Public Document Pack

Cabinet

Monday 24 July 2017 at 6.00 pm
Board Rooms 3, 4 & 5 - Brent Civic Centre

Membership:

Lead Member Councillors:	Portfolio
Butt (Chair)	Leader of the Council
McLennan (Vice-Chair)	Deputy Leader
Farah	Lead Member for Housing and Welfare Reform
Hirani	Lead Member for Community Wellbeing
Miller	Lead Member for Stronger Communities
M Patel	Lead Member for Children and Young People
Southwood	Lead Member for Environment
Tatler	Lead Member for Regeneration, Growth, Employment and Skills

For further information contact: Thomas Cattermole, Head of Executive and Member Services
020 8937 5446 thomas.cattermole@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:
democracy.brent.gov.uk

The press and public are welcome to attend this meeting

recycle for Brent

Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also a Prejudicial Interest (i.e. it affects a financial position or relates to determining of any approval, consent, licence, permission, or registration) then (unless an exception at 14(2) of the Members Code applies), after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

(a) **Employment, etc. -** Any employment, office, trade, profession or vocation carried on for profit gain.

(b) **Sponsorship -** Any payment or other financial benefit in respect expenses in carrying out duties as a member, or of election; including from a trade union.

(c) **Contracts -** Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.

(d) **Land -** Any beneficial interest in land which is within the council's area.

(e) **Licences-** Any licence to occupy land in the council's area for a month or longer.

(f) **Corporate tenancies -** Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.

(g) **Securities -** Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

(a) Anybody of which you are a member or in a position of general control or management, and:

- To which you are appointed by the council;
- which exercises functions of a public nature;
- which is directed is to charitable purposes;
- whose principal purposes include the influence of public opinion or policy (including a political party of trade union).

(b) The interests a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the electoral ward affected by the decision, the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who employs or has appointed any of these or in whom they have a beneficial interest in a class of securities exceeding the nominal value of £25,000, or any firm in which they are a partner, or any company of which they are a director
- any body of a type described in (a) above.

Agenda

Introductions, if appropriate.

Item Page

1 Apologies for Absence

For Members to note any apologies for absence.

2 Declarations of Interest

Members are invited to declare at this stage of the meeting, any relevant personal and prejudicial interests and discloseable pecuniary interests in any matter to be considered at this meeting.

3 Minutes of the Previous Meeting 1 - 16

The minutes of the meeting held on 19 June 2017 are attached for Members' consideration.

4 Matters Arising

5 Petitions (if any)

Chief Executive's Reports

6 Programme of Works to enhance Fire Safety in the Council's Housing Stock 17 - 30

This report provides Cabinet with an update on the process for developing a detailed programme of fire safety works, following Council's agreement of a £10million increase to the Council's 2017/2018 Capital Programme, in order to meet the cost of enhancing the fire safety measures in the Council's housing stock.

Ward Affected:
All Wards

Lead Member: Leader (Councillor Muhammed Butt)
Contact Officer: Peter Gadsdon, Director, Performance, Policy and Partnerships
Tel: 020 8937 1400
peter.gadsdon@brent.gov.uk

7 Small and Medium-Sized Enterprises in Brent Task Group 31 - 46

At its meeting on 3 May 2017, the Resources and Public Ream Scrutiny Committee considered the attached task group report on Small and

Medium-Sized Enterprises. The committee subsequently resolved that Cabinet be recommended to endorse the four recommendations set out in the Task Group report.

Ward Affected:
All Wards

Lead Member: Lead Member for Regeneration, Growth, Employment and Skills (Councillor Shama Tatler)
Contact Officer: Pascoe Sawyers, Head of Strategy and Partnerships
Tel: 020 8937 1045
pascoe.sawyers@brent.gov.uk

Community Well-Being Reports

8 Care and Support Contracts - Extra Care - Authority To Procure Additional Schemes 47 - 74

In June 2016, Cabinet approved the procurement of the care and support service in 4 extra care schemes. Unfortunately in July 2016 the incumbent provider gave notice to the Council as we were unable to come to an agreement on long term fees rates for this service. Interim arrangements were established but will expire at the end March 2018. Two opportunities have arisen from these circumstances: 1) to increase the length of contracts for care and support services in extra care in response to tenant and provider feedback; and 2) to bring all the care and support contracts into one tender, thereby achieving better value for money for the Council.

Ward Affected:
All Wards

Lead Member: Lead Member for Community Wellbeing (Councillor Krupesh Hirani)
Contact Officer: Helen Woodland, Operational Director, Adult Social Care
Tel: 020 8937 6168
helen.woodland@brent.gov.uk

Children and Young People Reports

9 School Place Planning Strategy 2014-18 - update 75 - 116

This report provides Cabinet with an update to the School Place Planning Strategy 2014-18 that was approved by Cabinet in October 2014 and updated in November 2015.

Ward Affected:
All Wards

Lead Member: Lead Member for Children and Young People (Councillor Mili Patel)
Contact Officer: Brian Grady, Operational Director Safeguarding, Performance and Strategy
Brian.Grady@brent.gov.uk

10 Contracts with Academies for Additionally Resourced Provisions and the Choice, Advice and Fair Access Service 117 - 124

This report seeks an exemption from the procurement requirements of the Council's Contract Standing Orders and approval to award contracts for the placement of children and young people in: Additionally Resourced Provision (ARP) provided by academies for the academic year 2017/18; and the Choice, Advice and Fair Access Interview (CAFAI) Service and related specialist English as an Additional Language (EAL) provisions provided by academies for the academic year 2017/18.

Ward Affected:
All Wards

Lead Member: Lead Member for Children and Young People (Councillor Mili Patel)
Contact Officer: Shirley Parks, Head of Partnerships, Planning and Performance
Shirley.Parks@brent.gov.uk

Resources Reports

11 Draft Statement of Accounts 2016/17 125 - 246

The Council is required to present its accounts, approved by the Chief Finance Officer, for audit by 30 June. Following the completion of the audit of the accounts the Audit Committee will receive a report on the audit from KPMG and be asked to approve the accounts for publication. Although the presentation of the draft accounts to Cabinet is not part of the formal decision making process it enables members to gain an understanding of the financial statements and raise any issues at an early stage of the process.

Ward Affected:
All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Conrad Hall, Chief Finance Officer
Tel: 020 8937 6528 conrad.hall@brent.gov.uk

12 2016/17 Treasury Management Outturn Report 247 - 260

This report updates members on Treasury Management activity and confirms that the Council has complied with its Prudential Indicators for 2016/17. Cabinet is asked to consider the 2016/17 Treasury Management outturn report, and ask that it be forwarded to Council, in compliance with CIPFA's Code of Practice on Treasury Management (the Code).

Ward Affected:
All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Conrad Hall, Chief Finance Officer
Tel: 020 8937 6528 conrad.hall@brent.gov.uk

13 July Finance Review 261 - 306

This report presents a review of the council's financial position to support reflection on Brent's future financial strategy. The report introduces considerations that will need to be taken into account when considering the council's approach to budgeting for 2019/20 and beyond. It sets out the changes to the local authority finance regime in its various components – business rates devolution, schools, integration with health services and finance and so on – and the strategic consequences of these for Brent, linked to the local factors that will influence decisions on those.

Ward Affected: All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Conrad Hall, Chief Finance Officer
Tel: 020 8937 6528 conrad.hall@brent.gov.uk

14 Financial Forecast 2017/18 307 - 316

This report sets out the current forecasts of income and expenditure against the revenue budget for 2017/18 and other key financial data.

Ward Affected: All Wards

Lead Member: Deputy Leader (Councillor Margaret McLennan)
Contact Officer: Conrad Hall, Chief Finance Officer
Tel: 020 8937 6528 conrad.hall@brent.gov.uk

15 The Council's Policy and Procedures on RIPA 317 - 338

This report informs Cabinet of the Council's use and conduct of covert surveillance techniques when investigating serious criminal offences relying on the powers made available to local authorities in Part II of the Regulation of Investigatory Powers Act 2000 (RIPA).

Ward Affected: All Wards

Lead Member: Leader (Councillor Muhammed Butt)
Contact Officer: Althea Loderick, Strategic Director of Resources
Althea.Loderick@brent.gov.uk

16 Authority to Participate in the Joint Procurement of Solicitors' Services 339 - 346

This report requests approval to participate in collaborative procurement with the London Borough Legal Alliance ("LBLA") for the establishment of a framework for provision of solicitors services. As the proposed procurement is to be led by the London Borough of Hackney, approval is

also sought as required by Contract Standing Order 85 to using that borough's Contract Standing Orders and Financial Regulations.

Ward Affected: All Wards	**Lead Member**: Leader (Councillor Muhammed Butt) **Contact Officer**: Althea Loderick, Strategic Director of Resources Althea.Loderick@brent.gov.uk

17 National Non-Domestic Rates - Discretionary Discount Scheme 347 - 362

This report seeks approval of a proposed discretionary discount scheme to provide help to those businesses facing increases in their bills as a result of the revaluation of the rateable value which came into effect from 1 April 2017. In view of the numbers of ratepayers who will be entitled to relief, this report also seeks to authorise the Chief Finance Officer to implement the scheme so that officers can award these discretionary reliefs which satisfy the set criteria detailed in the report.

Ward Affected: All Wards	**Lead Member**: Deputy Leader (Councillor Margaret McLennan) **Contact Officer**: Margaret Read, Director, Customer Services Tel: 020 8937 1521 margaret.read@brent.gov.uk

Regeneration and Environment Reports

18 On- Street Parking Management Review 363 - 388

This report provides Cabinet with information on the outcome of the On-Street Parking Management Review which was initiated following Cabinet approval on 15 November 2016.

Ward Affected: All Wards	**Lead Member**: Lead Member for Environment (Councillor Eleanor Southwood) **Contact Officer**: Tony Kennedy, Head of Highways and Infrastructure Tel: 020 8937 5151 tony.kennedy@brent.gov.uk

19 To update on progress since the original approvals were given in November 2013, January 2015 and June 2015 and seek approval and re-affirmation of the original decision to proceed with the CPO in the light of the changes which have occurred on the Land North of Chippenham Gardens 389 - 482

The report relates to Chippenham Gardens, which is a fundamental part of the South Kilburn Regeneration Programme. The Site comprises of 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only) together defined as "Chippenham Gardens" (see

appendix 1 – Existing Site Plan). This report provides Cabinet with an update on the Chippenham Gardens project and seeks to reaffirm and confirm the use of the Compulsory Purchase Order (CPO) powers in order to secure vacant possession in order to bring forward the site for redevelopment within a timely manner and to meet the decant programme.

Ward Affected: Kilburn

Lead Member: Lead Member for Regeneration, Growth, Employment and Skills (Councillor Shama Tatler)
Contact Officer: Marie Frederick, Senior Project Manager, Estate Regeneration
Marie.Frederick@brent.gov.uk

20 Approval to procure a Multi-Disciplinary Design Team for Neville House, 1-64 Winterleys and 113-128 Carlton House and Carlton Hall, as part of Phase 4 of the South Kilburn Regeneration Programme 483 - 494

This report seeks Cabinet approval to a procurement strategy for the appointment of an architecturally led multidisciplinary design team for the comprehensive redevelopment of Neville House, 1-64 Winterelys and 113-128 Carlton House and Carlton Hall, being part of Phase 4 of the South Kilburn regeneration programme and together defined as the Existing Site.

Ward Affected: Kilburn

Lead Member: Lead Member for Regeneration, Growth, Employment and Skills (Councillor Shama Tatler)
Contact Officer: Marie Frederick, Senior Project Manager, Estate Regeneration
Marie.Frederick@brent.gov.uk

21 Article 4 Direction: Office, Light Industrial and Storage or Distribution Centre to Residential 495 - 518

Ward Affected: All Wards

Lead Member: Lead Member for Regeneration, Growth, Employment and Skills (Councillor Shama Tatler)
Contact Officer: Paul Lewin, Planning, Policy and Projects
Tel: 020 8937 6710 paul.lewin@brent.gov.uk

22 Adoption of Statement of Community Involvement 519 - 578

The Statement of Community Involvement explains how the Council will involve local communities and other interested parties when it prepares its planning policies and determines planning applications. A draft Brent Statement of Community Involvement underwent consultation between 30th March and 4th May 2017. This report sets out the results of the consultation feedback, officer responses and where necessary

recommended changes to the document. It seeks the agreement of Cabinet to adopt the amended Statement of Community Involvement.

Ward Affected:	**Lead Member**: Lead Member for Regeneration,
All Wards	Growth, Employment and Skills (Councillor Shama Tatler)
	Contact Officer: Claire Jones, Principal Planner in Policy and Projects
	Tel: 020 8937 5301 claire.jones@brent.gov.uk

23 LoHAC Lump Sum – Variation of Contract 579 - 592

Brent entered into an eight year contract on 1 April 2013 to provide a range of highway services, including reactive maintenance works, through the London Highways Alliance Contract (LoHAC). The appointed contractor is Conway Aecom. Bringing the inspection regime in-house and paying for the services through the Schedule of Rates, rather than Lump Sum will provide officers with more control to choose where and when repairs are ordered and enables a more responsive approach to dealing with members' reports and ordering multiple repairs within a specified area. The overall budget for this work will remain the same. This report outlines the negotiations to date and proposed way forward to deliver reactive highway maintenance.

Ward Affected:	**Lead Member**: Lead Member for Environment
All Wards	(Councillor Eleanor Southwood)
	Contact Officer: Tony Kennedy, Head of Highways and Infrastructure
	Tel: 020 8937 5151 tony.kennedy@brent.gov.uk

24 Strategic Community Infrastructure Levy contribution: proposal for enhancing public realm in Olympic Way (associated with Site NW04's Contribution to the Education Quarter) 593 - 612

This report seeks approval for funds of up to £17.8 million to accelerate the delivery of the public realm. This is relation to two zones. One between Wembley Park underground station and the northern edge of Fulton Road (Zone B). The other will be for replacing the Wembley National Stadium 'pedway' with steps including public realm works from the foot of the pedway to the stadium (Zone C) to ensure delivery prior to Euro2020.

Ward Affected:	**Lead Member**: Lead Member for Regeneration,
Tokyngton;	Growth, Employment and Skills (Councillor
Wembley	Shama Tatler)
Central	**Contact Officer**: Aktar Choudhury, Operational Director, Regeneration
	Tel: 020 8937 1764
	aktar.choudhury@brent.gov.uk

25 Reference of item considered by Scrutiny Committees (if any)

26 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:

27 Any Other Urgent Business

Any decisions taken urgently under this heading must comply with the provisions outlined in Standing Order 16 (a) of the Council's Constitution.

Date of the next meeting: Monday 14 August 2017

Please remember to set your mobile phone to silent during the meeting.

- The meeting room is accessible by lift and seats will be provided for members of the public.

LONDON BOROUGH OF BRENT

MINUTES OF THE CABINET
Monday 19 June 2017 at 6.00 pm

PRESENT: Councillor Butt (Chair), Councillor McLennan (Vice-Chair) and Councillors Farah, Hirani, Miller and M Patel

Also present: Councillor Choudhary

1. **Apologies for Absence**

   Apologies for absence were received from Carolyn Downs (Chief Executive) and Gail Tolley (Strategic Director of Children and Young People). Attending in their stead were Althea Loderick (Strategic Director of Resources) and Brian Grady (Operational Director, Safeguarding Performance and Strategy) respectively.

2. **Declarations of Interests**

   There were no declarations of interest.

3. **Minutes of the Previous Meeting**

   RESOLVED:-

   that the minutes of the previous meeting held on 22 May be approved as an accurate record of the meeting.

4. **Matters Arising**

   There were no matters arising.

5. **Petitions (If Any)**

   None

6. **South Kilburn Supplementary Planning Document**

   With the permission of the Chair, the Cabinet received verbal representations from Mr David Kaye regarding the proposals set out in the report on the South Kilburn Supplementary Planning Document. Mr Kaye sought a deferral of the Cabinet's decision pending further consultation with the community and warned of the consequences of failing to listen to residents' views.

The Chair thanked Mr Kaye for his contribution and invited Councillor Sharma Tatler, Cabinet Member for Regeneration, Growth, Employment and Skills to introduce the report.

Councillor Tatler stated that the regeneration of South Kilburn had been one of the most transformational changes in the borough over the last decade and was nearing its half way stage. Approximately 1000 dwellings had been completed or started and over 500 of these would be social housing for existing tenants. There had been many changes both nationally and locally since 2005 when the initial South Kilburn Supplementary Planning Document had been adopted. It was therefore necessary to update the Document to provide clarity on future delivery, including community infrastructure, to stakeholders. The estate Masterplan which was incorporated into the Document had been in review since 2016, a process which had included significant resident engagement prior to the formal consultation of the draft Document undertaken in 2017. The council had received over 600 responses overall. Councillor Tatler emphasised that the council's priority was to improve the area for residents.

Councillors McLennan, Miller and Butt spoke in support of the proposals.

RESOLVED:

6.1 Cabinet noted the consultation responses, officer recommendations and proposed amendments to the draft South Kilburn Supplementary Planning Document as set out in Appendix 1 of the report from the Strategic Director of Regeneration & Environment.

6.2 Cabinet agreed to approve the adoption of the South Kilburn Supplementary Planning Document 2017 as set out in Appendix 2 of the report from the Strategic Director of Regeneration & Environment.

6.3 Cabinet agreed to revoke the existing South Kilburn Supplementary Planning Document 2005.

7. Domestic Abuse IDVA Support contract

Councillor Tom Miller, Cabinet Member for Stronger Communities, introduced the report, emphasising the different functions of the proposed contract and drawing the Cabinet's attention to the options for the contract specification detailed in the report. Recommending Option 1, Councillor Miller stated that the council had been advised that the current services were excellent. Option 1 envisaged an upgrade of the current contract specification, delivering a greater number of referrals at a lower cost through various efficiencies. Option 2 would offer an increase in service specification requiring an increase in expenditure. Conversely, Option 3 would result in reduced costs but would reduce the number of people that the service would be able to support by 200 to 300. In concluding his introduction, Councillor Miller emphasised the value of the support services and reiterated that Option 1 would permit these to continue and through efficiencies allow for a greater number of people to be supported.

RESOLVED:

7.1 Cabinet agreed the proposed option, Option 1 detailed in 3.14, to commission IDVA, Family Support and MARAC coordinator services and for the contract spend to continue to deliver high level support services.

7.2 Cabinet agreed for the proposed Option 1 contract to be let for a term of three years, with a break option and the option to extend for a two year period after the initial term of three years.

7.3 Cabinet agreed to delegate authority to the Strategic Director of Regeneration and Environment in consultation with the lead member and the Strategic Director of Children and Young People, to approve the award of the contract to the successful tenderer; following the procurement process to ensure timely service implementation.

8. **Chippenham Gardens (Land North) South Kilburn**

Councillor Sharma Tatler, Cabinet Member for Regeneration, Growth, Employment and Skills, introduced the report regarding the Chippenham Gardens site, a fundamental part of the South Kilburn regeneration programme. Approval was sought for the procurement of a delivery partner to speed up delivery timescales and to set rent levels at Homes and communities Agency Target Rent.

RESOLVED:

8.1 Cabinet approved the procurement of a delivery partner for the Chippenham Gardens site either through a mini-competition using an appropriate Framework or alternatively through a Competitive Procedure with Negotiation under the Public Contracts Regulations 2015 on the basis of the pre-tender considerations set out in Appendix 3 of the report from the Strategic Director of Regeneration & Environment and evaluating the tenders on the basis of the evaluation criteria set out in Appendix 3.

