the borough, progress of the waste contract to provide improvements in recycling and the progress of partnership working on graffiti. The council and partners continue to monitor the impact of the recession. Transformation is in place to look at aspects of the waste contract. This report sets out the measures that have been put in place to respond to any poor progress towards the corporate objectives. Further explanation of the rest of the key indicators for the council is included in the Vital Signs appendix (G).

Please note that the indicators that reflect 'no data' are collected 4-monthly and will report figures in the second quarter.

LAA Priorities:





6.5 ***3 Violent crime** NI015 serious violent crime rate. This quarter's performance is being reviewed (Metropolitan Police Service wide) in respect of the changes to the Home Office classifications and concerns over data collation last year. There were 30 crimes identified from last year that could be reclassified as MSV (most serious violence). We are currently awaiting the results of this review. Brent has also identified a number of MSV crimes from this year (80) that have been reviewed and may potentially not be in the correct classification. MPS has since raised questions regarding the baseline for last year.

6.5.1 ***25 Youth Crime Prevention** NI111 Reduce First Time Entrants to the Youth Justice System. Provisional figures show that this target was achieved. Data for this indicator was taken from the Youth Offending Information System database. It showed that there were 63 first time entrants recorded against the target of 100. However, this figure may increase due to factors which are beyond the Youth Offending Service such as out of borough court cases and information sharing processes. It usually takes the best part of the first month into the new quarter before all FTE notifications are received.

6.5.2 ***18 Sports Participation** The annual number of visits by young people (under 17) taking part in sport and physical activities at council owned sports centres (not part of a school, club or term time learn to swim course). This quarter saw an increase against target (27,734) on the number of visits made by young people which was 32,435.

- 6.5.3 ***7 Recycling and composting** NI192 Percentage of household waste sent for reuse, recycling and composting. Performance for this quarter shows that the target of 31.75% has been exceeded. With the current performance it is likely that the remaining quarterly targets may be achieved as they are consistent throughout the year.
- 6.5.4 ***8 Climate change adaptation with partners** NI188 Planning to adapt climate change. This is an annual indicator which measures the level of preparation the local authority has made to manage climate risks and opportunities and incorporate necessary actions between local authority and partners' strategic planning. There are five levels of preparation used to measure this indicator 0 to 4, with 0 being the baseline. According to the project milestones, the council is aiming to achieve a Level 2 by March 2010.
- 6.5.5 ***9 Climate change reducing emissions** NI185 CO2 reductions from local authority operations. Research undertaken indicates that there is a potential increase of CO2 emissions by schools in the borough and a small number of services within the council due to increased energy use. There is a high risk that this indicator would not be met at the end of the year

- ***A Borough of Opportunity***

A Borough of Opportunity				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 1 PIs	13%	27%	33%	27%

- 6.6 Key risks for the council in this theme include: pressures on budgets as a result of the state of the economy, expected impact of the recession on employment levels in the borough. The council and partners continue to monitor the impact of the recession. This report sets out the measures that have been put in place to respond to any poor progress towards the corporate objectives. Further explanation of the rest of the key indicators for the council is included in the Vital Signs appendix (G).

Please note that the indicators that data collection for some adult social care indicators are unavailable until the second quarter (see appendix G).

LAA Priorities:

- 6.7 ***11 Access to Employment for Social Housing Tenants** NI152 Working age people on out of work benefits (percentage of working age population) When the LAA for 2008-2011 was being refreshed, it was agreed that no formal target should be included due to the current economic climate. There were inaccuracies with data being reported. Part of the calculation was measuring the number of people on incapacity benefit, which was being replaced by the Employment Support Allowance. Department of Work and





Pensions has given no indication as to when this measure will be reinstated or revised.

6.7.1 ***12 Improving access to employment for those with mental health needs**

NI150 Adults in contact with secondary mental health services in employment. This target has not been achieved this quarter due to the current economic climate and reduction in job opportunities for everybody. There are measures in place to tackle this target such as vocational workers working closely with local employers. The team are looking at service users gaining more voluntary work experience so that they have better opportunities to compete in the current challenging labour market.

6.7.2 ***13 Income maximisation** Annual amount of additional benefit in payment as a result of advice and assistance provided by relevant services in the borough. This is a 3 year project to map, assess and coordinate improved and new services, in order to maximise the income of local residents. Recruitment for this project is currently taking place and it expected that this will be completed by September 2009.

• **One Community**

One Community				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 1 PIs	49%	13%	29%	9%

6.8 Key risks for the council in this theme include: pressures on budgets as a result of the state of the economy, expected impact of the recession the number of houses built in the borough, the limited numbers of school places to meet need in the borough, the continued need for more local foster carer placements, and the limited data available on some aspects of social care in the first year of the new national indicators. The council and partners continue to monitor the impact of the recession, work is underway to plan for improving school provision in the borough in future and the transformation programmes in children’s and adult’s social care are addressing key risks identified here. This report and the Vital Signs appendix (G) set out the measures that have been put in place to respond to any poor progress towards the corporate objectives.