8.2 Cabinet agreed to delegate to the Strategic Director of Regeneration & Environment in consultation with the Lead Member of Regeneration, Growth, Employment and Skills, authority to select the appropriate procurement route outlined in 8.1 above for the reasons detailed in paragraph 3.8 of the report from the Strategic Director of Regeneration & Environment.

8.3 Cabinet approved the setting of rent levels for the affordable homes at the Chippenham Gardens site once complete, at a rent equivalent to the H.C.A. Target Rent levels.

8.4 Cabinet approved in principle the proposal to buy out the landowner of 5-9 Chippenham Gardens, Kilburn Park Post Office.

8.5 Cabinet noted the possible need to rely on the exercise of CPO powers to obtain vacant possession should an agreement not be reached with the remaining leaseholders and the continuing efforts by officers to reach an amicable agreement with the remaining leaseholders.

9. **Gloucester House and Durham Court – South Kilburn - Appropriation of Housing and Non Housing Land and Open Space**

Councillor Sharma Tatler, Cabinet Member for Regeneration, Growth, Employment and Skills, introduced the report on the Gloucester House and Durham Court site which was within the wider South Kilburn Regeneration Programme. In accordance with statutory planning guidance, approval was sought to advertise the Council's intention to appropriate and thereafter dispose of open space at Gloucester House and Durham Court site, and to appropriate the whole site including open space for planning purposes. This was to allow for the redevelopment of the Gloucester House and Durham Court site.

RESOLVED:

9.1 Cabinet approved to commence the advertisement of the Council's intention to appropriate the open space in accordance with its powers set out in section 122 of the Local Government Act 1972 and dispose of open space at Gloucester House and Durham Court Site to a third party in accordance with the provisions of section 233 of the Town and Country Planning Act 1990.

9.2 Cabinet agreed to delegate to the Strategic Director of Regeneration and Environment, in consultation with the Lead Member for Regeneration, Growth, Employment and Skills, authority to consider the representations made by the public in response to the advertisement to appropriate and dispose of the open space and thereafter to decide whether to appropriate and dispose of the open space.

9.3 Cabinet agreed to delegate to the Strategic Director of Regeneration and Environment in consultation with the Lead Member for Regeneration, Growth, Employment and Skills, authority to appropriate the open space at the Gloucester House and Durham Court Site, and appropriate and dispose of the whole Site including open space for planning purposes (shown at appendix 1) if the Strategic Director of Regeneration and Environment in consultation with the Lead Member for Regeneration, Growth, Employment and Skills decides to do so following the consultation.

9.4 The Cabinet noted section 3.9 of the report from the Strategic Director of Regeneration & Environment which outlines what the redevelopment of the Gloucester House and Durham Court site will consist of including the relocation and improvement of the public open space and play area at the north of the site.

9.5 Cabinet agreed to delegate to the Strategic Director of Regeneration & Environment and reconfirmed its approval to seeking the Secretary of State's consent under section 19 Housing Act 1985 in order to appropriate any part of the land consisting of a house or part of a house.

9.6 Cabinet noted that the whole Site including the open space was no longer required for the purpose for which it is currently used.

10. **Brent Housing Zones – Programme Funding and Wembley Partnership Structure**

Councillor Sharma Tatler, Cabinet Member for Regeneration, Growth, Employment and Skills, introduced the report updating members on the Wembley Housing Zone. The report sought: endorsement of the ongoing negotiations with developer HUB to agree the Wembley partnership structure; and approval of the preferred development option and funding structure to deliver the vision and objectives for the eastern 'fringe' of Wembley Town centre. The delivery options considered by the council were set out within the report and the analysis of these provided at Appendix 3 to the report. Option 4 had been identified as the preferred delivery option as it would give the council comprehensive regeneration of Wembley High Road, greater financial return and potential to increase provision of affordable housing.

Councillor Tatler stated that the report also considered the financial implications of the proposals and sought commitment to continued funding of the Housing Zones programme by the council in Wembley and Alperton.

In making their decision, the Cabinet had before them Appendices 1 to 6 of the report which were exempt from publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, namely: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

RESOLVED:

10.1 Cabinet endorsed the preferred development option of identified sites as set out in Appendix 1a of the report from the Strategic Director Regeneration and Environment, including the council's surplus former Copland School land and Ujima House and car park, to be delivered through the Housing Zones programme;

10.2 Cabinet approved the preferred delivery option of forming a Joint Venture Vehicle with developer HUB or vehicle managed by HUB, such as Chesterfield House Partners LLP, as approved by the council;

10.3 Cabinet noted that a future report to Cabinet will seek approval of the terms of:

i) a Collaboration Agreement
ii) a Joint Venture Agreement to create and enter into a Joint Venture Vehicle with developer HUB or vehicle managed by HUB, such as Chesterfield House Partners LLP, as approved by the council;

10.4 Cabinet noted that in entering into a Collaboration Agreement, Joint Venture Agreement and forming the Joint Venture Vehicle, the council's financial liability shall be negotiated to be no greater than the costs incurred in preparing a planning application and developing the business plan and related strategies;

10.5 Cabinet noted that a further Cabinet report will seek:

i) Endorsement of the final business plan and detailed financial appraisal

ii) Authority to transfer the council owned sites into the Joint Venture Vehicle
iii) Authority for up to 50% of the development financing to be provided to the Joint Venture Vehicle.

10.6 Cabinet agreed seed-funding of £1.615m to continue the council's work in both Wembley Housing Zone and Alperton Housing Zone;

10.7 Cabinet endorsed completion on the purchase of Ujima House by 29th June 2017 with the council taking any potential business rates liabilities and other holding costs until demolition and redevelopment, in order to retain the council's stake on the north of Wembley High Road and control of the Wembley Housing Zone programme;

10.8 Cabinet agreed that, should the acquisition of Network Rail land not proceed, the council could continue with a smaller development programme including Ujima House, former Copland School land and other sites as agreed by the council.

11. Basements Supplementary Planning Document

Councillor Sharma Tatler, Cabinet Member for Regeneration, Growth, Employment and Skills, introduced the report which set out the results of the formal consultation undertaken on the draft Brent Basement Supplementary Planning Document. The draft document was approved for consultation by Cabinet on 19 February 2017. The report detailed officer responses and recommended changes following the consultation and sought agreement to adopt the amended Basement Supplementary Planning Document.

Councillor Southwood welcomed the report and thanked the team involved in the development of the Basement Supplementary Planning Document. It was acknowledged that this addressed issues of significant concern to residents. Councillor Miller further endorsed the inclusion of a bond payable to insure against potential mishaps during development.

The Cabinet acknowledged that thirteen responses had been received in response to the consultation and that these included responses from groups of residents.

RESOLVED:

11.1 Cabinet noted the consultation representations received on the draft Basement Supplementary Planning Document, officer responses and recommended amendments to the document as set out in Appendix 1 of this report

11.2 Cabinet approved the adoption of the Basement Supplementary Planning Document as set out in Appendix 2 of this report.

11.3 Cabinet agreed to revoke the Interim Guidance on Basements issued in 2013.

12. **S106 Project Spend 17-18**

Councillor Sharma Tatler, Cabinet Member for Regeneration, Growth, Employment and Skills, introduced the report detailing the proposed allocation of Section 106 (S106) funds for expenditure in 2017-18. Linked to planning permissions, S106 funds were sought by the Council from the developer to undertake works where the developer could not directly mitigate the impact of their development.

Councillor Tatler stated that the proposed allocation as detailed in the report allowed for spend of S106 funds in all wards of the borough.

RESOLVED:

12.1 Cabinet approved the allocation of funds to specific prioritised S106 projects asset out in Appendix 2 of the report from the Director of Regeneration & Environment.

12.2 Cabinet agreed to delegate to the Head of Planning, Transport and Licensing implementation of the Council's S106 obligations where there is no discretion on spend of funds received, subject to all other necessary signoffs/consultations

12.3 Cabinet agrees that where there is discretion on the Council's spend of S106 obligations funds received that wherever possible these would be allocated to projects in a manner consistent with the methodology to be adopted for Strategic Community Infrastructure Levy funds.

13. **Extending Selective Licensing in the Private Rented Sector**

Councillor Harbi Farah, Cabinet Member for Housing and Welfare Reform, introduced the report proposing the extension of the Selective Licensing scheme to all wards of the borough. Under the Housing Act 2004, local authorities could introduce Selective Licensing schemes that focussed on improving the management of privately rented properties accommodating single households as well as Houses of Multiple Occupancies (HMOs). The council's existing Selective Licensing scheme, which would be unaffected by the proposed changes, currently covered all private rented housing in the wards of Harlesden, Wembley Central and Willesden Green, having come in to effect in January 2015. Reconsideration of the scope of Selective Licensing had been prompted by the continued growth of the sector and continued concerns about its links with the incidence of Anti-Social Behaviour and other issues. Furthermore, changes to regulations in March 2015 now allowed Licensing to be considered as a means to address poor property conditions, high levels of migration (national and international), high levels of deprivation and high levels of crime, all factors that could be considered relevant in Brent. An extensive consultation exercise had been carried out alongside further research, the results of which were detailed in the report.

Councillor Farah also stated that as the proposed extension would require the consent of the Secretary of State as it would result in a licensing designation covering more than 20% of the local authority area or private sector stock.

Councillors Miller, Tatler, Hirani and McLennan spoke in support of the proposal.

In response to a query from the Chair, Phil Porter (Strategic Director, Community Wellbeing) confirmed that it was anticipated that the extended Selective Licensing scheme would be implemented by January 2018.

RESOLVED

13.1 Cabinet agreed that the legal requirements for introducing Selective Licensing on the grounds of anti-social behaviour (ASB) and/or migration and/or deprivation and/or poor housing conditions have been met with regard to the proposed selective licensing designation areas as summarised in table 6 in paragraph 10.10 of the report from the Strategic Director of Community Wellbeing, which cover the following Council wards:

(i) Dudden Hill, Kensal Green, Kilburn, Mapesbury, Queens Park (designation area 1 - on grounds of anti-social behaviour, poor housing conditions, migration and high levels of crime);
(ii) Brondesbury Park, Queensbury (designation 2 on grounds of migration, anti-social behaviour and high level of crime);
(iii) Dollis Hill, Welsh Harp (designation 3 on grounds of poor housing conditions and anti-social behaviour);
(iv) Alperton, Barnhill, Sudbury, Tokyngton (designation 4 on grounds of anti-social behaviour and poor housing conditions);
(v) Stonebridge (designation 5 on grounds of anti-social behaviour, high levels of crime, deprivation and poor housing conditions);
(vi) Fryent, Kenton, Northwick Park, Preston (designation 6 on grounds of anti-social behaviour and migration).

13.2 Cabinet agreed to authorise the designation of six areas for selective licensing to last for five years from the date of designation which cover the following Council wards as delineated and edged red on the map(s) at Paragraph 10.10, Figure 16 of the report from the Strategic Director of Community Wellbeing:

(i) Dudden Hill, Kensal Green, Kilburn, Mapesbury, Queens Park (designation area 1);
(ii) Brondesbury Park, Queensbury (designation 2);
(iii) Dollis Hill, Welsh Harp (designation 3);
(iv) Alperton, Barnhill, Sudbury, Tokyngton (designation 4);
(v) Stonebridge (designation 5);
(vi) Fryent, Kenton, Northwick Park, Preston (designation 6)

13.3 Cabinet agreed to seek consent from the Secretary of State for the designation for Selective Licensing of the six areas as set out in paragraphs 2.1 and 10.9 of the report from the Strategic Director of Community Wellbeing, which would last for five years from the date of designation, if approved by the Secretary of State.

13.4 Cabinet agreed to delegate authority to the Strategic Director of Community Wellbeing, in consultation with the lead member for housing and welfare reform, to issue the required statutory notifications in relation to the Selective Licensing Scheme designations.

13.5 Cabinet approved the licensing conditions for the proposed designation areas for selective licensing as set out in Appendix 4 of the report from the Strategic Director of Community Wellbeing and authorised the Strategic Director for Community Wellbeing, in consultation with the lead member for housing and welfare reform, to make any minor variations to such licensing conditions.

13.6 Cabinet agreed that, subject to consent being obtained from the Secretary of State, and the issue of statutory notifications, the Strategic Director of Community Wellbeing, in consultation with the lead member for housing and welfare reform be authorised to decide the date from which the council will begin to accept applications for Selective Licensing for the six designated areas and the date on which the designations and the extended Selective Licensing scheme will come into effect.

13.7 Cabinet agreed that the fees for Selective Licensing would be set at £540 in all proposed designated wards for the five year licensing period, including those three wards covered by the current scheme, as set out in paragraph 11.2. of the report from the Strategic Director of Community Wellbeing

13.8 Cabinet agreed that authority should be delegated to the Strategic Director of Community Wellbeing, in consultation with the lead member for housing and welfare reform to agree the basis for and level of any discounts to be applied to these fees.

13.9 Cabinet noted that the proposed Selective Licensing scheme will be kept under review annually. Any significant changes, including the withdrawal of a licensing designation or a proposal to introduce a new designation, would be subject to further consultation and a decision by Cabinet.

14. Brent Housing Partnership (BHP) Transition Update

Phil Porter (Strategic Director, Community Wellbeing) introduced the report updating the Cabinet on progress made on the transition of staff and services from Brent Housing Partnership (BHP) to the Council, following the Cabinet's decision of 24 April 2017 to end the management agreement with BHP. The Council and BHP were working to a transition date of 2 October 2017 and negotiations were ongoing. Phil Porter stated that BHP currently managed 11,000 council homes as well as 329 homes and 2 commercial properties owned by BHP. The report therefore proposed that BHP continued to exist in a revised form, with new articles of association, new board membership and a new name but retaining its Registered Provider status and continuing to own the 331 properties currently within its ownership.

RESOLVED:

14.1 Cabinet noted the update on progress with transition of the Council's housing management functions from BHP back to the Council.

14.2 Cabinet approved that moving forward in the short term, BHP is retained as a company that is wholly owned by the Council and as a registered provider of social housing which will include the properties that it owns in its own right. Any change of course that is proposed to deviate from this direction of travel would be put forward to the Cabinet for a decision.

14.3 Cabinet approved on behalf of the Council to authorise the Strategic Director for Community Wellbeing, in consultation with the Cabinet Member for Housing and Welfare Reform to make the necessary amendments to the company name, the Articles and Memorandum of Association and changes to the Board Membership of BHP which they see fit, in consultation with the Chief Legal Officer and work with the current BHP Board to implement the necessary changes at BHP's next AGM at the end of September 2017.

14.4 Cabinet agreed to delegate authority to the Strategic Director for Community Wellbeing, in consultation with the Cabinet Member for Housing and Welfare Reform to novate and assign relevant contracts from BHP to the Council for the reasons detailed in paragraph 3.8 of the report from the Strategic Director of Community and Wellbeing.

15. **Dynamic Purchasing System (DPS) Cabinet Approval to Award Report**

Councillor Krupesh Hirani, Cabinet Member for Community Wellbeing, introduced the report seeking authority to award six Housing Related Support (HRS) service contracts to support vulnerable adults with support needs, in accordance with Contract Standing Order 88. The services would provide housing related support services to Brent residents including to Older People (55+), those identified as having Mental ill Health, Learning Disabilities, Physical Disabilities and/or Sensory Impairments, Single Homeless, Ex-offenders, Substance Misuse and Women, Families and Young People. The report summarised the process undertaken in tendering the contracts and following the completion of the evaluation of tenders, set out recommendations for the award of the six contracts.

The Cabinet also had before them appendices to the report, detailing the evaluation of the tenders received, which were exempt from publication as it contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

RESOLVED:

15.1 Cabinet agreed to award the contract for Generic Floating Housing Related Support service to Thames Reach for a period of 4 years with an option to extend by a further year.

15.2 Cabinet agreed to award the contract for Learning Disabilities Care and Housing Related Support to Look Ahead Housing and Care for a period of 4 years with an option to extend by a further year.

15.3 Cabinet agreed to award the contract for Mental Health Housing Related Support to Look Ahead Housing and Care for a period of 4 years with an option to extend by a further year.

15.4 Cabinet agreed to award the contract for Older Persons and Handy Persons Housing Related Support to Elders Voice for a period of 4 years with an option to extend by a further year.

15.5. Cabinet agreed to award the contract for Multiple Needs Housing Related Support to Look Ahead Housing and Care for a period of 4 years with an option to extend by a further year.

15.6 Cabinet agreed to award the contract for Women, Families & Young People Housing Related Support to Depaul UK for a period of 4 years with an option to extend by a further year.

16. **Applications Support with Lewisham Council**

Councillor Margaret McLennan (Deputy Leader of the Council) introduced the report setting out proposals for joining the Applications Support teams across Brent and Lewisham. The resulting integrated team would be managed by Brent Council. Councillor McLennan stated that Brent was leading the way in hosting ICT Services for other boroughs and this would be an expansion to the existing shared ICT service established between Brent and the London Borough of Lewisham in April 2016.

RESOLVED:

16.1 Cabinet approved the addition of the joint service for Applications Support to the scope of services to be covered by the current Shared Service Agreement in respect of ICT services with the London Borough of Lewisham and the merger of the two separate applications support teams across Brent and the London Borough of Lewisham.

16.2 Cabinet approved the delegation from the London Borough of Lewisham to Brent (as the host authority) of the delivery of the Applications Support Service under the terms of the existing Shared Service Agreement in respect of ICT services.

16.3 Cabinet agreed to delegate authority to the Strategic Director Resources in consultation with the Lead Member for Resources to agree the terms for variation to the existing Shared Service Agreement in respect of ICT services between Brent and the London Borough of Lewisham and to approve the final form of Variation to effect the addition of the Applications Support Service and the related transfer of staff.

16.4 Cabinet approved the transfer of Applications Support staff from the London Borough of Lewisham to Brent pursuant to Transfer of Undertakings (Protection of Employment) Regulations 2006.

17. Joint ICT Work with London Borough of Southwark

Councillor Margaret McLennan (Deputy Leader of the Council) introduced the report setting out proposals for the extension of the ICT Shared Service for the London Boroughs of Brent and Lewisham to the London Borough of Southwark by 1 November 2017, with Brent Council acting as the host provider. Following Cabinet approval in February 2017, an Interim Inter Authority Agreement had been entered into by the three councils and due diligence work had been undertaken with the purpose to accumulate sufficient information to validate the proposed costs, business benefits and identified risks. The due diligence work identified no major surprises and resource, time and cost estimates were within officers' expectations. If the proposals in the report were approved by Cabinet, the three councils would negotiate and agree final terms and enter into a fuller form of inter-authority agreement. A joint committee and joint management board would be formed and the transition plan activities progressed.

RESOLVED:

17.1 Cabinet noted the work undertaken to: complete the identified due diligence activities, sign up to an Interim InterAuthority Agreement dated 30 March 2017 and ongoing work to develop the more detailed inter-authority agreement and to assure the viability of a three-way shared ICT service since approval in principle was given to work with the London Borough of Southwark to expand the shared service.

17.2 Cabinet approved the establishment of a three-way shared ICT service with the London Borough of Lewisham and the London Borough of Southwark and the delegation from Southwark Council to Brent (as the primary host authority in the Shared Service with London Borough of Lewisham) of the delivery of ICT services within the agreed scope and with a planned service commencement date of 1 November 2017.

17.3 Cabinet agreed to delegate authority to the Strategic Director of Resources to agree the final terms of the inter-authority agreement for accession of Southwark into the existing Shared Service and for the operation of the 3-way Shared ICT Service.

17.4 Cabinet noted that officers in Southwark and Lewisham are presenting reports to their respective cabinets in relation to this delegation and future shared ICT service. Cabinet further noted that a report will be brought to a future Cabinet meeting of Southwark Lewisham and Brent councils to give update on transition reporting with future reporting as required by the respective cabinets. The Southwark Cabinet Report will be published with the agenda for the 20th June Cabinet meeting on the London Borough of Southwark website here: http://moderngov.southwark.gov.uk/ieListMeetings.aspx?CommitteeId=302

17.5 Cabinet agreed to reconstitute the Joint Committee established by Cabinet decision on 26 November 2015 to include the London Borough of Southwark to support the governance arrangements of the shared ICT service as detailed in this report.

17.6 Cabinet noted that the joint committee will consist of two elected members from each council and that Brent will be represented on that committee by two members.

17.7 Cabinet agreed the draft governance arrangements as outlined in Appendix A of the report from the Strategic Director of Resources.

17.8 Cabinet noted that Brent will manage ICT procurement for all three councils within the agreed scope and in accordance with agreed procurement protocols.

18. **Upgrade of ICT Network Infrastructure**

Councillor Margaret McLennan, Deputy Leader of the Council, introduced the report seeking authority to award four contracts for ICT Network Infrastructure as required by Contract Standing Order 88. Councillor McLennan stated that in order to achieve aspirations to generate additional income through the provision of IT services to other organisations, Brent needed a network that was not only reliable and secure, but also one that would allow the council to scale to more sites and devices without loss of performance, while allowing it flexibility in segregating organisations from each other. The report summarised the tender process undertaken and following the evaluation of bids, made recommendations for the award of the four contracts.

The Cabinet also had before them an appendix to the report that was not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

RESOLVED:

18.1 Cabinet agreed to award the contract for Lot 1: Protective Monitoring to Logicalis Ltd;

18.2 Cabinet agreed to award the contract for Lot 2: Network Performance and Diagnostics to Daisy Communications Ltd,

18.3 Cabinet agreed to award the contract for Lot 3: Data Centre Switching, Firewall and other Network Services to Daisy Communications Ltd, and

18.4 Cabinet agreed to award the contract for Lot 4: Office LANs and Network Security Devices to Daisy Communications Ltd.

19. **Knowles House**

Councillor Muhammed Butt, Leader of the Council, introduced the report stating that in April 2016, Cabinet had approved £24m capital investment on a notional scheme of 125 units for Knowles House site. The project team had now developed the proposals and would soon be in a position to submit a full planning application. Subject to planning, the scheme would be due to deliver 149 units, an increase of 24 homes. Total Scheme costs were £31.5m. An additional capital investment of £7.5m was therefore required to deliver the enlarged scheme. Delivery of this Scheme would reduce the council's dependency on bed and breakfast and care homes and the scheme aligned with the Strategic Property Plan 2015-2018, Brent's corporate plan 2015/16, Temporary Accommodation reform plan April 2016, and New Accommodation for Independent Living.

RESOLVED:

19.1 That Cabinet approve further investment of £7.5m (total investment £31.5m), to deliver the Scheme.

19.2 Cabinet agreed to delegate authority to the Strategic Director of Resources, in consultation with the Portfolio Lead Member for Property to award the works contract to the successful tenderer following a procurement process, for the reasons detailed in paragraph 3.5 of the report from the Strategic Director of Resources.

19.3 Cabinet approved the procurement of the works contract through a framework as outlined in 3.5 of the report from the Strategic Director of Resources.

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20. Q4 Integrated Finance and Performance Report

Councillor Margaret McLennan, Deputy Leader of the Council, introduced the integrated Finance and Performance Report for Quarter 4 for 2016/2017. This report brought together financial and performance information to provide an overview of Council performance, detailing areas of concerns and mitigating actions. Councillor McLennan emphasised the financial challenges going forward, noting that the satisfactory overall outturn comprised both significant over and underspends within individual departments.

Councillor Butt stated that increasing demand on services added to the challenges faced by the Council and asked each Cabinet member to continue to work closely with the Council's Strategic Directors to monitor spending and achieve value for money for Brent's residents.

RESOLVED:

20.1 Cabinet noted the overall position of the Council in terms of finance and performance and the measures in place to manage budget pressures and improve service delivery.

21. **Brent Advice Partnership Update**

Councillor Margaret McLennan, Deputy Leader of the Council, introduced the report. As per Cabinet decisions on 16 November 2015 and 8 February 2016, a contract had been awarded to Brent Citizen's Advice Bureau. This contract had encompassed the administration of a small advice grants programme of £242,000 per year to include recommending to Officers the award of small advice grants of up to £10,000 using delegated powers. A recommendation from Brent Advice Partnership's Advice Fund Grant's Panel had been received to award a grant to Mencap Brent in the sum of £19,657.77 and therefore Cabinet approval was sought to permit such an award.

Councillor McLennan stated that the council was reviewing how grants exceeding the £10,000 limit would be considered in the future.

RESOLVED:

21.1 Cabinet noted the making of Round 3 Brent Advice Partnership's Advice Fund grants using delegated powers as set out in Figure 1 at paragraph 3.7 of the report from Director of Performance, Policy and Partnerships.

21.2 Cabinet approved the making of a Brent Advice Partnership's Advice Fund grant of £19,657.77 to Brent Mencap for the period of 1 year for the reasons detailed in paragraphs 3.09 – 3.14 of the report from Director of Performance, Policy and Partnerships. The grant would provide an advice service to assist Brent residents aged 18-65 who have been assessed as having a learning disability but whom are not currently eligible for support from Brent Adult Social Care. This included people living with family carers, in their own tenancies or in supported housing. Some may present with multiple, complex issues such as debt, hate crime and depression which often only emerge once a simpler issue such as getting a Freedom pass has been resolved or another form filled in.

22. **Digital Strategy**

Councillor Margaret McLennan, Deputy Leader of the Council, introduced the report seeking approval of the draft Digital Strategy and the Outline Business Case for establishing a programme of activity to enable the Council and the Borough to digitise services. Councillor McLennan explained that by digitising services, the council was seeking to work more efficiently for Brent's residents, improving services for customers whilst securing important cost savings. The report also sought approval to invest in the Microsoft 365 customer and applications platform as well as approval to procure a CRM Developer. Councillor McLennan stated that this was a case of investing to save as the Microsoft platform would allow the council to achieve savings and efficiencies within the organisation and enhance services.

Councillor Butt, Leader of the Council, spoke in support of the proposal, noting that the council was changing the way it worked and interacted with residents and other partners, responding to the challenging financial environment.

RESOLVED:

22.1 Cabinet approved the Digital Strategy as set out in Schedule 1 of the report from Director of Performance, Policy and Partnerships .

22.2 Cabinet approved the Outline Business Case as set out in Schedule 2 of the report from Director of Performance, Policy and Partnerships with the funding identified to establish the programme.

22.3 Cabinet approved the procurement of Microsoft Dynamics 365 licences.

22.4 Cabinet agreed to delegate to the Director of Performance, Policy and Partnerships, in consultation with the Deputy Leader, authority to award a contract or vary an existing Council contract for the procurement of Microsoft Dynamics 365 licences.

22.5 Cabinet noted the intention to prioritise the deployment of CRM for Housing Operations to enable the Housing Operations Transformation Programme to be delivered by June 2018.

22.6 Cabinet agreed to delegate authority to award the contract for the CRM Developer to the Director of Performance, Policy and Partnerships in consultation with the Deputy Leader.

23. **Reference of Item Considered by Scrutiny Committees (If Any)**

The Cabinet noted the recommendations from the Community and Wellbeing Scrutiny Committee meeting of the 29 March 2017 as set out in the report from the Director of Policy, Performance and Partnerships.

24. **Exclusion of Press and Public**

None.

25. **Any Other Urgent Business**

None.

The meeting ended at 6.48pm

M BUTT
Chair

Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director for Community Wellbeing**
	Wards Affected: All
Programme of Works to enhance Fire Safety in the Council's Housing Stock	

Reason for Urgency

This report follows on from a decision taken at Full Council only on 10 July 2017 to increase the 2017/18 Capital Programme. It forms part of the Council's priority response to enhancing fire safety measures in the Council's housing stock. Undue and unnecessary delay to the process of developing a detailed programme of works would be caused if this report was deferred until the next scheduled meeting of Cabinet.

1.0 Summary

1.1 The purpose of this report is to provide Cabinet with an update on the process for developing a detailed programme of fire safety works, following Council's agreement of a £10million increase to the Council's 2017/2018 Capital Programme, in order to meet the cost of enhancing the fire safety measures in the Council's housing stock.

2.0 Recommendation(s)

2.1 Cabinet notes the proposed process for developing a fully itemised and costed programme of fire safety work for Cabinet consideration and approval by October 2017.

3.0 Background

3.1 On 10 July 2017, Council discussed a report which sets out fire safety arrangements for residential accommodation in Brent and specific measures which the Council and Brent Housing Partnership (BHP) are taking in response to the tragic fire at Grenfell Tower last month.

3.2 Council agreed that a £10million programme was required and resolved to ask the Government to meet this cost increase to the Council's 2017/2018 Capital Programme, in order to meet the cost of enhancing the fire safety measures in the Council's housing stock.

3.3 Council agreed that the Chief Executive should write to the Government as a matter of urgency to request that the Government provide direct financial support to meet the costs that will be incurred. The letter has been sent to the Government requesting financial support, as well as requesting that the Government urgently consider revocation of the permitted development rights for office to residential conversions; that the Government review the building control laws which allow the use of building control teams from both the private sector and other local authorities to inspect buildings which can mean a total lack of oversight by local authority inspectors of the fire risk level in some privately owned high rise blocks and that the Government address whether licensing laws for landlords in the private sector are stringent enough to ensure that all dwellings are fit for human habitation.

3.4 The draft minute recording Full Council's decision (which has not been formally approved yet) is attached at Annex 1 and the letter is attached at Annex 2.

4.0 Actions to develop the detailed work programme for enhanced fire measures in High-rise blocks

4.1 A specification is in the process of being developed, which will outline the enhanced fire detection equipment that could be installed, over and above the required standard. In order to establish the exact works required, a suitably qualified specialist will carry out a survey of each building, and specify the schedule of works. This will be specific to each block, but may include detection systems localised alarms in communal areas and/or dwellings, fire suppression systems such as sprinklers, or smoke extraction systems.

4.2 The appropriate procurement framework will be accessed in order to appoint the relevant specialists required in order to complete this preparatory work.

4.3 Surveyors will visit all blocks between now and September in order to carry out these surveys, which will inform the detailed plan which will be brought back for consideration by Cabinet in October 2017.

4.4 It will be important to keep residents informed and reassured throughout this process. A letter has been sent to all tenants and leaseholders to advise them of the outcome of the Full Council discussion, attached at Annex 3, and a programme of communication will continue throughout this process.

5.0 Financial implications

5.1 If the Council's request for government financial support is rejected, further consideration will need to be given to how this will be funded, with a detailed funding plan to be brought to Cabinet in October 2017, along with the detailed programme of works.

6.0 Legal implications

6.1 Owners and landlords of buildings have to comply with various legal obligations to ensure the safety of others and to discharge the duty of care they owe. The fire safety works outlined in this report include safeguards over and above minimum statutory requirements.

6.2 The procurement and contract issues arising will be reported at the same time as the detailed and costed programme of works.

7.0 Equality implications

7.1 There are no direct equality implications in relation to this report.

8.0 Staffing/Accommodation Implications (if appropriate)

8.1 There are no direct staffing or accommodation implications in relation to this report.

Background Papers

- Minutes of full Council meeting
- Copy of letter to Government
- Copy of letter to tenants and leaseholders

Contact Officers

Phil Porter
0208 937 5937
Phil.porter@brent.gov.uk

PHIL PORTER
Strategic Director of Community Wellbeing

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LONDON BOROUGH OF BRENT

Minutes of the ORDINARY MEETING OF THE COUNCIL held on Monday 10 July 2017 at 7.00 pm

PRESENT:

The Worshipful the Mayor
Councillor Bhagwanji Chohan

The Deputy Mayor
Councillor Arshad Mahmood

COUNCILLORS:

Aden	Agha
Ahmed	Allie
Bradley	Butt
Carr	Chan
S Choudhary	Colacicco
Collier	Colwill
Conneely	Crane
Davidson	Denselow
Dixon	Duffy
Ezeajughi	Farah
Harrison	Hirani
Hoda-Benn	Hossain
Hylton	Jones
Kabir	Kansagra
Kelcher	Long
Marquis	Mashari
Maurice	McLeish
McLennan	Miller
Moher	J Mitchell Murray
W Mitchell Murray	Naheerathan
Nerva	M Patel
RS Patel	Perrin
Pitruzzella	Shahzad
Ms Shaw	Ketan Sheth
Krupa Sheth	Southwood
Stopp	Tatler
Thomas	Van Kalwala
Warren	

7. **Fire Safety in High Rise Tower Blocks**

It was **RESOLVED** that:

(i) A £10million increase to the Council's 2017/2018 Capital Programme, in order to meet the cost of enhancing the fire safety measures in the Council's housing stock, be agreed;

(ii) The Council's Chief Executive be asked to write to the Government as a matter of urgency to request that the Government provide direct financial support to meet the costs that will be incurred;

(iii) The Council's Chief Executive be asked to write to the Government as a matter of urgency to request that the Government urgently consider revocation of the permitted development rights for office to residential conversions, in order to ensure that such proposals go through the proper planning process to enable full consideration of all relevant planning considerations;

(iv) It be noted that a report which proposed an outline programme of works would be taken to the Council's Cabinet meeting on 24 July 2017;

(v) It be noted that a report with a fully itemised and costed programme of work would be prepared for Cabinet consideration and approval by October 2017, and that its implementation would be monitored by the Housing Scrutiny Committee;

(vi) The Council's Strategic Director of Community Wellbeing be asked to write to Registered Providers in the borough to request that they keep the Council updated as to the status of their Fire Risk Assessments for the high risk tower blocks that they were responsible for within the borough;

(vii) The Council's Chief Executive be asked to write to the Government as a matter of urgency to request that the Government review the use of building control teams from the private sector and other Councils to inspect buildings for the purposes of building control approval, which can mean a total lack of oversight by the relevant local authority inspectors of the fire risk level in some privately owned high rise blocks; and

(viii) The Council's Chief Executive be asked to write to the Government as a matter of urgency to request that the Government address whether licensing laws for landlords in the private sector are stringent enough to ensure that all dwellings are fit for human habitation.

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Rt Hon Sajid Javid MP
Department for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

13.07.2017

Dear Secretary of State

Re: FIRE SAFETY IN TOWER BLOCKS

The London Borough of Brent held its Council meeting on 10th July 2017. The main focus for discussion was Fire Safety in Tower Blocks, an issue which we take very seriously indeed.

The Council's own stock is not affected by ACM cladding though those of Registered Providers in the Borough are. A calm and very responsible approach has been adopted by ourselves and our partners in Housing Associations and the Fire Service. All of the Housing Association properties impacted are new builds and they have informed us that they have significant fire safety precautions such as sprinklers and smoke detection and extraction equipment installed, and so do not need to be decanted. The Registered Providers are committed to removing unsafe cladding.

However, though the council's own high rise stock is not impacted by ACM and the London Fire Brigade have confirmed that all of our fire safety arrangements in high rise blocks are compliant with legislative standards, it is older and does not have sprinklers or smoke alarms routinely fitted. In the light of recent events, the Council has agreed to undertake further fire safety works in our high rise stock over the course of the next year and has estimated the cost to be in the region of £10m. This will bring us to a standard of best practice as opposed to compliance with legal standards and is in addition to the £10m that has been invested in fire safety over the past 4 years, demonstrating how we have prioritised fire safety to date.

The funding of these improvements needs careful consideration. The Council will reach its Housing Revenue Account (HRA) borrowing cap for capital purposes in 2018/19. You will already be aware that your department's policy of reducing social housing rents by 1% per year until 2020 has put councils' HRAs under considerable strain - the cost of this policy change in Brent is in aggregate £23.3m to 2020. The impact of your department's policy on high value voids will also increase that pressure. The Council does not believe that social housing tenants should have to pay for these improvements to the stock through a de-prioritisation of both planned and reactive repair and maintenance works. For example £10m equates to 40 new homes or the replacement of 4000 boilers. As such, the Council resolved

to request the Government to provide the direct financial support to meet the costs incurred. This letter acts as our official request.

Looking forward and in the spirit of bringing to the fore issues aligned to this matter we raise that of permitted development. The Council is very concerned about the level of permitted development in the Borough. Whilst this was obviously brought about with the intention of increasing housing supply it does so with no recourse to the full and proper planning process. We will be concerned that people are living in converted office blocks for which design and safety standards are nowhere near as high as properties that have been through the full planning process. Prior approval will not consider levels of affordability nor indeed space standards and this is compromising the regeneration and safety of our communities. This has all the hallmarks of a future tragedy in the making if the proper governance, like that for all other planning applications, is not put in place. We strongly recommend that government revoke permitted development rights.

The Council also undertakes significant levels of enforcement against rogue private sector landlords. Indeed our work has been recognised as best practice and previous CLG Ministers have been present for raids that we have undertaken. It is of serious concern that the levels of overcrowding and lack of safety and, in some instances, homes that are not fit for human habitation are not more heavily regulated. The council believes that selective licensing is the best way to identify all privately rented sector properties in the Borough, making it easier to engage with the owners and to regulate the sector, including ensuring that all fire safety standards are met. Again we would ask Government to seriously consider reverting back to allowing councils that meet the criteria for the introduction of selective licensing to designate and area without confirmation from the Secretary of State. We shall be submitting an application for selective licensing next month and would ask that these wider considerations are fully taken into account when you determine the application.

And finally, of the (now) 8 buildings in Brent that have failed cladding, the majority have been nowhere near Brent's Building Control service. We are aware that one large Registered Provider only ever uses the same Building Control service nationally. This creates close relationships and has broken the impartiality and objectiveness of a regulatory service that is mandated within a Borough and in our view has compromised safety. We urge you to consider tightening regulation around Building Control to ensure that more transparent impartiality and objectivity, and so higher standards of safety, are returned.

As a Borough, the development of new housing and affordable housing remains our main priority. We are ambitious in our plans. In the past 4 years the number of new homes in the borough has increased by 6097. You mentioned in your speech to the LGA conference last week that you would like to meet and discuss plans with ambitious councils. We would be delighted to meet with you and look forward to hearing from you.

Yours sincerely,

Cllr Muhammed Butt
Leader Brent Council

Carolyn Downs
Chief Executive

Hakeem Osinaike
Operational Director of Housing

Brent Civic Centre
Engineers Way
Wembley
HA9 0FJ

www.bhphousing.co.uk
info@bhphousing.co.uk

Enter Name & Address here and then remove grey fill colour

Dear Resident

Re: Fire safety update

Following the recent tragic fire at Grenfell Tower, we have received a lot of questions from residents about fire safety in your blocks and in your homes. I understand your concerns and would like to reassure residents that your safety is our priority. We have tried to respond to all your enquiries and have met residents at several meetings around the borough in the last few weeks. I am now writing to all our residents to make sure you are all aware of how seriously we take our fire safety responsibilities, and to inform you of the steps we are taking to continue to keep your homes safe.