LAA Priorities:

6.9 This section provides more detail on the LAA priority projects under this theme.

6.9.1 ***22 Increasing Affordable Homes** NI 155 Number of Affordable Homes

(delivered gross). Performance on this quarter was achieved. Second and third quarter targets will be more challenging 152 and 177 affordable homes to be delivered respectively. This is due to the current economic climate and the starts on site are still impacted by the current slowdown in construction for the

Delivery of Affordable Housing Programme. Granville New Homes Project is due to be completed at the end of July 2009. Brent Housing Partnership has consulted with residents and is undertaking a programme of viewing so that letting can commence as soon as the sale is completed.

6.9.2 ***23 Additional Housing** NI 154 Net Additional Homes Provided

This is an annual target benchmarked against the London Plan target for Brent which is 915 additional homes. However, it would not be possible to ascertain the number of additional homes that could be delivered in 2009/10. This is due to crucial 'housing sites started/in progress' monitoring database cannot be fully developed until the conclusion of the 2008/9 housing sites survey, which is targeted for the end of August in accordance with the statutory submission requirements of the London Development Database (GLA).

6.9.3 ***26 Child Obesity** CF/VS09.3 Number of families attending the 10-week MEND programme (child obesity).

During this quarter 25 families were recruited for the MEND programme subsequently 2 families dropped out. The recruitment strategy (advertising, flyers to schools, INSETs and referrals through GPs etc) resulted in a pool of 35 families expressing interest in the MEND programme. Of the 35, 25 families wanted to commence the programme in April. Drop out rates for MEND across London are in the range of 2-4 families per programme so out drop out of 2 families across two programmes is lower than expected.

6.9.4 ***27 Improving Outcomes for LAC** NI 63 Stability of Placements of Looked After Children: Length of Placement. This measure refers to the increase in long term stability of children who remain in care for significant periods of time (continuously for a minimum of 2.5 years, or in the same placement for 2 years). There were 65 placements against the target of 79 thus not meeting the target this quarter. The potential risks for this project arise as we become more successful in diverting some young people from becoming looked after, those who then do become looked after tend to have the most complex needs which can put great demand and strain on their placements. This is now proving to be an additional challenge for recruiting foster carers, who have the capacity and level of skills to care for young people with complex needs. More local foster placements need to be achieved for young people and this part of the I2S projects has been the most challenging to achieve.

6.9.5 ***34 Increasing Self Directed Support** NI 130 Social Care Clients Receiving Self Directed Support per 100,000 Population. Figures have slightly reduced in Physical Disabilities (PD) and Brent Mental Health Service (BMHS) are investigating the possible causes. Finalising new streamlined staff guidance for Direct Payments (DP) has taken longer than expected and the personal budget pilot has not yet started. Therefore, staff are currently still dependent on DPs to meet target but direct payments are not attractive to all service users.

To tackle performance of this target, pilot teams have been identified to test self-directed support processes in Physical Disabilities and Older Peoples

Services and BMHS from July onwards. Team leaders have been identified as project co-ordinators. In addition, staff and teams are to be given individual direct payment targets by managers.

- 6.9.6 ***38 Volunteering** The Number of People Volunteering for 100 Hours or More. This target was exceeded with 139 new volunteers against the target of 120. One of the significant achievements for this project was the “Match, Munch, Mingle” event held during Volunteers’ Week to match up volunteers with available volunteer opportunities. Good practice training for volunteer coordinators and a volunteering information fair are some of the milestones for this target.

Comprehensive Area Agreement (CAA)

- 7.0 A new set of national indicators has been put in place to support the new CAA regime which began on 1st April 2009. 29 of the national indicators are the focus of the Local Area Agreement.

8.0 Financial implications

- 8.1 These are set out in the body of the report.

9.0 Legal implications

- 9.1 The capital programme is agreed by Full Council as part of the annual budget process. Changes to, or departures from, the budget during the year other than by Full Council itself can only be agreed in accordance with the scheme of Transfers and Virements contained in the Constitution. Any decisions the Executive wishes to take and any changes in policy which are not in accordance with the budget set out in March 2009 and are not covered by the Scheme of Transfers and Virements will therefore need to be referred to Full Council.
- 9.2 The Director of Finance and Corporate Resources is satisfied that the criteria in the scheme are satisfied in respect of virements and spending proposals in the report.

10.0 Diversity implications

- 10.1 This report has been subject to screening by officers and there are no direct diversity implications.