We have enclosed a list of Frequently Asked Questions (FAQs), summarising the fire safety enquiries we have received over the last few weeks. Please read this document and share it with other members of your household so that everyone is aware of the importance of fire safety issues. In particular please note the item about not leaving buggies, bicycles and other items in communal areas. It is essential that all communal areas are kept completely clear so they can be used in the event of a fire. We have instructed all BHP staff and contractors to remove immediately any items that are left in communal areas. No notice will be given before removal, and the cost of recovery and storage will be payable if you want to reclaim the item. I hope you will appreciate why this measure is necessary in order to ensure the safety of all our residents.

We have understandably received several enquiries from residents about cladding on the outside of blocks and I can confirm that no council block has the type of cladding that was used on Grenfell Tower or any Aluminium Composite Material (ACM), which has been the subject of recent Government tests. Some of our blocks have external wall insulation panels that are completely safe, but if you would like more information about your block please contact our fire safety team who can provide more information about where you live.

As tenants and leaseholders have indicated that it would be helpful we are arranging drop-ins in all areas with high-rise blocks over the next two months, so that the residents of high-rise blocks can raise and discuss fire safety issues at the most local level possible with appropriate representatives including the London Fire Brigade. A further letter will follow for all residents of high-rise blocks to confirm the times and locations of the drop-ins near you.

Brent Housing Partnership Limited. Registered in England No. 04533752
Registered Office: Civic Centre, Engineers Way, Wembley HA9 0FJ

BHP is already doing everything we can to make your home safe, and since 2012 we have invested almost £10million in fire safety works including replacement doors, fire separation between communal areas and dwellings, signage and emergency. BHP will also immediately review our fire management procedures in line with any recommendations made as a result of the public enquiry or changes to national fire safety advice but we are not waiting for the Government to make legislative changes.

At a meeting of Brent's Full Council on Monday (July 10) councillors voted to earmark £10million for a programme of enhanced fire safety measures in high rise blocks such as sprinklers, smoke detectors and fire alarms. Now that this funding has been agreed in principle, officers have started the detailed work to draft a report outlining the full programme and schedule of works which will be discussed in the autumn. We will keep you informed as things progress.

In the meantime, if you still have any concerns about your property regarding fire safety, please do get in touch with us by emailing firesafety@bhphousing.co.uk or phone 020 8937 2486.

Yours faithfully

P.P. Hakeem Osinaike
Operational Director of Housing

Brent Housing Partnership is committed to providing Best Value services to achieve continued customer satisfaction. Please contact the named officer on the letter should you require a translated copy.

Somali

Iskaashiga Guriyeenta Brent waxaa ka go'an in bixinta adeegyada Value Best si ay u gaaraan qancinta macaamiisha sii. Fadlan la xiriir sarkaalka ku magacaaban warqadda waa in aad u baahan tahay nuqul ka turjumay.

Tamil

ப்ரெண்ட் வீடமைப்பு கூட்டு தொடர்ந்து வாடிக்கையாளர் திருப்தி அடைய சிறந்த மதிப்பு சேவைகள் அளிக்க கடமைப்பட்டுள்ளோம். கடிதம் நீங்கள் மொழிபெயர்க்கப்பட்ட நகலை தேவைப்படும் வேண்டும் பெயரிடப்பட்டது அதிகாரி தொடர்பு கொள்ளவும்.

Urdu

برنٹ ہاؤسنگ پارٹنرشپ مسلسل گاہکوں کی اطمینان کے حصول کا بہترین کی قیمت کی خدمات فراہم کرنے کے لئے مصروف عمل ہے. خط آپ ترجمہ شدہ کاپی کی ضرورت چاہئے پر نام ظاہر افسر سے رابطہ کریں.

Arabic

وتلتزم الشراكة الإسكان برنت لتوفير أفضل الخدمات القيمة لتحقيق استمرار رضا العملاء. يرجى الاتصال ضابط اسمه على الرسالة يجب عليك الحصول على نسخة مترجمة.

Albanian

Brent Partneriteti Strehimi është e angazhuar për ofrimin e shërbimeve më të mira Vlera për të arritur kënaqësinë e vazhdueshme të konsumatorëve. Ju lutemi të kontaktoni zyrtarin emrin në letër duhet të ju kërkojnë një kopje të përkthyer.

Farsi

برنت مسکن مشارکت به ارائه بهترین خدمات را برای دستیابی به رضایت مشتری ادامه متعهد است. لطفا افسر به نام در نامه اگر شما نیاز به یک نسخه کپی شده تماس بگیرید.

Gujarati

બ્રેન્ટ હાઉસિંગ ભાગીદારી સતત ગ્રાહક સંતોષ મેળવવા માટે શ્રેષ્ઠ કિંમત સેવાઓ પૂરી પાડવા માટે પ્રતિબદ્ધ છે. અક્ષર તમે અનુવાદિત કૉપિ જરૂર કરીશું નામ અધિકારી સંપર્ક કરો.

Punjabi

Brent ਹਾਊਸਿੰਗ ਪਾਰਟਨਰਸ਼ਿਪ ਜਾਰੀ ਗਾਹਕ ਸੰਤੁਸ਼ਟੀ ਪ੍ਰਾਪਤ ਕਰਨ ਲਈ ਵਧੀਆ ਮੁੱਲ ਸੇਵਾ ਪ੍ਰਦਾਨ ਕਰਨ ਲਈ ਵਚਨਬੱਧ ਹੈ. ਪੱਤਰ 'ਤੁਹਾਨੂੰ ਇੱਕ ਦਾ ਅਨੁਵਾਦ ਕਾਪੀ ਦੀ ਲੋੜ ਹੈ ਤੇ ਨਾਮ ਅਧਿਕਾਰੀ ਨਾਲ ਸੰਪਰਕ ਕਰੋ ਜੀ.

BRENTHOUSING PARTNERSHIP

Frequently Asked Questions: Fire Safety

Q: Has BHP checked all its high rise blocks for fire safety?

A: Brent Housing Partnership (BHP) would like to reassure all our residents that fire safety is a number one priority. All high rises blocks have a Fire Risk Assessment (FRA) completed every year. Every high-rise block was checked in March-May 2017.

Q: Have other blocks been checked as well?

A: Yes any block/property that has a shared common area has a regular FRA completed in line with the fire orders and local government guidance documents. These properties include all high, medium and low rise blocks and converted street properties where there is a shared entrance. For properties that are not high-rise, the FRA is completed every two years.

Q: what happens after the Fire Risk Assessment (FRA) is completed?

A: The FRA assesses the risk of fire and recommends actions for the landlord to take to reduce the risk. BHP manages a programme of works identified in the FRAs to make sure the works are completed in line with the recommended timelines from the FRA.

Q: What has BHP done in response to the Grenfell tower incident?

A: All high rise blocks are checked monthly by the Estate Inspectors. Following the Grenfell Tower fire all high rise blocks were visited by our Estate Inspectors to identify and report any further actions required that may have occurred since the FRA was completed. All further actions identified are being managed through our remedial works programme. Please anticipate notifications to be sent if your particular property needs a repair, e.g. front door requires repairing or replacing.

We have continued to work and liaise closely with the London Fire Brigade on any updates to guidelines on evacuating buildings.

We have set up a dedicated Fire Safety phone number 020 8937 2486 and a dedicated email box firesafety@bhphousing.co.uk so that residents can contact us with any inquiry or concern about fire safety.

Q: What else is BHP doing to minimise fire risk?

A: We carry out regular fire safety checks and this is ongoing. Further support and resources have been implemented to continue to complete works identified as required within the fire risk assessments.

A: We have met residents at local meetings to discuss fire safety and we are arranging drop-in sessions for high-rise residents. You will receive more information in your area about these drop-ins.

Q: What do residents do in the event of a fire?

A: Please check your local signage for fire safety advice in relation to your specific block and familiarise yourself with safety advice from the London Fire Brigade (LFB) http://www.london-fire.gov.uk/. **Please do not use the lifts** in the event of a fire.

Q: Who is responsible for electrical appliances inside my home?

A: It is residents' responsibility to ensure that portable appliance testing (PAT) is carried out and that appliances are gas safe.

Q: What can I do as a resident to help maintain a safe environment where I live?

A: Within your property: Check to make sure that all electrical items are turned off and unplugged when not in use. Do not leave appliances used for cooking unattended at any time. Replace any items that expose live wires or faulty when in use. Check your fire detection alarms.

A: Within your block: Be vigilant to fire risk. If you think something will be a fire risk, remove it. Ensure that all communal areas including escape routes and fire exits are kept clear at all times. If you identify a broken fire door or other issue that may be a fire hazard, report it to the fire safety team immediately.

A: On your estate: Always park considerately so that your vehicle does not obstruct access for fire engines. Take notice of any yellow lines and signs advising you of emergency access, so that emergency service vehicles can reach the building quickly if needed. And remind your visitors too.

A: Evacuation plan: think about how you would get out if there is a fire in your home. If you cannot get out unaided or would have difficulty with stairs, let us know so we can send you more information on Personal Emergency Evacuation Plans. For more information contact firesafety@bhphousing.co.uk

Q: Is it safe to leave items such as buggies and bicycles in the communal area?

A: No, you cannot leave any items in the communal areas. These following areas are to be kept clear ***at all times*** *to allow for safe evacuation and so that the fire brigade have clear access if needed:*

- *Corridors*
- *Stairwells*
- *Escape routes*
- *Fire exit doors*

Q: What will happen to items left in communal areas?

A: To ensure communal areas are kept safe and to reduce the risk of fire, any items left in communal areas will be removed without notice.

Q: Will you be putting sprinklers in blocks that don't have them?

A: The Government has announced a full public inquiry into the Grenfell Tower fire to get a full understanding of went so wrong and how similar tragedies can be prevented in the future. However, we are not just going to wait for this review to conclude before we do anything. Councillors have earmarked £10million for a programme of enhanced fire safety measures in high rise blocks including sprinklers. Now that this funding has been agreed, officers have started the detailed work to draft a report outlining the full programme and schedule of works which will be discussed in the autumn. Once the public inquiry findings are known we will review and, if needed, amend our fire management process and strategy accordingly.

Q: Will you be installing emergency lighting on our estates?

A: Yes - where additional lighting is recommended in the Fire Risk Assessment for your block, the lighting will be installed within the timescale recommended.

Q: My high rise block has cladding, is it safe?

A: None of the BHP high rise blocks have any cladding installed. Only the blocks in Watling Gardens has External Wall Insulation (EWI) as part of the Rockwool System which is a non-combustible mineral wool material that would not promote the spread of flames externally and is in compliance with current British standards. The EWI used at Watling Gardens is completely different to the cladding used at Grenfell Tower. As it is mechanically fixed to the wall of the building and is encapsulated with two coats of cement based product which is incombustible.

Q: I live in a high-rise block, where can I find out more about fire safety?

A: BHP are arranging drop-in sessions for high-rise residents. You will receive more information in your area about these drop-ins.

Q: .How can I report a fire safety problem in my block?

A: Email firesafety@bhphousing.co.uk or phone 020 8937 2486

Brent	**Cabinet** 24 July 2017 **Report from the Director of Performance, Policy and Partnerships**
For Action	

Covering Report for Scrutiny Task Group on Small and Medium-Sized Enterprises in Brent

1.0 Summary

1.1 This task group was carried out for the Resources & Public Realm Scrutiny Committee to ensure Brent Council is doing all it can to guarantee that SMEs in the borough get the maximum support to grow and flourish.

1.2 The purpose of the task group was to analyse the current support offered to Small and Medium-Sized Enterprises in Brent, establish any areas for improvements and make relevant recommendations.

1.3 The review was aligned with borough priorities, such as the council's 2016/17 Outcome Based Reviews on Employment Support and Welfare Reform, and Regeneration (physical, social and environmental). The council's Borough Plan 2015-19 Better Lives highlights supporting local enterprise, generating jobs for local people and helping people into work.

2.0 Recommendations

2.1 The Cabinet is recommended to

- consider the contents of the task group's report
- approve the four recommendations made by the task group and support the development of an action plan across the council and partner organisations to take these forward.

3.0 Detail

3.1 Small and Medium-Sized Enterprises (SMEs) are the backbone of Brent's economy. They drive growth, open new markets, create jobs and provide our community with essential services and goods. They act as seedbeds for innovation, encouraging competition and bringing fresh ideas that challenge existing assumptions. This encourages competition and incentivises others to adapt. In short, SMEs are good for our local economy and community and as such, should be encouraged to flourish.

3.2 Whilst there is much good to be said about Brent's SME sector, it faces many challenges. Historically high rents and business rates have put pressure on Brent's SMEs, whilst the opening of large shopping centres such as Westfield have increased the competition that they face. In addition to this, many larger multinationals and chain businesses are taking the

place of SMEs in Brent, and this is particularly evident on Wembley High Road. For these reasons, the Resources & Public Realm Scrutiny Committee decided to establish this task group to ensure that we are doing all we can to support our local SMEs.

3.3 It is essential that Brent, as a local authority, does all it can to ensure that SMEs in the borough get the maximum support to grow and flourish. An effective SME strategy is at the heart of creating a vibrant and dynamic local economy that will make Brent a better place to live and work.

3.4 The task group has made four individual recommendations:

1. The council should develop an infrastructure, investment and business support programme to create the best possible environment in which SMEs can grow and thrive, including:

   (a) Working locally and sub-regionally with the Park Royal Business Group, West London Alliance and West London Business to contribute to campaigns for investment in business infrastructure, and

   (b) Working sub-regionally, as a member borough of the West London Alliance and in partnership with West London Business, to support inward investment and promotion of the West London brand and the key Brent opportunities within this wider context.

2. The council should develop a skills programme to ensure that Brent has the best possible skills platform so that SMEs have access to appropriately skilled, locally-based staff, including:

   (a) Exploring the development of a Brent Works enterprise course to harness entrepreneurial skills in the borough

   (b) Deepening its partnership approach to skills development, exploring the partnership programme developed by Reading Borough Council as an example of best practice, and

   (c) Exploring work with an organisation to match young people to work placements, and delivering these in partnership with both Brent Works and Brent Start.

3. The council should appoint a dedicated business champion to advocate for SMEs in Brent.

   Business incubation services are necessary to provide valuable services to start-ups such as:
   - Help with business basics;
   - Networking activities;
   - Marketing assistance;
   - High-speed internet access;
   - Help with accounting; and
   - Advisory boards and mentors.

4. The council should invest in business incubation and support services to help start-up businesses ‘get off the ground’ and flourish, including exploring an online platform for businesses to access information relevant to setting up, locating or expanding their business in the borough.

3.5 Following agreement by Cabinet, officers will be requested to develop an action plan for implementation of these recommendations, and the Resources & Public Realm Scrutiny Committee will review progress in its 2017-18 work programme.

4.0 Financial Implications

4.1 The cost of the recommendations listed above is currently unknown and will be scrutinised further as the action plan is developed. The action plan, including any relevant financial implications, will then be reported back to the Resources and Public Realm Scrutiny Committee when it receives and update on the task group recommendations.

5.0 Legal Implications

5.1 Progressing some aspects of the recommendations of the scrutiny task group may involve entering into contracts with other bodies in respect of which the council's Contract Standing Orders will apply. Other specific legal considerations may arise as any detailed proposals are developed.

6.0 Diversity Implications

6.1 None

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 Appointment of a dedicated business champion.

Background Papers
Task Group Scoping Document

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Small and Medium-Sized Enterprises in Brent

A Scrutiny Task Group Report

Resources and Public Realm Scrutiny Committee

April 2017

Task Group Membership

Cllr Sam Stopp (Chair)

Cllr Janice Long

The Task Group was established by members of Brent's Resources and Public Realm Scrutiny Committee in January 2017.

Committee Contacts

James Curtis, Scrutiny Officer, Strategy and Partnerships, Brent Civic Centre, Engineers Way, Wembley, London, HA9 0FJ.

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Chair's Foreword

While the SMEs we spoke with told us that, in many ways, they felt they had a collaborative and supportive relationship with Brent, several areas that required improvement and opportunities, were uncovered. Ultimately, we found that in order to continue to thrive SMEs require from Brent an up-to-date strategy on skills, forward-thinking about infrastructure and a greater emphasis on support for start-ups.

As the purveyors of big capital continue to roll into major parts of our borough, such as Wembley, it is vital now, more than ever, that Brent provides its SMEs with the long-term strategic support to tap into the vast entrepreneurial potential of the hundreds of thousands of people who call this historic part of London their home.

This document aims to provide a road map for that task, but it is only the beginning. Brent Council must continue to engage with SMEs proactively and openly if it is to ensure that the wealth of this great Borough does not become concentrated in smaller and smaller areas and fewer and fewer hands.

The Task Group would like to thank the following persons who contributed to the report and took part in the discussion or advised it on policy:

- Jane Milton, Chair of Park Royal Business Group;
- Andrew Dakers, CEO West London Business;
- Francis Henry, Director of Daniels Estate Agents; and
- Matthew Dibben, Head of Employment, Skills and Enterprise, Brent Council.

Councillor Sam Stopp

Chair, Scrutiny task group

Recommendations:

Recommendation 1: The council should develop an infrastructure, investment and business support programme to create the best possible environment in which SMEs can grow and thrive, including:

(a) Working locally and sub-regionally with the Park Royal Business Group, West London Alliance and West London Business to contribute to campaigns for investment in business infrastructure, and

(b) Working sub-regionally, as a member borough of the West London Alliance and in partnership with West London Business, to support inward investment and promotion of the West London brand and the key Brent opportunities within this wider context.

Recommendation 2: The council should develop a skills programme to ensure that Brent has the best possible skills platform so that SMEs have access to appropriately skilled, locally-based staff, including:

(a) Exploring the development of a Brent Works enterprise course to harness entrepreneurial skills in the borough

(b) Deepening its partnership approach to skills development, exploring the partnership programme developed by Reading Borough Council as an example of best practice, and

(c) Exploring work with an organisation to match young people to work placements, and delivering these in partnership with both Brent Works and Brent Start.

Recommendation 3: The council should appoint a dedicated business champion to advocate for SMEs in Brent**.**

Recommendation 4: The council should invest in business incubation and support services to help start-up businesses 'get off the ground' and flourish, including exploring an online platform for businesses to access information relevant to setting up, locating or expanding their business in the borough.

Methodology

The task group gathered qualitative and quantitative evidence to complete the report and develop its recommendations and carried out a meeting with local stakeholders relevant to this area.

They included:

- Representatives from business industry bodies such as the Park Royal Business Group;
- Local small-business owners;
- Representatives from business-led non-profit enterprises such as West London business; and
- The council's Head of Employment, Enterprise and Skills.

In addition to this, the task group drew on quantitative data from a range of sources including the LGA datastore, the Office for National Statistics, Nomis and Brent data. This was used to provide an overview of the local economy and SME sector in the borough.

The task group also drew on a number of policy documents on this topic from other local authorities and central government.

Background

1. Small and Medium-Sized Enterprises (SMEs) are the backbone of Brent's economy. They drive growth, open new markets, create jobs and provide our community with essential services and goods. They act as seedbeds for innovation, encouraging competition and bringing fresh ideas that challenge existing assumptions. This encourages competition and incentivises others to adapt. In short, SMEs are good for our local economy and community and as such, should be encouraged to flourish.

2. Whilst there is much good to be said about Brent's SME sector, it faces many challenges. Historically high rents and business rates have put pressure on Brent's SMEs, whilst the opening of large shopping centres such as Westfield have increased the competition that they face. In addition to this, many larger multinationals and chain businesses are taking the place of SMEs in Brent, and this is particularly evident on Wembley High Road. For these reasons, Brent decided to establish this task group to ensure that we are doing all we can to support our local SMEs.

3. It is essential that Brent, as a local authority, does all it can to ensure that SMEs in the borough get the maximum support to grow and flourish. An effective SME strategy is at the heart of creating a vibrant and dynamic local economy that will make Brent a better place to live and work.

Brent Context

The data below sets out the local context for Brent's SMEs:

Count of births of new enterprises in Brent

1. The number of births of new enterprises has shown a steady increase in Brent from 2,515 in 2013 to 2,895 in 2015. This is slightly below the London average of 2,999 for 2015.[1]

Count of deaths of new enterprises in Brent

2. There has been a small increase in the deaths of enterprises in Brent which has increased from 1,555 in 2013 to 1,660 in 2015. This is below the London average of 1,705 in 2015. It should be noted that the increase in deaths of enterprises may be a consequence of the increase in births of new enterprises, as not all new enterprises will succeed.[2] The increase in births of new enterprises is greater than the increase in deaths indicating that the SME sector in Brent grew in this period.

New business registration rate per 10,000 resident population aged 16 and above

3. The new business registration rate per 10,000 resident population aged 16 and above in Brent has increased from 99.7 in 2013 to 113.0 in 2015. This is significantly below the London average of 141.4 per 10,000 in 2015.[3]

Number of active enterprises in Brent

4. The number of active enterprises in Brent increased from 13,915 in 2013 to 15,745 in 2015. This is below the London average of 14,011 to 16,099 throughout the same period.[4]

Number of business administration and support service enterprises in Brent

5. The number of business administration and support services enterprises in Brent increased from 850 in 2014 to 1,100 in 2016. This is significantly below the London average of 850 to 1,100 throughout the same period.[5]

Economic activity in Brent

[1]Source: LGA data store
[2] Ibid
[3] Ibid
[4] Ibid
[5] Ibid

Throughout the period of October 2015 to September 2016 there were a total of 169,000 people economically active in Brent, this being 74.9% of the resident population. This is below the London average of 78.3% and the national average of 77.8%.[6]*Out-of-work benefits claimants*

6. There were a total of 5,025 residents in receipt of out-of-work benefits. This is 2.3% of the total resident population which is above the London and national average of 1.9%.[7]

Gross Weekly Pay

7. The average gross weekly pay for Brent residents is £550 a week, this is below the London average of £632 per week but slightly above the national average of £541 per week.[8]

Overall, this data indicates that between 2013 and 2015, the situation for SMEs in the borough improved with increases across a range of indicators. However, we remained below the London average in these areas, as well as in relation to economic activity, out-of-work benefits and weekly income.

Key Findings

Whilst there is much good to be said about what Brent is doing to support the growth of its SME sector, attendees at the task group meeting felt that further actions could be taken to create growth and harness the sector.

Andrew Dakers, CEO of West London Business, told the task group that one of the main problems SMEs face in the Park Royal area of Brent is the problem of broadband 'not spots' where access to high-speed broadband is limited. This is a problem for local SMEs, as many of their activities are increasingly moving online, this includes primary activities such as sales and administrative services such as accounting, which are increasingly moving onto cloud platforms such as Xero. Many accountancy firms, such as KPMG, are now entering the marketplace with online, subscription-based services. This means businesses need increased access to high-speed broadband more than ever and for a range of reasons.

Francis Henry, director of Daniels Estate Agents echoed Andrew Dakers' comments, telling the task group that there was a considerable lack of free Wi-Fi on Wembley High Road, which was hampering the activities of local SMEs. This is particularly true for start-ups.

Chair of Park Royal Business Group, Jane Milton told the task group that entrepreneurs need advice and guidance when starting new businesses. Many

[6] Source: Nomis
[7] Ibid
[8] Ibid

budding entrepreneurs lack basic entrepreneurial skills which often leads to people with good ideas failing. She told the task group about her own experience of attending an enterprise course when she started her business and how much this had helped her. She suggested that Brent would benefit from more business incubation schemes such as Enterprise Nation and the Kitchen Table Project which provide advice and consultancy to SMEs along with other essential services. Incubators like this are a good investment if they increase the chances of future success of businesses in the borough through providing services such as management training or office space.

Francis Henry told the task group that he felt that under-16 education in the borough is insufficiently equipping young people with the 'soft skills' that they need to obtain entry-level positions such as apprenticeships. He said that in his capacity as a small business owner he has personally had negative experiences with young people undertaking work experience at his business. This was a problem as it dis-incentivised local businesses from taking on locally based young people. This causes a double-problem of young people not being able to find work and SMEs not being able to find suitable staff in the local area.

Jane Milton told the task group that schools could do more to help children find suitable work experience placements which are better suited to their interests and abilities. She said that in her experience, giving someone a suitable placement that they are passionate about can inspire them. Jane told the task group about a charity called 'Spark!' that works with educational institutions and businesses to prepare young people for their working life. Spark! enhances their employability by finding them ideal work experience placements.

Francis Henry and Jane Milton further told the task group that local SMEs would benefit from having better access to council officers. In particular, a business 'champion' or advocate would be useful someone who could advocate for some of the issues raised here. The champion could host periodic networking events for SMEs and the council and convey information about what Brent is doing in this area to local small business persons.

Jane Milton told the task group that local SMEs could also benefit from networking events in the evening where they can build contacts, share best practice and find out about new ideas. Andrew Dakers added that, as there is no borough chamber of commerce, provision of local networking events is patchy. Park Royal Socials, Stadium BNI (Wembley) and Federation of Small Businesses, Brent Business Breakfasts may be insufficient to meet latent demand, but require resources to convene and sustain.

Recommendations

Brent needs to work with local and sub-regional partners to ensure it has the best possible business infrastructure to support the growth of SMEs. High speed

broadband is of particular importance, as an increasing number of services are moving online.

The council could also consider facilitating greater access to finance for SMEs and social enterprises through lending platforms such as crowdfunding.

For funding, the council could consider working through channels already in place such as the Capital Investment Panel for infrastructure funding and the Civic Enterprise Board to identify possible income streams for investment in lending platforms.

Recommendation 1: The council should develop an infrastructure, investment and business support programme to create the best possible environment in which SMEs can grow and thrive, including:

(a) Working locally and sub-regionally with the Park Royal Business Group, West London Alliance and West London Business to contribute to campaigns for investment in business infrastructure, and

(b) Working sub-regionally, as a member borough of the West London Alliance and in partnership with West London Business, to support inward investment and promotion of the West London brand and the key Brent opportunities within this wider context.

Brent needs to increase its skills platform in order to ensure that SMEs have access to appropriately skilled, locally-based staff and that budding entrepreneurs are given the support they need to help businesses grow and develop.

Brent should develop a partnership approach to skills development, with businesses involved at all levels in this work to ensure they can recruit employees locally with the skills they need. A partnership programme developed by Reading Borough Council could be drawn upon as an example of best practice. Reading has developed Reading UK CIC – a not for profit Community Interest Company. This boosts small business growth by bringing together all stakeholders both public and private to boost investment in the town. There are also employer skills boards being convened by the West London Alliance and higher education colleges that might provide suitable mechanisms.

The council with its partners has been working to address this problem and develop clear pathways for young people as well as ensuring that businesses are involved at all levels to ensure they get the skills they need. This has so far included securing pledges from businesses and partners for apprenticeships and work placements.

Brent should also continue to support the launch of the Brent Start Innovation fund later in 2017, the aim of which is to create an enterprise pathway for budding entrepreneurs.

Recommendation 2: The council should develop a skills programme to ensure that Brent has the best possible skills platform so that SMEs have access to appropriately skilled, locally-based staff, including:

(a). Exploring the development of a Brent Works enterprise course to harness entrepreneurial skills in the borough

(b) Deepening its partnership approach to skills development, exploring the partnership programme developed by Reading Borough Council as an example of best practice, and

(c) Exploring work with an organisation to match young people to work placements, and delivering these in partnership with both Brent Works and Brent Start.

A 'Business Champion' could help to advocate for SMEs in Brent and sub-regionally. This individual would work closely with West London Business and regional procurement boards such as the West London Alliance, as well as the Park Royal Business Group to be an advocate for small business infrastructure development in the council.

Through this Champion, the council could host periodic SME networking events in the evening to enable a space for networking and information sharing for local small business persons and budding entrepreneurs.

Recommendation 3: The council should appoint a dedicated business champion to advocate for SMEs in Brent**.**

Business incubation services are necessary to provide valuable services to start-ups such as:

- Help with business basics;
- Networking activities;
- Marketing assistance;
- High-speed internet access;
- Help with accounting; and
- Advisory boards and mentors.

Brent could look to Stevenage Council as a model of best practice. Stevenage has established a business incubator in partnership with North Hertfordshire College's skills training facility. Stevenage owns and funds a Business Technology Centre (BTC) which accommodates and supports new businesses with money from the East of England Development Agency. It has been successful in hosting businesses on site and is developing a web support facility to provide remote support. It has received investment to provide offices, practical business support, tailored training events and skills workshops to SMEs.

Development of, or investment in, an online platform for businesses to access information relevant to setting-up, locating and expanding their businesses in Brent would also be beneficial. For example, the council could consider subsidising access to high quality online business platforms such as Makers Academy, General Assembly, Coursera and the School of Social Entrepreneurs or the Complete Business Reference Adviser (COBRA). West London Alliance boroughs could

consider procuring COBRA or a similar package together through a framework agreement and actively promote it to regional SMEs.

Recommendation 4: The council should invest in business incubation and support services to help start-up businesses ‘get off the ground’ and flourish, including exploring an online platform for businesses to access information relevant to setting up, locating or expanding their business in the borough.

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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director Community and Wellbeing**
	Wards Affected: All

Care and Support Contracts - Extra Care - Authority To Procure Additional Schemes

1.0 Summary

1.1 In June 2016 Cabinet approved the procurement of the care and support service in 4 extra care schemes as detailed in the table below (1.4). Unfortunately in July 2016 the incumbent provider gave notice to the Council as we were unable to come to an agreement on long term fees rates for this service. This notice did not allow for a tendering process to be completed in the timescales and therefore interim arrangements were made which utilised the Care and Support Contract for another extra care scheme (Visram House) which has been subject to significate delays in opening.

1.2 This interim arrangement will come to an end in March 2018. But has given the Council an two opportunities which are to our advantage

A. To increase the length of contracts for care and support services in extra care in response to tenant and provider feedback. Longer contracts give more consistency of providers to tenants and enable providers to develop and utilise their expertise in our service delivery model which in general supports tenants with higher levels of need than most extra care services. However we will mitigate any risks by adding a contractual obligation to review the service specification at defined points in time, which will enable the Council to respond to our changing needs. We will also build in a one year break clause into the contracts to ensure we can end contracts which are not working for the Council or the provider.
This increase in length of contract needs cabinet approval as it is not covered by previous Cabinet approvals.

B. During 2018/19 three care and support contracts in extra care are due to come to a natural end, with one potential scheme coming on line in 2019. Therefore we have used this opportunity bring all the care and support into one tender. The increased value of these contracts will make them more attractive to experienced providers the market place and has the potential

to achieve better value for money for the Council than when they are tendered individually.

1.3 The procurement of these contracts supports the delivery of the NAIL Project (New Accommodation for Independent Living) and further develops the Council's ability to offer a real alternative to residential care for Brent residents who have high care and support needs and responds to the general feedback from residents that they would prefer to remain in a home of their own for as long as possible rather than go into residential care.

1.4 The number of 8 extra care schemes includes Plot 3 in Park Royal, which the Council is currently in negotiations with the developer to build and certainty of this will become clearer over the summer.

Scheme	Previous Permission to Procure	Current/ or amended request
Beechwood Court	June 2016	Permission to procure for a contract length of 5 +2 years
Rosemary House	June 2016	Permission to procure for a contract length of 5 +2 years
Harrod Court	June 2016	Permission to procure for a contract length of 5 +2 years
Tulsi House	June 2016	Permission to procure for a contract length of 5 +2 years
Willow House	None	Permission to reprocure for a contract length of 5 +2 years
Visram House	None	Permission to reprocure for a contract length of 5 +2 years
Newcroft House	Permission granted by Cabinet in September 2015 within the Accommodation Plus DPS	Permission to procure for a contract length of 5 +2 years
Plot 3 Unit – Park Royal	Permission granted by Cabinet in September 2015 within the to use DPS	Permission to procure for a contract length of 5 +2 years

2.0 Recommendations

It is recommended that

2.1 Cabinet gives its approval to procure from the existing Accommodation Plus Services DPS, Lot 4.1 Care and Support Services, with an estimated combined value of £54.1 million and approves the issue of the invitation of tenders for the care and support service within 8 Extra Care Schemes (ECS's) leading to an award of approximately three contracts with winning providers.

2.2 Cabinet gives its approval for procurement via the DPS of contracts with a length of five years plus up to two years extension period for each contract.

2.3 Cabinet gives its approval to officers to evaluate the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in section 7.6 of this report.

3.0 Background

3.1 Care and support services had been provided in the 4 long standing extra care schemes for a number of years by an external home care provider through individual spot purchase arrangement. In June 2016, Cabinet approved a report which set out our tendering timeline which indicated the contract start for November 2017.

3.2 However, the procurement process did not commence as planned due the outgoing care provider giving immediate notice to withdraw their services and requested a smooth transfer to an alternative provider as soon as possible. This request was as a result of negotiations over fees, however, the proposed rate from the provider was significantly above the rate paid to other providers. A rate proposed by the Council, based on independent work commissioned by ASC Commissioning to identify the minimum sustainable rate for the local sector, was rejected by the provider. This timeline did not allow Officers to progress with the procurement, as stated in June 2016 Cabinet Report, to identify a new provider.

3.3 To bridge the gap in service provision, Officers negotiated with an alternative provider (Metropolitan Housing Trust – MHT), via a variation to their Visram House Contract (which had been delayed due to building difficulties) which was also within the original cash envelope. The variation for an 18 month period was approved by The Strategic Director of Community & Well Being under delegated authority.

3.4 The variation allowed officers to:

a. reconsider the procurement of social care and support services within existing and planned extra care schemes, to ensure that we procure a consistent quality of service through a flexible model of care and support to tenants regardless of which scheme they live in
b. avoid tenants' anxieties due to change in care providers within a very short time span

c. achieve value for money for the Council given the potential contract value of procuring additional schemes and the potential efficiencies this could deliver.

4.0 Detail

Extra Care

4.1 The schemes listed are situated within the Borough and are the properties of Network Homes, PA Housing (ASRA) and the Council. The schemes provide the following numbers of self-contained one and two bedroomed flats for people aged 55+ years who have dementia, learning disabilities (LD), physical disabilities (PD) and/or sensory impairment(s) (SI) and require appropriate accommodation with care and support on hand to live independently in the community:

Name of Scheme	No. and size of flats	No of tenants anticipated to be in receipt of care	Primary care group
Beechwood Court - Wembley	20 one bedroom flats for people with dementia	20	Dementia
Harrod Court - Kingsbury	38 one bedroom flats and 2 two bedroom flats	40	General aged 55+
Rosemary House - Willesden	40 one bedroom flats	40	General aged 55+
Tulsi House - Sudbury	32 one bedroom and 4 two bedroom flats	36	General aged 55+
Willow House - Wembley	38 one bedroom flats and 2 two bedroom flats.	40	General aged 55+
Visram House – Park Royal	89 one bedroom flats and 10 two bedroom flats.	99	General aged 50+
Newcroft House – Wembley	40 one bedroom flats.	40	General aged 55+
Plot 3 – Park Royal	Estimated available 141 units	141	General aged 55+

4.2 The ethos of Extra Care Schemes in Brent is to maintain people in a home of their own, by offering flexible care and support to meet their eligible needs (as defined by the Adult Social Care assessment of their needs under the Care Act

2014), in an appropriately designed environment to aid their independence, along with a range of social activities to support an improved quality of life, as a real alternative to institutional care in residential or nursing care home.

Current Services Provided

4.3 The care, support and activities services are currently provided in the following five of the eight schemes

- Beechwood Court
- Harrod Court
- Rosemary House
- Tulsi House.
- Willow House

4.4 The remainder of the schemes are yet to have tenants moving in due to building work in progress or building work yet to commence. The anticipated dates for tenants to move into the schemes are:

Scheme Name	Anticipated Tenant Move-in Date
Visram House	September 2017
Newcroft House	June 2017 (converting from a sheltered housing Scheme to extra care)
Plot 3 – Park Royal	April 2019, anticipated contract duration will be 5.5 years

4.5 The current care and support service is provided by on-site care staff throughout the day, with waking night staff covering the service after 9 pm.

Future model of service provision

4.6 A new integrated model of care, support and activities will enable the Council to deliver services in a way that will improve individual outcomes, quality of life and allow for any unplanned care and support to be delivered in a cost effective manner. This will also ensure we are able to meet the increasingly complex needs of people with fluctuating needs, such as tenants with dementia, avoiding an admission to residential and nursing care which in the majority of cases is rarely the choice for the person concerned and comes at a higher cost to the Council.

4.7 The new flexible service will have two elements:

4.7.1 Core hours to meet the eligible needs for an individual tenant as detailed in their support plan, which will split between;

a. The hours required for care to be delivered in a tenant's own flat within the scheme, and in the majority of cases can be predicted, such as assistance with personal care in the morning or evening

and support at night with toileting or turning in bed. As mentioned, above in 4.6, due to increasing levels of need and people who would otherwise have been placed in residential or nursing care, Officers anticipate each tenant will require approximately a maximum of 25 hours of care per week (based on assumptions from an analysis of recent referrals to extra care).

b. The hours required for care and support that will be delivered in the communal areas or for identified needs which occur at unpredictable times, i.e. people with dementia wanting to leave the building or individuals needing emotional support due to their mental health needs and those with toileting needs which cannot be timetabled.

4.7.2 Additional hours required to ensure there are staff available throughout the day and night to meet the unpredictable care needs of tenants, for example, following a fall or if someone with dementia is unsettled and walking around the building, or staff need to respond to a call raised via the 'warden call' system for assistance and to enable the provider to organise a range of social activities based on the requests and interests of the tenant group. These additional hours will ensure residents safety by delivering a responsive service, thereby reducing the likelihood of tenants having to move into a more expensive residential or nursing care home setting. This is referred to as Core Hours.

4.8 The above hours will be delivered through a 24-hour roster which takes account of the needs of the tenant group and how the care is delivered. With the 24 hour core roster, a minimum number of staff will be on duty at all times to support both planned, routine and emergency care needs. This will be agreed based on the overall needs of all the tenants in a scheme rather than a prescriptive formula. Assistive technology (e.g. telecare) will be used to further streamline the service delivery, ensuring a safe environment is maintained and risks are managed appropriately.

4.9 The new model will also utilise the communal kitchens within the schemes where tenants will be given the opportunity to be involved in meals as a group activity, i.e. planning, preparation, cooking and consuming within the communal dining areas.