11.0 Background documents

- 11.1 Corporate Strategy 2006/10
Community Strategy 2006/10
Local Area Agreement 2008/11
Budget Report 2008/09
Best Value Performance Plan 2008/09

12.0 Contact officers

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DUNCAN McLEOD Director of Finance and Corporate Resources	PHIL NEWBY Director of Policy and Regeneration
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	<p>Executive 15th September 2009</p> <p>Report from Director of Finance and Corporate Resources</p>
<p>Wards Affected: ALL</p>	
<p>Modernisation of the Council's financial management arrangements and approval for appointment of consultants</p>	

Forward Plan Ref: F&CR-09/10-9

Appendix C is not for publication

1. SUMMARY

- 1.1 This report sets out proposals for modernisation of the Council's financial management arrangements. The proposals have been developed as part of the "One Council" stream of work set out in the Council's Improvement and Efficiency Strategy which was published in September 2008.
- 1.2 The Council's current financial management arrangements were developed in the early 1990s to meet requirements at the time. The Council is in the process of implementing a single accounting system and this provides the opportunity to review the Council's financial management arrangements.
- 1.3 The proposals in this report were initially developed by a cross-council officer task group. They were subsequently validated in a detailed business case by Deloitte MCS Limited who also set out a road map for implementing the changes.
- 1.4 This report sets out the background to work carried out so far, the main proposals for changing the financial management arrangements, and the proposed approach to implementation including the appointment of a strategic partner to support delivery of the changes proposed.

2. RECOMMENDATIONS

- 2.1 The Executive:
 - agrees to implement Phase 1 of the proposals in the Business Case summarised at Appendix A of the report; and

- notes that a further report about whether to proceed with the Phase 2 optimisation stage will be brought to Members around December 2010 (para 4.2).
- 2.2 The Executive agrees to the appointment of Deloitte MCS Limited as a strategic partner to support implementation of Phase 1 (para 5.5) in the sum of £799k.
 - 2.3 The Executive notes the risks of the modernisation project and measures to mitigate them (para 6.1).
 - 2.4 The Executive agrees the proposed arrangements for member oversight in paragraph 6.2.
 - 2.5 The Executive agrees to the funding arrangements set out in paragraph 7.5.

3. BACKGROUND

- 3.1 The Brent Improvement and Efficiency Strategy, which was published in September 2008, set out the Council's strategic framework for realising improvements in the performance, quality and value for money to be achieved by all Council services over the coming four years. A key element of the strategy was the delivery of an organisational infrastructure that supported high performance including the financial management arrangements in the Council.
- 3.2 A cross-Council officer task group, chaired by the Director of Policy and Regeneration, was set up to review options for delivering more cohesive, effective and efficient financial management arrangements in the Council. The group reported the results of their high level review to the Corporate Management Team (CMT) in December 2008. The main conclusion was that the Council needed to change fundamentally the approach taken to financial management in the authority. The current arrangements were developed in the early 1990s to meet requirements at the time. Implementation of a single accounting system, which is scheduled for completion by March 2010, provided an opportunity to meet requirements of the 21st Century including automation of processes, providing access to good quality financial information, and focusing financial support within service areas on business transformation.
- 3.3 The report to CMT recognised that the costs of implementing change would be high and that the change management required would be complex. CMT therefore agreed that a detailed independent business case should be commissioned which would review the costs and benefits of changing financial management arrangements and set out a road map for making the changes.
- 3.4 Following a competition using the Office of Government Commerce framework agreement for consultancy services, Deloitte's were appointed to

prepare the business case. The business case was finalised in June and a report outlining the findings was considered by CMT. On the basis that the business case showed a clear return both in terms of cost of the service and quality of financial support, CMT agreed to support the changes proposed in the business case together with proposed implementation arrangements.

4. THE PROPOSALS

- 4.1 The Executive Summary from the Business Case is at Appendix A of this report. The key findings were as follows:
- a. spend on finance activities in Brent Council is above both council and private sector benchmarks;
 - b. standardising, automating and simplifying payment and income processes would allow a step change in service delivery;
 - c. to deliver required changes, a new finance operating model is required which would incorporate:
 - i. a standardised service offering for finance customers;
 - ii. a Finance Service Centre to deliver transactional services;
 - iii. standardised financial policies, processes and systems;
 - iv. a Business Partnering model for departmental financial support offering expert advice and operational support rather than transaction processing and data collation.
 - d. the Single Accounting System project should proceed as planned but standardisation rather than bespoke design should drive development of the system.
- 4.2 The full business case was developed on the basis of consolidation within the council of transactional finance (Phase 1) with a further decision being taken once that process was complete on whether this could be broadened to include other finance functions (Phase 2).
- 4.3 Consideration was given as part of the development of the business plan to sharing financial services with other public service providers and/or full outsourcing. These were rejected on the basis that (1) significant savings and improvements to service could be achieved by consolidating internally; and (2) the timescale for delivery would be too long. However, they have not been ruled out as future options once consolidated financial processes were in place. The Council will be in a much stronger position to secure value for money improvements from shared financial services and/or outsourcing once the consolidated finance structure is in place.
- 4.4 The Executive Summary to the Business Case attached as Appendix A provides details of the proposed operating model and the proposed project plan. It also includes details of costs and savings; further information is provided on these in section 7 of this report.