4.10 The social activities element of the tender will be aimed at creating activities that are dedicated to tenant's interests and community engagement, ensuring the schemes have a sense of community and a structure for social engagement. Further individual hours can be commissioned to respond to a tenant's individual social care needs and circumstances based on their assessment of need.

4.11 The care and support services can also be 'shared' between the schemes that are closely geographically situated, e.g. Beechwood Court and Tulsi House, thereby allowing a greater flexible model of service delivery during the day and night hours.

4.12 The flexible model of care and support will improve not only individual outcomes and quality of life but will also achieve better value for money than the rigid model of home care which is task, time and location orientated. Modelling shows that with a flexible roster of staff and the use of telecare, we should be able to reduce the number of people whose needs cannot be met within the scheme and who are moved into a residential or nursing placement by up to 60%.

4.13 The Council have 100% nomination rights for all the schemes. The Department's policy is that extra care accommodation and care is the default option for all new service users who would otherwise require a residential placement, thereby ensuring that all extra care units are occupied by prospective new tenants who have eligible care and support needs (as per the Care Act 2014), resulting in reduction of placements in residential or nursing care. The Quality Assurance Meeting (the Adult Social Care 'panel' that reviews all high cost community support packages and requests for residential/ nursing care placements) will also ensure that all appropriate referrals are directed to extra care and no placements into residential and nursing can be made without senior management approval.

5.0 Market Position Statement

5.1 The new contract(s) will ensure it is aligned with the objectives set out in the Brent Market Position Statement (MPS) 2014 whose main principal is to ensure that future social care and support services will be delivered by providers who have the experience in maximising individual choice and control through flexible delivery of services rather than the current model of domiciliary care delivery of task and time orientated care.

6.0 The Care Act 2014

6.1 As a result of the new contract the service will ensure the following stipulations of the Care Act 2014 are met:

a) Local authorities are to ensure their social care system is based on the principles of prevention, early intervention and is focused on an individual's well-being and ability to maintain their independence in their own home environment rather than the institutional care settings.
b) Focus to be on an integrated, preventative and community based housing and support service placing an individual's well-being at the heart.
c) Put the suitability of accommodation explicitly as part of the definition of well-being, which sets the tone for the whole Act.
d) Deliver care and support services through an understanding of reablement; believing that every person, no matter what age or disability, has the potential to develop or regain skills that allow them to be more independent and/or have access to a wider range of choices; to create an atmosphere of support and encouragement to try new things, practice lost skills, where

staff supervise, support, and encourage, 'doing with' rather than 'doing for'.

7.0 The tender process

7.1 Permission is sought to procure the on-site care, support and activities service from the current Accommodation Plus Services Dynamic Purchasing System (DPS) Lot 4.1 for a total of 8 extra care schemes.

7.2 In accordance with the DPS, suppliers who have successfully been admitted onto Lot 4.1 (care and/or support services) will be invited to bid for the required services.

7.3 The proposed procurement route will streamline and provide benefits both for the bidders and the Council;

- suppliers will not have to complete their Pre-Qualification Questionnaire (PQQ) submission for each bid,
- the Council does not have to allocate time and resources to evaluate the PQQ's more than once in the life time of the DPS,
- the tendering timescales are reduced however, although a minimum 10 day period is stated within the Public Contract Regulations, recent tendering experience has informed us that this should be longer to ensure bids of a suitable quality and cost are received and TUPE assessments can be fully explored by the bidders, and;
- the use of the DPS allows Officers to have pre-tender engagement discussions to ensure that bidders understand our requirements with a view to ensuring that quality bids are received.

7.4 Bidders will have the option to bid for individual or multiple contracts. Where bids are for multiple contracts, bidders will be required to:

a. demonstrate added value these multiple bids will bring to the tenant groups

b. demonstrate the added value and efficiencies these multiple bids could deliver for the Council

c. identify any cost savings.

7.5 The proposed length of contract is 5+2 years, which is designed to create more stability for tenants and encourage a wider range of bidders, including many providers currently not operating in the borough who specialise in this provision. Full consideration will be given within the contractual terms and conditions to protect the Council should the identified provider struggle to maintain the quality of service we have specified and review the specification at regular intervals to reflect the likely changing needs of the Council.

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

Ref.	Requirement	Response	
(i)	The nature of the service.	Care, support and activities service for extra care	
(ii)	The estimated 7 year contract value.	£54.1m	
(iii)	The contract term.	5+2 years	
(iv)	The tender procedure to be adopted.	Mini-Competition via the DPS	
v)	The procurement timetable.	**Indicative dates are:**	
		Mini-competition advert	31/07/17
		Deadline for tender submissions	12/09/17
		Panel Evaluation	14/09/17-22/09/17
		Report recommending Contract award circulated internally for comment	22/09/17-12/10/17
		Cabinet approval	11/12/17
		Cabinet call in period of 5 days (not mandatory if using the DPS although it will be observed) - notification issued to all tenderers and additional debriefing of unsuccessful tenderers (contracts covered by the full EU Regulations only)	19/12/17
		Contract Mobilisation	02/01/18
		Contract start date	02//04/18
(vi)	The evaluation	• At the quote evaluation stage the bids will be	

Ref.	Requirement	Response
	criteria and process.	evaluated on the grounds of the Most Economically Advantageous Tender (MEAT) with a 60% price and 40% criteria scoring. The quality assessment will be evaluated using the following range of criteria: • How the Service will be delivered to achieve delivery of of outcomes • How policies and procedures regarding equality and human rights will be applied • How the Service will be operated and delivered to lead to improved personal independence. • • Proposals regarding staffing (skills, qualifications, experience and structure) in order to meet the needs of services users and continuity of care. • How current/previous experience will be applied to deliver the service • How Social Value will be delivered • How out-of-hours service will be delivered • How the Safeguarding policy will be implemented and adhered to
m(vii)	Any business risks associated with entering the contract.	There are no additional business risks associated with the proposed contracts other than the usual risks involved with social care provision, which will be addressed during the evaluation process
(viii)	The Council's Best Value duties.	The evaluation criteria will be based on a model where cost and quality are distributed to ensure that providers are selected on best value. The tendering documentation will also specify how the contract will be managed to ensure the on-going delivery of the service and outcomes for each service user.
(ix)	Consideration of Public Services (Social Value) Act 2012	The following Social Value (SV) assessments have already been incorporated into the DPS qualification process: <u>Qualification stage:</u> • Confirmation the bidder's environmental policy/approach has led to sustainable improvements • Confirmation the bidders environmental policy/approach has delivered waste and carbon reduction • Involvement of Small and Medium Enterprises (SMEs), particularly within Brent • Adoption of ethical practices – these will include

Ref.	Requirement	Response
		Safety and Hygiene, Working Hours and payment of London Living Wage (LLW). At the quote stage the following additional SV assessments will also be applied: • LLW will be paid to all employees as this is within the current contracts The weightings for Social Value will hold at least 10% of the total evaluation score.
(x)	Any staffing implications, including TUPE and pensions.	None for the Council. TUPE will however apply to staff currently employed by the 2 incumbent providers at the five schemes where care and support is currently provided.
(xi)	The relevant financial, legal and other considerations.	See sections 8.0 and 9.0 for legal and financial considerations.

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

8.0 Contract Management

8.1 Contract management will be outcome focused. Some of the Key Performance Indicators will be:

8.1.1 Efficiencies in meeting the identified outcomes in terms of prescribed service hours to support service users.
8.1.2 We will set a requirement to aim for the Minimum number of admissions to residential and nursing care per year based on reducing the current rate of 9 per year to 3 per year per 120 tenants.

8.2 Officers will set a baseline to determine the following and develop targets to aim to reduce these year on year:

8.2.1 Number of ambulance call outs and reasons, which do not result in a hospital admission.
8.2.2 Number of tenants in hospitals and the number of days hospitalised
8.2.3 Number of emergency/unexpected calls resulting in prevention of hospital admission/residential/nursing care.

8.3 Officers will monitor the contract in a number of ways. Some of the methods adopted will be:

- Ensuring that the provider maintains their registration and compliance with the required standards with the relevant regulatory body such as the Care Quality Commission (CQC)
- Monitoring and validation visits to the schemes where officers liaise with the tenants to get feedback on the quality of service delivery. Officers will also check various records during these visits for compliance.
- Take immediate action on feedback from service users, colleagues, complaints, safeguarding, etc.
- Undertake ad hoc/emergency visits where a complaint or safeguarding concern has been raised, particularly in relation to service delivery
- cost comparison of overall care hours against the cost of a residential or nursing care placement
- Liaison with other stakeholders to share intelligence. (CQC and Safeguarding)
- Issue a Corrective Action Plan (CAP) where service shortfalls/failures have been identified. Officers will be in regular liaison with the provider to ensure that all items on the CPA have been actioned according to the timescales set.
- Quarterly audit of invoices for care hours actually delivered by service provider against commissioned hours for each tenant and claw back all surpluses.

9.0 Financial Implications

9.1 The 2017/18 budget for Extra care and support is £4.8m.This budget directly accommodates the five current extra care schemes (Rosemary House, Tulsi House, Beechwood Court, Harrod Court and Willow House) and the part year funding for Newcroft House and Visram House. As and when schemes come on-line budgetary provision is created within the departments overall cash limit.

9.2 The procurement brings together the need to re-procure care hours for the current schemes as well as add capacity to the contract for future schemes and potentially additionality due to increases in complexity of care.

9.3 Predicting an absolute contract value for a contract that is governed by the needs of individual social care clients can be complex, so tolerances need to be included to accommodate any anticipated increase in demand for care.

9.4 Therefore the price per hour is the significant financial factor in this procurement rather than the quoted number of hours to be accessible over the life of the contract.

9.5 Considering the size of the schemes and the anticipated economies of scale, it is anticipate that the procurement will achieve a price in the order of £16 per hour and be London Living Wage (LLW) compliant. This would be within the current budget envelope for the service.

9.6 As an alternative, a non LLW rate in the order of £14.20 per hour could also be achieved and would deliver a saving of approx. £1.80 per hour.

9.7 Agreeing to a LLW rate would commit the Council to annual increases within the contract which would need to be considered in the annual setting of the Council budget.

The figures above are the average cost of recent placements and is the most realistic cost which reflects the position of the care home market.

10.0 Legal implications

10.1 By way of background, reference is made to the Cabinet Report & approval, dated 27 June 2016, to procure care and support services in 4 extra care schemes (ECS's) as detailed in the previous Cabinet report in accordance with the Council's Contract Standing Orders 88 and 89. Cabinet approval is now being sought to approve the procurement of the care and support service for additional four extra care schemes (ECS's), bringing the total number of schemes to eight. Officers are now seeking to align the procurement for all 8 ECS schemes and to procure contracts for the services involved for a period of five years (plus two years potential extension period). The table in section 1.3 below shows the list of all eight schemes.

10.2 The first four schemes in the table in Section 3.1 were considered by Cabinet on 27 June 2016, and Cabinet gave its approval to commence procurement of these four schemes based upon a projected contract period of 4 years plus 1 year extension period. Officers have subsequently reviewed the plans for procurement and consider it best to align the projected contract periods for the first 4 ECS schemes with the desired contract periods for schemes 5 to 8. Officers further consider it will help obtain best value by looking for other alignments in terms of location of services covered by the projected 8 schemes. Authority is therefore being sought in this report to commence a combined procurement which may cover all 8 schemes or up to 8 to be covered by contracting arrangements involving a minimum of 3 contracts, with the schemes being aligned into clusters of 2 or 3 ECS's in each contract

10.3 Tenders will be sought through the Council's Dynamic Purchasing System (DPS) for Accommodation Plus Services. This DPS went live in February 2016 and has the following five lots of commonly purchased services that encompasses the full range of delivery models required to deliver the NAIL programme:

Lot 1: Providers, who provide the land, build and manage the property, and deliver the care and/or support services (possibly as different arms of a single organisation or as a consortium/partnership for example).
Lot 2: Providers, who provide the land, build and manage the property only.
Lot 3: Providers who provide the land, and build the property only.
Lot 4: Providers who provide care and support (Lot 4.1) and housing management (Lot 4.2).
Lot 5: Providers who provide housing related support services only.

10.4 A dynamic purchasing system ("DPS") is akin to an electronic framework agreement, but unlike a framework agreement it allows for new providers in the

market to apply for admittance onto the DPS throughout the life of the system. The requirements as to the establishment and operation of the DPS are set out in Regulation 34 of the Public Contract Regulations 2015 (PCR 2015). The PCR 2105 details that a DPS is a completely electronic system which may be established to procure commonly used purchases generally available on the market to meet contracting authority requirements. Officers have confirmed that the Accommodation Plus Services scheme meets this requirement. Members at its meetings in September 2015 and February 2016 gave their approval for the creation of the DPS for Accommodation Plus Services and delegated authority to the now Strategic Director of Community and Well-being to award individual contracts under the DPS with a value up to £500,000.

10.5 Providers will be invited to tender for the requirement via the NAIL DPS system already established and all qualified and fully registered providers in Lot 4.1 (currently 31 providers) at the time of the call off will be invited to tender. The projected contract lengths in each case will be 5 years plus extension period of up to 2 years.

10.6 Cabinet approved the procurement and establishment of the DPS originally via Cabinet Report and decision dated 21 September 2015. The estimated annual value for services to be commissioned in Lot 4 was then £11 million with the estimated value across Lots 1, 4 & 5 being £24,810,000.

10.7 Procurement has occurred under Lot 4.1 and Officers have found that, due to changing circumstances in the market behaviour (developers have moved away from developing facilities owing to proposed government changes of introducing the local housing allowance into rent levels in supported accommodation), the Council is less likely to commission services under Lot 1. Instead there is a need to commission a higher amount of care based services under Lot 4.1. The original annual estimate to Cabinet was £11 million for Lot 4.1 but the services to be procured are valued at approximately of £54.1 million (see section 7.8 below). This will still be within the approved overall value of the DPS.

10.8 The estimated value of the proposed call – off contracts is expected to be £15.7 million and is in excess of the threshold for High Value Contracts under Contract Standing Orders and as such Cabinet approval is required to approve the pre-tender considerations in the table in section 7.6 and the invitation to participate in the mini-competition for the requirements.

10.9 Officers must follow Regulation 54 of the PCR 2015 when inviting providers from the relevant Lot under the DPS to submit a tender. Officers are advised to note that award criteria relating to any proposed individual contracts under the DPS must be in accordance with the original contract notice or in the invitation to confirm interest document. Those criteria may (where required) be precisely formulated in the invitation to tender.

10.10 In above-threshold call-off contracts from a DPS, the standstill period is voluntary not mandatory (therefore Officers are strongly advised to apply it to protect against possible post-contractual ineffectiveness claims).

10.11 Once the tendering process is undertaken Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award. There is a requirement to publish contract award notices (which must be sent to the Publications Office within 30 days of award) for specific individual contracts awarded under the DPS. However, contracting authorities can choose to group DPS contract award notices and make a quarterly return. Officers should also abide by the requirements for publication on Contracts Finder with regards to contracts awarded.

10.12 The Transfer of Undertakings (for the Protection) of Employees Regulations 2006 ("TUPE") is likely to apply to this mini competition process if there is a service provision change in providers. TUPE would apply between the new replacement providers and the incumbent providers should there be a change in service provider. In these situations the Council will act as a conduit of information between the parties so as to ensure minimal disruption to service users during the implementation plan phase.

11.0 Diversity Implications

11.1 The proposals in this report have been subject to screening and officers believe that the use of extra care as an alternative to residential and nursing care has positive diversity implications.

12.0 Staffing/Accommodation Implications (if appropriate)

12.1 This service is currently provided by external contractors and there are no implications for Council staff arising from retendering the contract.

13.0 Background Papers

13.1 EIA attached.
Cabinet Report 27 June 2016
Cabinet Report 21 September 2015

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Equality Analysis - Extra Care accommodation for older people

Stage 1 Screening Data

1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.

This Equality Analysis (EA) is an update of the assessment carried out in 2012 on the impact the Extra Care services are having on current and new service users with protected characteristics. The scope of the assessment covers the projects that are currently operational, as well as the new, larger unit planned to be mobilised in 2017. This assessment takes account that the current five Extra Care schemes are coming up for retender this year and that one Sheltered Housing Scheme, Newcroft House is in the process of transforming from sheltered housing to Extra Care.

Extra Care accommodation in Brent has been developed as an alternative to Residential Care that has been deemed to be more expensive, as well as more restrictive and limiting option. Since 2012, the existing 176 units of Extra Care accommodation have been oversubscribed, demonstrating that there is a continuous and increasing demand for this service provision that aims to meet the needs of individuals previously supported in residential care homes.

The Extra Care services are continuing to deliver the savings on average of £332 per week per person on the care costs. Although making the savings has not been the only, or the main driver behind the project, it is supporting further developments to meet the growing demand for housing with care and support for our aging population. Extra Care has a positive impact on tenants' finances when compared with residential care. The individuals placed in residential care would not have the full entitlement to social security benefits and would be a subject to lower thresholds for making a contribution towards the cost of their care. Since this is not a case in Extra Care, it is financially advantageous to the tenants, making it more affordable to them to invest their resources in activities that would improve their quality of life, personal health and wellbeing.

Phase Two of the New Accommodation for Independent Living (NAIL) Project established 176 units of Extra Care accommodation across five sites. Phase Three, delivering additional 99 units of accommodation at a single site at Park Royal and expected to be operational in autumn 2017, will transform the sheltered housing project Newcroft into Extra Care. Phase three will also include recommissioning of the whole Extra Care provision in the Borough.

The unforeseen consequence of placing older people with care needs in Extra Care accommodation rather than institutionalised environment, appears to be that the clients' functionality is improving, on average during their tenure. It is expected that with the effects of ageing functionality would be decreasing and that the packages of care would be increasing, but environmental functionality seems to be slightly reversing this trend. Looking at the data for the first Extra Care Scheme in Brent, Rosemary House, a 40 bed scheme that has been running for over 10 years now, out of 40 residents 12 have had their packages decreased, 14 increased 14 remained the same form the point of being admitted to the unit. Decreases have been more significant than increases, totalling a 3% decrease in number of hours of care these clients are receiving.

Data below compares Brent local demographic information with the diversity profile of the residents currently residing in Extra Care.

	EXTRA CARE OP	Extra Care Current	BRENT
GENDER			
Male	88	53.99%	45%
Female	75	46.01%	55%
AGE			
50-65	21	12.88%	40%
65-74	34	20.86%	27%
74-85	65	39.88%	21%
85+	43	26.38%	11%
ETHNICITY			
Asian or Asian British	22	13.50%	25%
Black or Black British	45	27.61%	18%
Not Stated / Undeclared	16	9.82%	10%
White	78	47.85%	47%
Other	2	1.23%	
DISABILITY			
Mental health	8	4.91%	1.1%
Physical support	120	73.62%	NA
Social Support	4	2.45%	NA
Support with memory Cognition	30	18.40%	0.7%
Learning Difficulties	1	0.61%	2%
RELIGION / BELIEF			
Buddhist	1	0.7%	2%
Christian	51	39%	42%
Hindu	7	5.3%	18%
Jewish	1	0.7%	2%
Muslim	1	0.7	18%
No religion	2	2%	18%
Not known / not declared	67	53%	0%

Needs profile

Eligibility criteria for Extra Care determines that all residents will have a degree of eligible care needs under the Care Act, with the majority falling in the category of needing Physical Support. The second largest group requires primary support with cognition and memory, demonstrating a significant prevalence of dementia (Alzheimer's and Vascular) within the population. One scheme is designated as being dementia friendly accounting for the 12% of overall capacity in Extra Care, but each of the schemes will have a significant numbers of tenants with memory and dementia related needs.

Age distribution and complex needs

Within Brent general population aged 50+ by far the largest group is 55-65 (40%) with the linear decline of percentage as the age increases, whilst in Extra Care the largest group is 75-85 (40%).

Whilst the eligibility criteria for Extra Care is currently 55+, the new project Visram House will have the lower age threshold of 50+.

Traditionally, the shorter life expectancy amongst people with enduring mental health problems, people with learning difficulties, dependent drinkers, has meant that these protected groups were not presenting in older persons services in significant numbers. Equally, people with Physical Disability were placed in care homes where they could receive the required level of care, in spite of the fact that being younger than the general population in these institutions. Older person's services are often expected to be dementia friendly by the virtue of this condition presenting frequently in the old age. However, early offsets of dementia are not that uncommon and can be linked to the long term use of alcohol in a number of cases presenting in Brent.

There is a significant number of people with Learning Difficulties that have been cared for by their parents that now have their own care needs. People with Learning Difficulties and associated support needs are also often presenting with age related functional decline.

People with enduring mental health problems also have shorter life expectancy. With aging the psychiatric symptoms are stable, but the care needs are becoming more complex and are associated with functional decline and increased risk of self-neglect and isolation.

Late offset of alcohol dependency and alcohol related dementia (Korsakov-Wernicke's Encephalopathy), present a unique set of needs and management strategies. Younger people are presenting the set of needs expected in the older population and older 'baby boomers' generation presenting, with the drinking life style and habits associated with the younger population.

These three sub groups often are treated as complex, due to mix of specialist needs and can fall between the cracks the purist service definitions create.

It is anticipated that by lowering the eligibility criteria age from 55 to 50 current inequalities in access to appropriate accommodation and care would be addressed for these three subgroups. Current waiting list for people designated to move to Visram House contains following percentage of subgroups:

Alcohol (Dependency or Korsakov) - 11%

Mental Health- 26%

Physical Disability- 13%

Dementia- 17%

Learning Difficulties- 5%

Gender

Whilst Brent has equal gender distribution across overall population, due to greater female life expectancy, within the 55+ population there are more women (55%) than men (45%). In Extra Care the picture appears to be reversed, with 54% men and 46% women, respectively.

Ethnicity and Faith

There are significantly fewer Asian people in Extra Care compared to their proportion in the borough population. This can partly be explained by the culture specific duties of the extended family to look

after their parents and older siblings / relatives. . Muslim and Hindu practicing people are significantly represented in the Extra Care clients' profile. It is notable that over half (53%) of the Extra Care clients prefer not to disclose their faith / belief.

Visram House commissioned with the Housing Association has experience of developing culturally-sensitive environment and catering facilities for the diverse needs of Brent's residents There are separate kitchens for meat and vegetarian food preparation, taking account of the varying dietary and cultural needs within different minority groups. With universality and inclusiveness being the main features of the design, it is expected that the faith practice would be supported and stimulated to a greater extent than in the earlier projects, anticipating that the new project activity will have a positive impact on the protected group.

2. Who is affected by the proposal? Consider residents, staff and external stakeholders.

Provider/ Staff

Care Contract for Visram House has been awarded in 2015/16. There was a significant delay in starting the project due to technical issues with the energy supply to the building. The identified provider will be affected by the commencement of the delivery of this project. The existing four schemes will be retendered in 2017, with staggered start dates. It is anticipated that retendering the larger provision would generate more competition in the market place and would deliver greater value for money. TUPE would apply to the existing staff and there is a significant number of new local jobs that will be created. This may create some pressures in the care job market, especially amongst the domiciliary agencies staff.

Difficulty in accessing suitable accommodation for the local residents in hospitals whose current accommodation was no longer suitable due to the changing care needs, often has been causing delays in hospital discharges. This project will address these long term issues and some proportion of the accommodation will be retained as a part of the step down provision in the borough, accommodation people with reablement potential that could be returning to their home once the care and the new functional baseline are established and confirmed.

Users

Residents aged 50 years and over receiving care are the primary protected group. Due to the nature of the service the target groups are people with physical disabilities, people with mental health and personal care needs, people with learning difficulties and disabilities.

Carers and clients families

Where the families have been providing care to their members, but the care needs have increased beyond their level of coping and skills, or the capacity of the family carer has been affected by the change in their own care needs, family relationships will continue with the support of the professional carers and the environment conducive of independent living.

3.1 Could the proposal impact on people in different ways because of their equality characteristics?

The project will provide access to a good quality accommodation that promotes independence for NAIL clients and their families across all protected characteristics. Due to the nature of the service,

the proposals are likely to impact some of the most vulnerable groups such as people with mental health problems needing personal care, young people with physical disabilities, highly functioning people with learning difficulties whose care is dependent on functionality of their parents / carers, early offsets of dementia.

3.2 Could the proposal have a disproportionate impact on some equality groups? If you answered 'Yes' please indicate which equality characteristic(s) are impacted

Yes – due to the nature of the service the proposals will have a significant impact on age and disability. Due consideration will also be given to the following protected characteristics: gender, ethnicity, religion / belief, sexual orientation, gender reassignment.

3.3 Would the proposal change or remove services used by vulnerable groups of people?

The service would complement the current provision, responding to a growing demand, rather than removing services. It would allow for a greater choice for and a more tailored approach to NAIL clients.

3.4 Does the proposal relate to an area with known inequalities?

Yes. Accommodation needs for people needing care are often poorly met, placing people in restrictive environment, people with mental health problems and personal care/ domestic support needs are suffering a great level of social exclusion and have difficult access to independent accommodation; functional Learning Difficulties clients with personal carer needs, associated with ageing, are likely to be placed in the restrictive institutional setting once their families are not able to care for them; young people with physical disabilities are often placed in the environment where prevailing culture is not age-sensitive and assumptions are made about their aspirations and interests.

3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

Yes, as outlined in 1.1, 3.1, 3.2 and 3.4.

3.6 Does the proposal relate to one of Brent's equality objectives?

Yes – Objective Four – Responsive services

Recommend this EA for Full Analysis?

Yes

4. Use the comments box below to give brief details of what further information you will need to complete a Full Equality Analysis. What information will give you a full picture of how well the proposal will work for different groups of people? How will you gather this information? Consider engagement initiatives, research and equality monitoring data.

Quarterly contract monitoring will provide the additional insight of the project impact. The equality analysis will be reviewed in two years' time, when another large project commences (Plot 3). The review will be informed by the lessons learnt and monitoring outcomes from current projects

including the Learning Disabilities and Mental Health specialism projects currently under development. Feedback from NAIL clients will also be sought to help inform the review.

Stage 2: Analysis

5. **What effects could your policy have on different equality groups and on cohesion and good relations?**

5.1 Age *(select all that apply)*

- [x] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

The service will have positive impact in meeting the needs of the older population and the sub groups of older people with Learning Difficulties and Mental Health problems. Lowering the age eligibility criteria in Visram House will mean that people with early offset of dementia and physical disabilities that have been traditionally placed in the institutional care would maintain greater independence and remain part of their community.

5.2 Disability *(select all that apply)*

- [x] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

The thrust of the project is delivering accommodation for people receiving high levels of care, so that they can maintain their independence, rather than being confined to the institutional setting of the registered care homes. Lowering the age criteria for Extra Care will open the facility to young people with physical disability and the size of the project will allow the greater number of young people in the project, so that generational cultural and social interests can be shared.

The essence of the design in Extra Care is that the flats are large enough to accommodate microenvironments where the carers and the residents could move in least restricted way, minimizing carers' intrusion on the privacy of the residents, whilst accommodating the use of a variety of mobility aids the person may require. It is intended that these flats could be used as homes for life, accommodating sometimes progressive changes of the levels of need without having to move home.

Newcroft House is the sheltered housing Scheme with stabile, but ageing group of tenants. Their current level of needs and functionality suggest that in future the group will be requiring greater level of care than is currently provided. Rather than moving people on to residential setting we are envisaging that putting the care in the block, would allow people to age in situ

5.3 Gender Identity *(select all that apply)*

☐ Positive

☐ Neutral

☐ Negative

Please give details:

At present information on this protected characteristic is not collected and therefore it is not possible to draw any conclusions on the potential or likely impact of the project on this protected group.

5.4 Marriage and civil partnership *(select all that apply)*

☑ Positive

☐ Neutral

☐ Negative

Please give details:

It is often a case that when care needs of one partner increase, with the declining functionality of another partner that is no longer able to provide care, that the joint living and appropriate level of care become difficult and sometimes impossible. There will be ten two bedroom flats in Visram House, which could be used to accommodate couples. .

5.5 Pregnancy and maternity *(select all that apply)*

☐ Positive

☑ Neutral

☐ Negative

Please give details:

Due to the nature of the service and the service user profile, we do not anticipate a disproportionate impact on this protected characteristic. However, if as a result of the expansion of the age criteria there are eligible clients who are either parents of young children or have a partner who is pregnant, we will consider their individual circumstances to ensure that their / their family's needs are met.

5.5 Race *(select all that apply)*

☑ Positive

☐ Neutral

☐ Negative

Please give details:

Current Extra Care projects accommodate smaller proportion of people from Asian background, than the overall population in Brent. This is the trend experienced even to a larger degree within the population currently in care homes. Visram House is taking into account specific cultural requirements of this section of the society, anticipating that the population in the new facility would be more

reflective of the general population. Tender submissions for the provision of the Extra Care are scored favorably in respect of the environmental sustainability, encouraging the provider to recruit locally, so that the care staff are speaking languages of the population living in Brent.

5.7 Religion or belief *(select all that apply)*

- [x] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

Building design accommodates a generous variety of communal spaces, aimed to be used flexibly by the community to allow a variety of social activities, including enabling faith groups to come together, as well as facilitating inter fate interaction within the community.

5.8 Sex *(select all that apply)*

- [x] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

There appears to be a larger number of men in extra care than women, whilst the number of women in general population seems to be greater than men. This is a consistent trend across the field and this trend is likely to remain.

5.9 Sexual orientation *(select all that apply)*

- [ ] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

At present information on this protected characteristic is not collected and therefore it is not possible to draw any conclusions on the potential or likely impact of the project on this protected group.

5.10 Other (New Clients) *(select all that apply)*

- [x] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

Older people moving to Extra Care will be identified as having both housing and care needs. They are likely to have the accommodation in the community, that they are no longer able to utilize due to their changing mobility / disability requirements and health conditions. When they move to Extra Care, their properties would be released back to the general housing market. The project will have some influence on improving the supply of family properties on eth general housing market.

6. Could any of the impacts you have identified be unlawful under the Equality Act 2010? Prohibited acts include direct and indirect discrimination, harassment, victimisation and failure to make a reasonable adjustment.

○ Yes
◉ No

7. Please provide a brief summary of any research or engagement initiatives that have been carried out to formulate your proposal.

During the procurement period, three consultation meetings have taken place involving general public and the potential providers.

Regular consultation meetings with the service users and their families in five currently operational Extra Care projects have been taking place quarterly over the last nine months. Separate consultation meetings with the housing providers have also taken place, gathering information about the service operation, types and levels of needs, future developments.

Extra Care design and service users' needs have also been discussed in the Annual Service User Consultation event.

Regular briefings with the Care Management teams about the project have collated the views about service users' needs and specific cases over the last year.

Analysis of the current Extra Care provision, waiting list, demographic change and the information form the QAM panels informed the understanding of the demand for the service type for older people.

Analysis of the information form the Mental Health Trust related to the move on potential and the need for the service type has been carried out by the MH trust, as well as the presentation about the Extra Care to the Care Management Team

Analysis of the care needs and the move on potential of people with Learning Difficulties has been conducted as a part of the overall NAIL activity. In consultation with the individual care managers clients are identified with the variable level of needs and the new Hub and Spoke project that will accommodate a total of 24 individuals is due to mobilize in the summer 2017.

The Brent Health and Wellbeing Strategy 2012-2015

Brent Joint Strategic Needs Assessment, Good Health and Wellbeing in Brent 2015

2015-16 Diversity in Brent report

What did you find out from consultation or data analysis?

There is an ongoing demand for Extra Care provision as the preferred option over residential care.

Current demand is outstripping supply.

The need for dementia friendly service is frequently expressed.

Good communication, coordination, information sharing, and shared responsibility and clinical governance between health and care providers is sighted by providers as critical.

Background cover and responsive overnight cover are in great demand, but can only be delivered through the economies of scale.

Social activities, occupational therapeutic and community engagement activities are noted as being the measure of quality by the service users, although provision of these is currently sporadic and seems to be of the secondary importance to the care providers that are per definition task orientated.

Providers are noting that in some houses the level of care is so high that they question if the clients are able to fully enjoy the benefits of independent living, whilst in others packages of care are so light that it resembles the shelter accommodation, rather than Extra Care.

Flexibility in the care provision is seen by the residents as essential and it is frequently expressed by the care managers that it could be improved, whilst the service provider is measuring their ability to be flexible by the level of involvement they receive from the care management, hospital discharge team, Occupational Therapy, post admission.

Developing step down facility within extra care that complements the rest of the step down provision in the borough may be needed as Visram House becomes fully utilized. Different contractual arrangements and financial structure may be needed to join the clinical governance with the hospital discharge team. Delivering this aspect of the service effectively would require joint work between the Clinical Commissioning Group and the Local Authority.

Extra Care is an essential option for the support for ageing population of people with Mental Health. It should be one of the options readily available to this protected group. Approaching the care delivery through accommodation provision is more cost effective for the Local Authority than relying on Adult Social Care funding streams to supplement the pressures arising from the housing crisis.

Were the participants in any engagement initiatives representative of the people who will be affected by your proposal?

The participants were current service users, providers, general public.

How did your findings and the wider evidence base inform the proposal?

STAGE 3: ACTION PLANNING

Now, you will respond to your findings from the analysis stage and complete an action plan. At this stage you need to think about how to remove or reduce all the negative impacts that you have identified and how to maximise any opportunities to

promote equality. This might mean making changes to your proposal or to the way *that it is implemented.*

Action	By when	Lead Officer	Desired Outcome	Date Completed	Actual Outcome
Age- mitigate possible adverse impact for young people, by ensuring that they are nominated as a group	During the mobilisation process	Radomir Lazarevich	People are clustered according to shared interests		
Disability- mitigate possible adverse impact for the disabled clients	Via the building development programme and tendering process timeline	Ian Buchan/ Edwin Mensa	Develop locally available tailored resources for young people with physical disability (obesity, stroke, brain injury, Korsakov)		
Religion	Via the tendering process timeline	John Boyrgone	Support care and housing providers to put joint up bid with Heritage for Performing Places project		
Step Down	Via the tendering process timeline	Radomir Lazarevich/ Edwin Mensa	Develop joint up protocol for all step down facilities, retender this aspect of the service separately when the contract is rewarded.		

8. What actions will you take to enhance the potential positive impacts that you have identified?

Ensuring that all users, regardless of their protected characteristics can access the new services and the service meets the needs of as many of the community groups as possible.

9. What actions will you take to remove or reduce the potential negative impacts that you have identified?

Overall, this analysis has found that the proposed service will be beneficial for all clients.

NAIL is developing a number of small projects that would be targeting people with Mental Health problems, Learning Disabilities and Physical Disabilities.

10. Please explain how any remaining negative impacts can be justified?

Brent	**Cabinet** 24 July 2017 **Report from Strategic Director of Children and Young People**
	Wards: All

School Place Planning Strategy 2014-18 - update

1.0 Summary

1.1 This report provides Cabinet with an update to the School Place Planning Strategy 2014-18 that was approved by Cabinet in October 2014 and updated in November 2015.

2.0 Recommendations

Cabinet are asked to:

2.1 Approve the refresh of the Brent Pupil Place Planning Strategy provided as Appendix 1.

2.2 Note that demand for Reception places from September 2017 is expected to reduce over the next few years, before recovering to near 2017 levels. This reduced demand is underpinned by lower birth rates. As birth rates fluctuate and further housing developments are delivered, it is possible that projections may be revised upwards. It is likely that there will be growth and continued pressures in some areas of the Borough or in specific year groups.

2.3 Note that the demand for secondary places is forecast to increase and outstrip supply by 2020. The equivalent of two additional secondary schools will be needed by the 2023/24 academic year. This capacity could be provided through a combination of new schools and expanded provision.

2.4 Note that the number of children and young people with Education. Health and Care (EHC) Plans is expected to increase. Exclusions from schools are also on an upward trend and many of these pupils have complex needs.

2.5 Note the strategy for meeting additional SEND places.

3.0 School Place Planning Principles

3.1 In October 2014 Cabinet approved the Brent School Place Planning Strategy 2014 -2018 that was underpinned by a commitment to improving the educational outcomes of all children and young people in Brent. The strategy was refreshed in November 2015. A further refresh to the strategy is provided as Appendix 1.

3.2 The Brent School Place Planning Strategy articulated our aspirations for Brent Schools:

- All Brent schools should be good or outstanding
- All Brent schools should be part of a 'family of schools' which promotes resilience, mutual support and improvement
- The Council and schools should work together to meet the challenge of providing sufficient school places
- Schools should operate in good quality, safe premises
- Children should be educated close to home
- Schools should work with their local communities
- Meeting the needs of children with special educational needs and disabilities should be central to our vision for education in Brent
- We should make efficient use of resources.

3.3 The strategy also outlined a set of sixteen operating principles that underpin our aspirations, which were updated in November 2015. These principles are used to determine decision-making on future expansion and new build schemes.

4.0 Primary Place Need

4.1 Along with most London Local Authorities, Brent commissions the Greater London Authority (GLA) School Roll Projection Service to provide school place forecasts. The GLA projections are informed by both centrally held demographic data, such as the Office of National Statistics (ONS) census data and fertility and birth rates, and locally held information, such as migration patterns and planned housing growth. The methodology also takes account of the percentage of children who historically move into the following academic year in an area. This is particularly important in Brent where there is a high level of pupil mobility and migration to schools in other boroughs.

4.2 In October 2014 officers informed Cabinet that the most recent data provided to the authority by the GLA indicated a substantial reduction in births across London, with a subsequent decrease in demand for Reception places. Following many years of rapid growth, the forecasts indicate an overall surplus in Reception places from 2017. Full detail of the primary projections can be found in Appendix 1.

4.3 Brent divides schools into 5 Primary Planning Areas. However, given pupil movement across areas, they are not considered in isolation. The data show that there is sufficient capacity across the three planning areas to the north of the North Circular (Primary Planning Areas 1, 2 and 3) to meet anticipated demand.

4.4 Forecasts in Planning Areas 4 and 5 show sustained lower demand and increasing surplus places. The impact of this is currently being considered in the context of both school places and the school capital investment budget. Planning Area 5 includes the South Kilburn Regeneration Area.

4.5 The GLA projections are an indicator of need that can be revised if key factors change, such as the birth rate or the new housing trajectory. Brent has in the past experienced volatility in the primary-aged population. While overall projections indicate a downward trend, it is likely that there will be growth in some areas, such as the Council Growth Areas as additional housing developments are confirmed, or in specific year groups as they move through the primary system. Demand for school places can also be highly localised as parents seek entry to popular schools.