5. STRATEGIC PARTNER FOR PHASE 1

- 5.1 In delivering the proposed changes to financial management, there needs to be a balance between use of Council resources to ensure ownership and continuity, and external resources to bring in additional capacity and expertise. Options for procuring external support include the Council: (1) sourcing the consultants itself; or (2) entering a partnership with an external consultancy firm who would source the consultants from their own resources.
- 5.2 It is typical in large change management projects of this kind that external consultancies are brought in to partner organisations during implementation. External consultancies have knowledge and experience across their organisations of implementing projects of this kind and they have access to a large pool of resources. This means that they can mobilise quickly and bring in the skills required at short notice. They also have necessary quality assurance processes in place to ensure that weaknesses in delivery are addressed. In addition, the Council avoids having to incur resource and time procuring specialist support.
- 5.3 Appointment of a strategic partner means costs are higher than if the Council procured specialist support itself but the risks are significantly less. In this case, every three months delay in the proposed Finance Service Centre 'go live' date leads to one-off loss of savings of c.£400k. Even if the Council were able to achieve a 50% reduction in consultancy costs by securing the support itself, any saving would be more than offset by a delay of more than three months. In addition the strategic partner would work alongside Council employees and this would help ensure ownership by the Council of the project, continuity when the project is implemented, and transfer of skills to within the Council.
- 5.4 In light of this, a competitive exercise has been carried out to secure an external consultancy firm to work with the Council to deliver the project. The Council invited firms on the Office for Government Commerce Consultancy Services framework to submit fixed price tenders. In accordance with the rules of the framework, the evaluation criteria used to assess bids are prescribed in advance by the OGC, though not the weightings. Accordingly bidders were informed that the contract would be awarded on the basis of the most economically advantageous bid using the following criteria:
- Capability to deliver high quality services – 40%
 - Meeting customer requirements – 30%
 - Value for money and pricing - 30%
- 5.5 Two firms responded to the request for bids. Details of the evaluation are included in Appendix B, where they are identified as Organisation A and Organisation B. As a result, the tender panel has recommended the appointment of Deloitte MCS Limited to carry out the work (Organisation A). The identity of the unsuccessful bidder is in Appendix C (not for publication).

5.6 Deloitte will provide specialist support in areas such as the design of the Finance Operating Model, payments and receipts and reporting.

6. RISKS

6.1 The business case identifies the main risks associated with the modernisation project and factors to mitigate them. These are as follows:

Risk area	Nature of risk	Mitigating factors
<i>Stakeholder alignment</i>	Senior management is not completely aligned, and scepticism exists around the successful implementation of the finance transformation programme.	This change is part of the wider Improvement and Efficiency Strategy and the move to One Council which has been widely communicated at all levels of the organisation. The proposals in this report will result in a well-resourced implementation team with appropriate expertise. A communication strategy is being developed as part of the overall programme management of the project which will amongst other things seek to ensure that people remain fully aware of the purpose of the project and how implementation is progressing.
<i>Accountability</i>	Accountability for transitioning to the new operating model is not sufficiently robust across organisations, project teams and key stakeholders.	A governance structure has been set up for the project with a programme management office, responsible for change management and communications, reporting into a Programme Board, chaired by the Director of Finance and Corporate Resources. CMT has taken an active role in ensuring this project has reached this stage and will have oversight of the project as part of overall oversight of the Improvement and Efficiency Programme. Proposals for member accountability are set out in paragraph 6.2 below.
<i>Speed of implementation</i>	Team of dedicated resources are required to facilitate	Projects are already progressing, including development of the finance operating model, the finance staffing

Risk area	Nature of risk	Mitigating factors
	a successful delivery. This level of resourcing may not be available in the short term.	strategy, the enterprise resource planning strategy, and the development of a new approach to internal charging. Agreement to the recommendations in this report for appointment of a strategic partner will enable the full team to be operational from the beginning of September.
<i>Change management</i>	The degree of change is underestimated resulting in the transformation being perceived to have failed.	The programme management office includes resources dedicated to change management. In addition cross-Council involvement in the Programme Board for this project will ensure continuing awareness across the Council of the degree of change required plus feedback on issues arising in service areas.
<i>Benefits not realised</i>	The benefits identified in the business case are eroded during detailed design and no tracking mechanism is established to monitor delivery. No individual accountability for benefits delivery defined.	The business plan has set out costs and benefits in detail and these have been tested by senior council staff through workshops. Monitoring costs and benefits will be a key role for the Programme Board supported by the programme management office. Member accountability proposed in paragraph 6.2 will ensure that members have a key role in tracking benefits realisation.
<i>Business/change readiness</i>	The new operating model assumed for this business case represents a significant shift in the way front-line staff and managers must interact with support services. The effectiveness	There is an awareness that this project, along with others which are part of the Improvement and Efficiency Strategy, will require significant cultural change in the Council. As the first major project being delivered as part of the Improvement and Efficiency Strategy, there is considerable emphasis in this project on the need for effective communication and

Risk area	Nature of risk	Mitigating factors
	and efficiency of the new arrangements may be reduced if the customers of finance are not ready to accept the change.	change management. There is also a separate training stream within the programme to ensure both deliverers and users of the service fully understand what is required of them.
<i>Competing priorities</i>	The Council is going to undertake a significant change programme and Finance is only one work stream. There will be a need for the same people to be involved in different initiatives and this could slow down decision making and re-open debates where there are significant interdependencies.	The need to ensure sufficient capacity is one of the reasons for proposing use of a strategic partner to support this project. The CMT oversight role is aimed at ensuring that projects are prioritised, resources are not overstretched, and projects as a whole deliver.

6.2 A key element of ensuring accountability for delivery of the benefits from this project will be to ensure engagement by both the Executive and Scrutiny. The Deputy Leader and Lead Member for Resources will have responsibility for overseeing delivery of the project at Executive level. The Director of Finance and Corporate Resources, who chairs the Programme Board, will be responsible for ensuring that he receives regular progress reports. In addition, it is proposed that the Performance and Finance Select Committee receive reports on the project at regular intervals to be agreed with the Chair of the Committee.

7. FINANCIAL IMPLICATIONS

7.1 The fixed price tender for Phase 1 of the work submitted by Deloitte is £799k. This is within the total provision allowed for external consultancy costs in the business case.

7.2 The total implementation cost is estimated at £3.216m for Phase 1 and £3.615m under Phases 1 and 2.¹ Details are provided in Table 1 below.

TABLE 1 IMPLEMENTATION COSTS

Phase 1 - Implementation costs

	2009/10	2010/11	2011/12	Total
	£'000	£'000	£'000	£'000
Single financial system - Oracle	1,077	109	-	1,186
Other project costs	817	55	-	872
Finance Service Centre refurbishment	250	-	-	250
Programme management	266	133		399
Redundancy/retraining	-	374	-	374
Contingency	120	15	-	135
Total	2,530	686	-	3,216

Phases 1 and 2 combined - Implementation costs

	2009/10	2010/11	2011/12	Total
	£'000	£'000	£'000	£'000
Single financial system - Oracle	1,077	109	-	1,186
Other project costs	817	55	211	1,083
Finance Service Centre refurbishment	250	-	-	250
Programme management	266	133	156	555
Redundancy/retraining	-	374	14	388
Contingency	120	15	18	153
Total	2,530	686	399	3,615

¹ In both cases, this assumes that support for the Oracle system from 2010/11 onwards is netted off against savings following implementation of the new arrangements.

7.3 The net reduction in running costs starts in 2010/11 once the Finance Service Centre is set up. Stretch savings amount to £1.504m in a full-year (from 2011/12) for Phase 1 and £1.870m in a full-year (from 2012/13) for Phases 1 and 2 combined. Details are provided in Table 2 below.

TABLE 2 NET RUNNING COST SAVINGS

Phase 1 - Net savings (stretch)

	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
Gross savings	874	1,704	1,704	1,704	1,704
Oracle running costs	(190)	(190)	(190)	(190)	(190)
Contingency	(10)	(10)	(10)	(10)	(10)
Net savings per annum	674	1,504	1,504	1,504	1,504
Net savings - cumulative	674	2,178	3,682	5,186	6,690

Phases 1 and 2 combined - Net savings (stretch)

	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
Gross savings	874	1,887	2,070	2,070	2,070
Oracle running costs	(190)	(190)	(190)	(190)	(190)
Contingency	(10)	(10)	(10)	(10)	(10)
Net savings per annum	674	1,687	1,870	1,870	1,870
Net savings - cumulative	674	2,361	4,231	6,101	7,971

7.4 Table 3 below sets out the net cumulative position once implementation costs and running costs are taken into account. Invest to save monies would start being paid off in 2011/12 and would be fully paid off during 2012/13.

TABLE 3 CUMULATIVE BREAKEVEN POSITION**Phase 1 - Cumulative breakeven position**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Net running cost savings	-	674	1,504	1,504	1,504	1,504
Less: Implementation costs	(2,530)	(686)	-	-	-	-
Net savings(costs)	(2,530)	(12)	1,504	1,504	1,504	1,504
Cumulative net savings(costs)	(2,530)	(2,542)	(1,038)	466	1,970	3,474

Phases 1 and 2 Cumulative breakeven position

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Net running cost savings	-	674	1,687	1,870	1,870	1,870
Less: Implementation costs	(2,530)	(686)	(399)	-	-	-
Net savings(costs)	(2,530)	(12)	1,288	1,870	1,870	1,870
Cumulative net savings(costs)	(2,530)	(2,542)	(1,254)	616	2,486	4,356

- 7.5 The bulk of the estimated £2.530m incurred in 2009/10 would have to be met from revenue resources. This funding would be treated on an 'invest to save' basis with funds being replenished from 2011/12 onwards from savings generated by the project and fully repaid from 2012/13. Elements of the costs – redundancy costs, refurbishment of premises for the Finance Service Centre, and parts of Oracle implementation – may be capitalisable and would be charged against the capital element of Performance Reward Grant. This would allow repayment of the 'invest to save' monies at a quicker rate than would otherwise be possible.

- 7.6 There will be competing demands within the council for 'invest to save' funds. However, this is the first of the One Council transformation projects which is fully ready to progress and the project has a rapid payback. Further demands for 'invest to save' funds will be considered on the basis of the strength of the business case and the demand already placed on 'invest to save' funds.
- 7.7 There are financial risks which are detailed in the business case. Costs could increase or savings could be less than forecast. However, contingencies have been built into the cost of implementation and it is considered that it is a fairly prudent estimate. The savings are also based on prudent estimates with stretch savings based on the council achieving the worse of the cross-council or cross-industry average. Even under worst case scenarios modelled in the business case, where actual savings are 20% below target savings, the investment in the project would be paid back from savings by 2013/14. In addition, there are no assumed savings from reducing internal transactions or consolidating the number of invoice payments.
- 7.8 The costs outlined in Tables 1 to 3 do not include costs associated with preparing the business case which have been incurred whether the project goes ahead or not. The total cost of preparing the business case is estimated at £95k. These costs have been met from one-off funds set aside to fund implementation of the Improvement and Efficiency Strategy.

8. LEGAL IMPLICATIONS

- 8.1 This report is seeking approval to implement a programme of modernisation of the Council's financial structures. Assuming that the Executive agrees this, then the report is also seeking approval for associated issues such as the appointment of consultants.
- 8.2 In this case, it is proposed to appoint consultants by way of a call-off from an external framework, following a mini-competition exercise. The framework is for Multi-Disciplinary Consultancy Services and is run by the Office for Government Commerce. There are a number of firms on the framework, and unless it is clear that only one of these firms can fulfil your requirement, it is necessary to run a mini-competition, as happened here. All the firms on the framework have to be invited to bid, again as happened here.
- 8.3 The advantage of using a framework is that there is no need to procure a provider from scratch, so reducing timescale. In addition, where the services etc are such that the EU public procurement rules would have to be followed for a full tender exercise, as is the case here, then use of a framework that has been tendered in accordance with those rules means that the rules do not need to be complied with again, provided that the individual call-off is done in accordance with the framework rules. However Contract Standing Orders (CSOs) does require that the Borough Solicitor is satisfied that use of the framework is legally permissible, which involves checking that the OGC or other framework provider did tender the framework etc. In addition CSOs require that the Director of Finance and Corporate Resources and the

relevant Chief Officer agree to the use of the framework. This process of approvals took place in July.

- 8.4 Although there is no requirement for Executive to approve use of a call-off, only the officer approvals just described, there is a requirement that awards of High Value contracts are approved by the Executive. Consequently as the value of this contract will exceed £500,000 such that it is a High Value contract, the Executive is being asked to approve the award of contracts.
- 8.5 In accordance with Part 4 of the Constitution, Chief Officers are unable to exercise their delegated authority to dismiss staff if that exercise would result in redundancy of more than 20 people. Accordingly if redundancies are proposed as a result of this modernisation programme, and this exceeds 20 people, the Executive will need to approve these redundancies.
- 8.6 If significant changes to the duties or grades of posts and/or redundancies are proposed as a result of this modernisation programme then the Council's Managing Organisational change Policy and Procedure will need to be followed.

9. DIVERSITY IMPLICATIONS

- 9.1 The revised finance operating model will have a direct impact on businesses and residents who have financial transactions with the council, including people who supply the council with goods and services and people who pay for goods and services provided by the council. The intention of the changes is to make payment and income processes more efficient and effective and they should lead to improved service. However the service will need to be more standardised to deliver efficiencies and this may affect some individuals more than others. An equalities impact assessment will therefore be carried out as part of the project to set up the Finance Service Centre.
- 9.2 The changes will also affect a large number of staff. An equality impact assessment will be undertaken as part of the change management programme.

10. STAFFING IMPLICATIONS

- 10.1 The base line exercise carried out as part of the development of the business case established that there are 129 full-time equivalent staff whose core job involves activities which are covered by the proposals in this report. There are a further 33 posts in the Council where finance accounts for at least 20% of the workload, with the amount of time on finance amounting to 15 full-time equivalents. Of the 144 (129 core, 15 non-core) full-time equivalent posts dedicated to finance work, 13.5 are currently vacant with 9 of these filled by agency staff leaving 130.5 filled by Brent staff. The proposals to change structures would mean changes in job descriptions (and in many cases reporting lines) for many of these staff. The stretch targets would require a reduction in FTEs to between 105.5 (Option 1) and 97.5 (Option 2).

11. BACKGROUND INFORMATION

Brent Improvement and Efficiency Strategy 2008-2012, September 2008

Brent Finance One Council – Business Case – Deloitte’s – June 2009

12. CONTACT OFFICERS

Duncan McLeod, Director of Finance and Corporate Resources, and Mick Bowden, Deputy Director of Finance and Corporate Resources

Duncan McLeod
Director of Finance and Corporate Resources

**BUSINESS CASE PREPARED BY DELOITTE'S
EXECUTIVE SUMMARY**

Following the development of the corporate Improvement and Efficiency Strategy and vision for new ways of working within the Council reflected in the *Finance One Council Report*, a short piece of work was commissioned to challenge and refine the objectives of the vision for finance, build a business case and develop a roadmap to deliver the required finance transformation programme. This document constitutes the business case and will be used to inform the Council's decision as to how to proceed with the transformation.

Key Findings

The review involved data gathering, interviews and a workshop based approach to involve and consult with the Finance Reference Group. It was completed in an eight week timeframe. The key findings of this work were as follows:

- In general, the spend on finance activities in the Council (£7.9m or 1.9% of Council expenditure) is above both the CIPFA average of 1.5% and the London cross Council average of 1.2% (CIPFA) suggesting that there is significant scope for savings
- Achieving the CIPFA average of 1.5% would require a £1.6m reduction in the annual running costs of finance
- With regards to transaction processing the Council performance suggests that in the area of payables (Brent cost per invoice £12.74, London cross Council average £2.98) and receivables (Brent invoices processed per FTE average 5,066, Deloitte cross industry median 11,100), through applying greater standardisation, automation and simplification a step change in service delivery would be possible
- To deliver the *Finance One Council* vision a more efficient operating model will be required based on a set of design principles (table 9, section 4.2) agreed by the Finance Reference Group. Such a model should incorporate:
 - standardising the service offering for the customers of finance
 - establishing a Finance Service Centre (FSC) to deliver transactional services to the council in a more effective way and instil a culture of continuous improvement and high quality service delivery
 - standardising finance policies, processes and systems to deliver better service quality
 - re-defining departmental finance into a Business Partnering team that provides expert advice and operational support rather than transaction processing and data collation activities.

The current single accounting system project (SAS) was reviewed as part of this project. SAS will deliver a more unified 'set of books' with more common structures and processes. However, full convergence has not yet been achieved, compromises

have been necessary to gain user commitment and as a result of some challenging delivery timelines.

The implementation of the Single Accounting System is key to the Council's ability to transform its finance function and realise savings and service improvements identified in this business case and should therefore proceed as planned. The Council should however ensure that standardisation rather than bespoke design drive development to reduce risk of the system not delivering the benefits identified.

Delivery Options Assessment

Based on these findings a long list of delivery options was generated to understand which should be considered in more detail within the business case. The options were assessed against agreed evaluation criteria (table 11, section 5).

The table below summarises the outcome of this exercise.

Option	Description	Meets the Evaluation Criteria
Base case	Current structure remains, oracle implemented as planned, no end to end process improvement. Some planned savings within each department delivered	No – but take forward to finance assessment as the 'base case' comparator
Incremental improvement	Standardisation of key processes to deliver best internal practice. 5% savings target across finance	No – will not deliver the <i>Finance One Council</i> vision
Consolidate transactional finance	Establish a single transaction processing centre, simplify finance organisation, end to end process improvement across finance	Yes – take forward to finance case
Consolidate all finance	Establish a single finance service centre, simplify finance organisation, end to end process improvement across finance	Yes – take forward to finance case
Government to Government sharing	Partner with other government organisations to commission or offer finance services	No – will not meet the timescales of benefits delivery by March 2011
Full outsourcing	Secure an external organisation to deliver the finance function	No – will not meet the timescales of benefits delivery by March 2011

The Finance Reference Group concluded that during the design phase selective outsourcing should be considered for delivering process improvement. In addition, the group agreed that outsourcing would remain a future consideration for finance

once internal standardisation and process improvement had realised the planned savings.

Financial Analysis and Recommendation

A series of projects were identified that it is believed will deliver the short-listed options (ref section 5.6). Each project was defined and the implementation costs together with the benefits were estimated based on agreed assumptions. These assumptions were used as inputs to the business case financials. The Finance Reference Group concluded that all the projects in Option 1 would also need to be delivered for Option 2. It was therefore agreed that the costs and assumptions could be used within both options as the projects were common.

In determining the savings, target and stretch scenarios were developed. The table below summarises the financial analysis.

Option	Target		Stretch	
	Annual Savings Generated	Payback	Annual Savings Generated	Payback
Base case	£0.07m	n/a	£0.07m	n/a
Option 1	£1.16m	4.5 years	£1.5m	3.8 years
Option 2	£1.3m	4.6 years	£1.9m	3.8 years

These options are estimated to generate annualised gross savings against the baseline cost of the finance function as at 31/3/09 as follows:

- Target Options 1 and 2 generate net annual savings of £1.16m and £1.3m respectively
- Stretched Options 1 and 2 generate net annual savings of £1.5m and £1.9m respectively.

Based on the Finance Reference Group’s aim to achieve the CIPFA benchmark of 1.5% of Council running costs, the finance transformation programme will need to deliver the Option 2 stretch savings.

The assumptions regarding the target and stretch savings and costs are contained in section 8. It should be noted that neither the target nor the stretch represents an overly ambitious trajectory for the Council’s finance function as they have primarily been based on achieving either:

- current internal best practice
- the lower of the average CIPFA Council performance or Deloitte cross industry benchmarks.

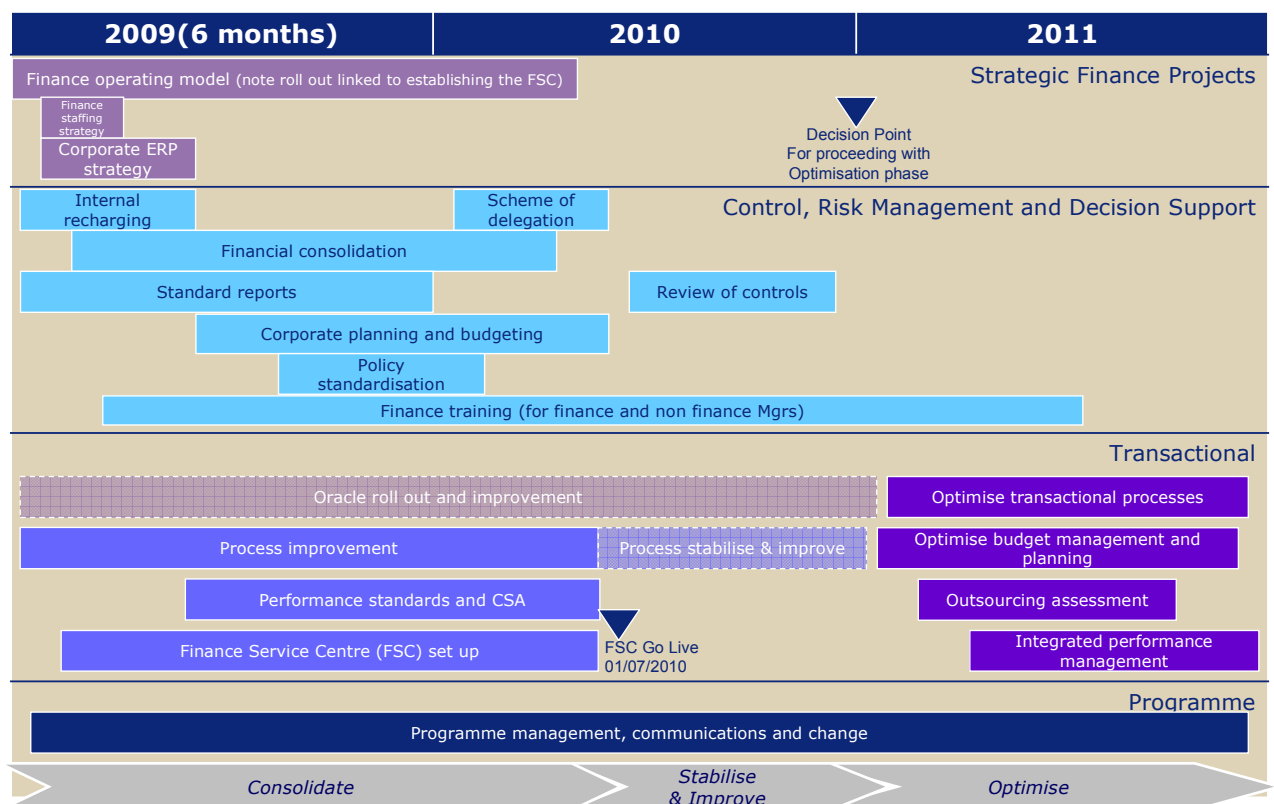
In addition, factors that could increase the savings that have not, at this stage, been quantified include:

- the individual process improvement projects being able to deliver above average performance for the Council
- the detailed mapping of individuals to new roles/positions within the detailed design resulting in a change in manager/professional/clerical ratios
- significant reduction in the level of internal invoicing
- the other qualitative benefits including improvements in the quality of financial information and decision making support.

These areas should be refined as the design phase is taken forward.

Implementation and Next Steps

An implementation roadmap has been developed that reflects the desire of the Council to deliver the majority of the finance savings in 2010/11.



In order to achieve this the finance transformation programme needs to start in July 2009. This is a challenging timeline and will require strong governance and decision making. It is recommended that implementation programme is preceded by a short, four week, mobilisation phase in order to:

- secure the programme manager and establish the project support function
- put in place the required governance structure for the programme

- draft the individual project initiation documents
- identify and secure resources for the individual projects
- define the benefits realisation strategy and plan
- determine the change management strategy and plan
- refine the business case.

EVALUATION OF TENDERS FOR STRATEGIC PARTNER ROLE

	Weighting	Tenderer A		Tenderer B	
		Score*	Weighted Score	Score	Weighted Score
Capability to deliver high quality services	40%	4.5	1.8	4.5	1.8
Meeting customer requirements	30%	5	1.5	4	1.2
Value for money and pricing	30%	5	1.5	3	0.9
Total			4.8		3.9

* Scoring was on a scale of 1-5 with 5 being the maximum score.

- Both tenderers had wide experience in delivering successful finance transformations in both the public and private sector. They had tried and tested methodologies with highly qualified and experienced staff. As a result the same score was awarded.
- Tenderer A had a more participator approach in the overall team (Brent and the Strategic Partner's staff) which will be needed to deliver the project. Tenderer B had a more strategic approach which required Brent to provide more resources to produce the required outputs. The panel felt the more pragmatic approach was what was required to deliver this major project for the Council.

Both tenderers emphasised the need for a significant skills transfer to staff involved in the project so these could be used on other similar projects with the Improvement and Efficiency Strategy.

- Both tenderers overall fixed price was virtually the same. However, Tenderer A offered 738 days of support compared with Tenderer B for 646 days.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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