4.6 In recognition of the need to ensure that the Council can respond to increases in demand through permanent, high quality provision, Cabinet recommended, in October 2014, that Brent should aim to maintain a minimum 5% surplus in Reception places. The current (2016/17) primary surplus across the Borough is 4%. At this stage, no further proposals to permanently expand primary schools are proposed.

4.7 Two primary Free Schools have been approved to open in Brent. The DfE has delayed opening Floreat Colindale Primary until 2019 to allow the school to open on its permanent site. Ark Somerville Primary School is also planned to open in September 2019 on the York House site.

5.0 Secondary Place Need

5.1 The number of children in Brent primary schools increased by 12.8% between May 2008 and May 2016 (from 23,488 to 26,502). Larger year groups are now moving into the secondary phase. Secondary school roll projections, provided by the GLA, indicate that demand will outstrip supply by 2020 and the need for the equivalent of two new secondary schools in Brent by 2023 (12 forms of entry).

5.2 Additional secondary places can either be met by the expansion of existing schools or by the provision of new Free Schools. There are no secondary community schools in Brent and the local authority does not have the power to direct Academies to expand. Any expansion of an academy would need the approval of the Regional Schools Commissioner.

5.3 In the short term, Alperton is planning to expand by a further 2FE from 2018 (on it Stanley Avenue site), subject to approval by the Regional Schools Commissioner. This will address immediate pressures for Year 7 places. It should also be noted that Crest Academy has the capacity to support its

published admission number of 330, even though recent intakes have been lower.

5.4 The costs of expansion of secondary schools to meet demand for places would need to be met by the Council from Basic Need funding (see Section 7). Secondary expansion is generally more complex and costly than that for primary. The revised financial profile includes an indicative allowance of £3.7m per form of entry for additional secondary provision.

5.5 The cost of building new Free Schools would largely be met by the Education and Skills Funding Agency (ESFA), including purchasing commercial sites. Given the level of the need for places in the secondary phase and the high costs of expansion, new Free Schools are considered a preferred option to meet the projected increase in demand for secondary places.

5.6 Two new Free Schools were approved by DfE in November 2016 that will expand secondary capacity. The North Brent Free School is planned to provide 6 forms of entry and the Avanti Free School, an all-through school, will provide 6 secondary forms of entry and 2 primary forms of entry. These schools will be unable to open until permanent sites are identified. The Council is working closely with the ESFA to identify suitable sites. The Avanti Free School will have a Hindu ethos and is expected to attract students from a wide geographic area and, therefore, to have limited impact on Brent's basic need. Given the difficulty in finding sites, this school may not be located in Brent.

5.7 There is risk to the Council in making assumptions on meeting all basic need through Free School developments. If the ESFA is not able to secure sites, the Council will nevertheless have the statutory duty to provide the necessary school places. The Council reduces this risk by being pro-active in seeking proposers for new schools and working with the ESFA to secure sites. It could theoretically be possible to meet anticipated demand by expansions of some existing schools and officers are engaging with secondary schools to discuss this potential**.**

6.0 SEND and Alternative Provision Place Need

6.1 There continues to be a rise in demand for specialist provision given the increasing population, the extension of the age range for Education, Health and Care Plans (EHC Plan) from 0-25 and children new to the Borough with SEND, together with an increasing complexity of needs. This includes children and young people assessed as requiring SEN Support and the number of children and young people with an EHC Plan.

6.2 As of January 2017 there were 1960 (SEN 2 Return) Brent resident children and young people with an EHCP or statement, of whom 1824 Brent resident were attending a school and 136 were attending a further education provision. This includes 413 children and young people with an EHCP Plan or statement in out-of-borough mainstream, specialist or independent provision. 52% of pupils with a statement or EHCP currently attend specialist provision, and 48% are placed in mainstream schools.

6.3 Since 2010, significant efforts have been made to increase the number of special school places within the Borough and to broaden their specialisms. All Brent special schools now provide for a wider range of needs than they did historically. This flexibility is important to meet emerging complex needs which encompass a range of conditions.

6.4 All four of the Borough's special schools have expanded in the last four years, and this has helped to meet growth in demand. There are also 5 mainstream schools with Additionally Resourced Provision (ARP), which provide 98 additional specialist places (51 primary and 47 secondary). However, there are currently 114 pupils attending out-of-borough maintained and academy special schools and 131 pupils attending out-of-borough independent provision.

6.5 Children are often placed in these provisions because there is no appropriate school place for them in Brent. Of the 131 pupils currently placed in independent provision 68 have a diagnosis of Autism Spectrum Disorder (ASD), 23 pupils have SEMH (Social, Emotional and Mental Health difficulties), 10 pupils have MLD (Moderate Learning Difficulty) and 10 pupils have SLCN (Speech, Language And Communication Needs). This provision is expensive, but there are also strong education and social reasons for placing students within the Borough.

6.6 Working with local schools, the Council needs to develop additional provision locally. The main areas of identified growing need are Autistic Spectrum Disorder (ASD) and Social, Emotional and Mental Health (SEMH) difficulties. It is anticipated that the requirement for additional SEND places will be met by the provision of a new SEN Free School and new Additionally Resourced Provision.

6.7 Brent Special Schools Academy Trust (BSSAT), which comprises Manor, The Village and Woodfield Special Schools, is sponsoring a new Free School for 100 places for children with complex ASD needs. The Council is waiting for the ESFA to confirm arrangements regarding the Avenue site, where it is hoped the school will open in September 2018. In the meantime, the Manor School will expand by 18 places through the establishment of satellite provision on the Queens Park Community School site (in accommodation previously used by the Village School while being rebuilt). This will provide three classes - Early years (age 4-6), KS 2 (lower end) and KS2 (upper).

6.8 An additionally resourced provision is being planned for Children with ASD at Fryent Primary School from September 2017 providing 14 places and a further 14 places by 2018.

6.9 The Council has a statutory duty to provide an appropriate full-time education for pupils who have been permanently excluded from school or who are otherwise without a mainstream school place.

6.10 Exclusion figures remain on a steady upward trajectory. Of particular concern is the steep increase in fixed term exclusions from primary schools, which is in line with the national picture. Recently there has been a small increase in the number of very young pupils being permanently excluded. Currently such students are placed out-of-borough, which does not help reintegration. Most are

placed at the Family School in Islington, a therapeutic provision. To address local need, 6 additional places for Key Stage 1 and Key Stage 2 pupils are being created at Brent Pupil Referral Unit (Brent River College) from September 2017. BRC is also planning to create 6 additional preventative places for children at risk of permanent exclusion (commissioned directly by schools). Two primary schools are now offering part-time preventative programmes for early intervention – 3 Key Stage 1 places at Sudbury Primary School and 3 Key Stage 2 places at Roe Green Junior School.

6.11 62 secondary aged pupils (mainly Key Stage 4) are currently placed by the local authority in Alternative Provision both in and out of the Borough. Some have been excluded and some require provision that includes a vocational element to best meet their needs. Schools also commission places in Alternative Provision to meet the needs of individual pupils. Planning has begun on the development of additional Alternative Provision within the Borough to increase availability and the quality of provision, including individualised packages for secondary age pupils. Key to this will be to have the right accommodation.

7.0 Funding

7.1 Since the 2011/12 financial year, the Council has received £154.14m from Basic Need, Targeted Basic Need and Targeted Capital Fund grant allocations from central government to provide school places, as follows:

- 2011/12 to 2013/14 Basic Need Grant Received - £91.16m
- 2014/15 to 2016/17 Basic Need Grant Allocated - £40.95m
- 2013/14 Targeted Basic Need Grant Allocated - £3.87m
- 2017/18 Basic Need Grant Allocated - £15.32m
- 2018/19 Basic Need Grant Allocated - £0
- 2019/20 Basic Need Grant Allocated - £1.87m
- Retention of Targeted Capital Funding Allocated - £2.83m
- 2018/18 Special School Capital Grant Allocated - £1.7m

7.2 A further £16.8m has been secured through S106, school and diocesan board contributions and the Council's own capital programme, as follows:

- Council Contributions - £2.90m
- School/Diocese Contribution - £1.26m
- Unsupported Borrowing (funded by Dedicated Schools Grant) - £1.3m
- S106 Funding - £8.68m
- Capital Maintenance Fund - £2.66m

7.3 Basic Need capital grant is not time bound or ring-fenced, it can be used for any capital purpose. However, the ESFA have stated that it is expected to be used for investment in schools, joining up with other capital resources when it is beneficial for schools to do so. A total of £73.22m has been spent on both temporary and permanent school places to the end of the 2016/17 financial year

from these funding sources. A further £70.84m (including 3.33m for the Schools Capital Portfolio Team) has been committed to the delivery of schemes adopted as part of the School Place Planning Strategy approved in October 2014 (projects listed in Section 10 of Appendix 1) and the additional Temporary School Expansion projects approved by Cabinet in July 2015. Approved expenditure and commitment costs total £147.07m in the period from 2011/12 to 2020/21.

7.4 The Council's ability to fund further schemes beyond those already approved and underway will be dependent upon the remaining levels of secured funding being allocated for the purpose and on future allocations of Basic Need Grant funding being made. Work is ongoing to identify and secure additional funding sources for the future requirements of this programme, for example through the Community Infrastructure Levy.

7.5 The nature of secondary and SEN education means that the development of additional places in these phases presents additional complexities, and thus higher costs than for primary expansions. Predicting the future costs of providing places remains inherently difficult to forecast. Construction costs are currently rising at a rate significantly in excess of inflation, as identified in a study undertaken by London Councils in 2014 and, more recently, by the National School Delivery Cost Benchmarking survey, undertaken by the Local Government Authorities Association identifying actual delivery costs of primary, secondary and SEND schools. The Royal Institution of Chartered Surveyors (RICS) and Building Cost Information Service (BCIS) note that following the BREXIT vote, this will result in a potential period of uncertainty within the construction industry. The nature of any construction work required to provide additional school places, combined with the site location and layout all affect the cost per place.

8.0 Financial implications

8.1 The changes in primary and secondary pupil numbers will be reflected in the DSG revenue funding allocated to Brent as per the proposals for a national funding formula from 2018/19. Expanding the number of funded places in alternative provision and high needs will have revenue implications. All provision is to be funded from the High Needs Block of the Dedicated Schools Grant (DSG). The High Needs funding proposals for 2018/19 onwards indicate that Brent is unlikely to receive growth funding in the medium term, but that funding will instead be protected at existing funding levels. Consequently expanding in-borough provision must be managed from within existing High Needs resources. This is achievable provided, as outlined in the report, that the new provision replaces current out of-borough arrangements at lower or equal cost.

8.2 School Places are funded primarily from Capital Grant allocations from Central Government. There is a gap between the resources available and the places required (whether through a new school or additional classrooms). However, there is a piece of work underway to understand whether the gap can be covered by future years' capital allocation from DfE.

9.0 Legal implications

9.1 The Council has a general statutory duty under Education Legislation to ensure that there are sufficient school places available to meet the needs of the population in its area. The Council must promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential and increase parental choice. To discharge this duty the Council has to undertake a planning function to ensure that the supply of school places balances the demand for them.

9.2 As a contingency, to support the admission to school of children as quickly as possible, the In Year Fair Access Protocol allows for the admission of children over schools' planned admission numbers in the event that a school place is not available. Schools are not required to maintain classes over the planned admission number but revert to the usual admission number when children leave.

9.3 Statutory processes should be followed for any proposed enlargement of the school premises that would increase the capacity of the school by both more than 30 pupils and 25 per cent or 200 pupils (whichever is the lesser). Governing bodies can propose smaller expansions without the need to follow the statutory process. Proposals may also be required for some cumulative expansions. A review of any earlier enlargements that were made without the need for statutory proposals would need to be made before determining if the statutory process should be followed.

9.4 This means adding those enlargements made:

- in the 5 year period that precedes the proposed expansion date
- since the last approved statutory proposal to enlarge the school (within this 5 year period)
- exclude any temporary enlargements (i.e. where the enlargement was in place for less than 3 years)
- add the making permanent of any temporary enlargement.

The above provision, which appeared in 2007 legislation, has been removed from 2013 regulations. The status of this change has not been tested in the courts. It is therefore advisable that the Council still takes such earlier enlargements into account in order to avoid the risk of a public law challenge until the legal position is clarified.

9.5 Under current admissions code children can be admitted above the Published Admission Number (PAN). For community/voluntary controlled schools the Council as admission authority must consult the Governing Body of the school where it proposes to either increase or keep the same PAN.

9.6 Under Section 19 of the Education Act 2006 and School Organisation Regulations the Council can decide to propose an enlargement or amalgamation, follow the statutory process and resolve to do so without

requiring the consent of the Governing Body whose redress would be to object to the schools adjudicator.

9.7 Under section 37 of the Education Act 2011 if the Council considers a new school needs to be established in its area, the Council must seek proposals for the establishment of an Academy.

9.8 Given there is a presumption that any new school site provided by a local authority would be for a sponsored academy, the Council would in general be expected to grant a 125 year lease at a peppercorn rent to the academy. This approach is intended to be consistent with the existing guidance on community schools converting to academies where a local authority grants to the new academy a 125 lease of the community school site at a peppercorn rent. If in the alternative the Council is asked by the Department of Education to provide a new site for a free school it would also be expected to grant a peppercorn lease to the free school in accordance with Department of Education Guidance updated January 2014.

10.0 Diversity implications

10.1 The Council is required under section 149 of the Equality Act 2010 when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a protected characteristic and those who do not share that protected characteristic. The protected characteristics covered under the Act are age, disability, gender reassignment, marriage and civil partnership (only in respect of eliminating unlawful discrimination) pregnancy, maternity, race (this includes ethnic or national origins), religion or belief (this includes lack of belief) sex and sexual orientation. Due regard means giving relevant and proportionate consideration to the duty, in that whenever significant decisions are being made or policies developed consideration must be given to the impact/affect that implementing a particular policy or decision will have in relation to equality before making that decision or change.

10.2 The School Place Planning Strategy 2014-18 aims to ensure that there are sufficient and suitable school places for all Brent children and that their changing diverse and special education needs are met. It also aims to raise the education standards for all and address inequality due to social disadvantage, disability (including multiple complex needs) and/or other protected characteristics, and contributes to the delivery of the council's equality duties.

10.3 The strategy is reviewed and updated every year to reflect the changing demographics and ensure that the diverse and special education needs of Brent children continue to be effectively met. The findings and the equality analysis screening of this year's review show that there is currently a slowdown in demand for primary school places but a demand increase for secondary school places, The demand for Special Education Needs school places in the Borough is exacerbated and while the proposed changes will help alleviate some of the pressure, the report highlights the increasing need for additional

provision of Brent school places for children with Autism and Social Emotional and Mental Health needs.

10.4 A new strategy will be developed in autumn 2017, which will be subject to a comprehensive consultation with key stakeholders and a full Equality Analysis (EA). In the meantime, any proposals to expand existing schools will continue to be subject to a full Equality Analysis.

11.0 Staffing/accommodation implications (if appropriate)

None specific to this report

Background Papers

November 2015 Report to Cabinet
http://democracy.brent.gov.uk/ieListDocuments.aspx?CId=455&MId=2767&Ver=4

October 2014 Report to Cabinet
http://democracy.brent.gov.uk/ieListDocuments.aspx?CId=455&MId=2559&Ver=4

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LONDON BOROUGH OF BRENT
PLACE PLANNING STRATEGY - 2014-18

Update

June 2017

BRENT PUPIL PLACE PLANNING STRATEGY 2014-18

Refresh – June 2017

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1. Introduction

In October 2014 Brent Council's Cabinet approved the School Place Planning Strategy 2014-18. The strategy outlined the projected need for school places in Brent together with the objectives and operating principles which would underpin the Council's approach to school organisation.

The strategy drew upon existing Council plans, together with the recommendations of the Brent Education Commission 2014, to situate the development of school places within a set of wider aspirations for the Borough.

Our Aspirations

- All Brent schools should be good or outstanding
- All Brent schools should be part of a 'family of schools' which promotes resilience, mutual support and improvement
- The Council and schools should work together to meet the challenge of providing sufficient school places
- Schools should operate in good quality, safe premises
- Children should be educated close to home
- Schools should work with their local communities
- Meeting the needs of children with special educational needs and disabilities should be central to our vision for education in Brent
- We should make efficient use of resources

The strategy was refreshed in November 2015 with some amendments to our operating principles and an update on agreed actions. This update refreshes our assessment of the need for places across the Borough and progress on the delivery of planned expansions.

2. Executive Summary

In June 2017, 97.5% of primary and secondary schools in Brent have been graded as Good or Outstanding by Ofsted. Only 2 schools are judged as Requires Improvement – Newfield Primary School and Sudbury Primary School, an academy that from September 2017 will form the Chrysalis Multi-Academy Trust with Claremont High School.

Mainstream places

In recent years there has been an unprecedented growth in demand for primary school places across London and in Brent and in response over 8000 additional primary places have been provided since 2008. The latest GLA projections (based on the schools census of January 2017) indicate that demand for Reception places will reduce from 2017 onwards underpinned by a decrease in birth rates, before recovering to near 2017 levels. Brent has in the past experienced considerable volatility in the primary-aged population and, while overall projections indicate a downward trend, it is likely that there will be growth and continued pressures in some areas of the Borough or in specific year groups.

While primary forecasts are reducing, there are a number of new housing developments across Brent, which are likely to impact on local demographics and could change school place demand patterns. These are being kept under close review.

The significant growth in pupil numbers that has been seen in the Primary phase, both in Brent and across London, is now beginning to progress into the secondary phase. The latest GLA projections indicate a need for an additional 12 secondary forms of entry in Brent by 2023/24, which could be provided through a combination of new schools and expanding existing provision.

The pattern of additional provision across London in recent years has been supplied by permanent school expansions, temporary bulge classes and new free schools. Currently Brent has one secondary free school and one primary free school. A further primary free school, Floreat Colindale, was due to open in September 2017 but has been postponed until September 2019 by the Education and Skills Funding Agency (ESFA) to allow the school to open on its permanent site. Ark Somerville Free School is expected to also open in 2019 on the Wembley Quintain development site.

Two new free schools were approved by DfE in November 2016 – the North Brent Free School expected to provide 900 secondary places and the Avanti Free School, an all-through school, with a combined capacity of 1320 places (60 per primary year group and 180 per secondary year group). These schools will be unable to open until permanent sites are identified and the Council is working with the Education and Skills Funding Agency to identify sites. The ESFA will purchase or lease any suitable commercial site and fund any building works. The Avanti Free School will have a Hindu ethos and is expected to attract students from a wide geographic area. As it is difficult to find sites, the Avanti Free School may not be located in Brent.

Specialist Provision

The demand for specialist SEN places is increasing in part in proportion to the overall rise in pupil numbers, but also due to increased diagnosis. The prevalence of Autism Spectrum Disorder (ASD) continues to rise and, as more children survive premature birth or severe disabilities, the number of children of school age presenting with significant additional needs is also increasing.

To reduce its dependence on out-of-borough independent special schools, which are expensive and can mean stressful journeys for vulnerable children and limit the access of children and their families to support networks, Brent is planning to provide additional specialist places in Additionally Resourced Provision (ARP) in mainstream schools and a new special free school. The Avenue Free School, which is sponsored by the Brent Special School Academy Trust (BSSAT), will provide additional needed capacity (100 places).

Exclusion figures remain on a steady upward trajectory and there is an increasing number of primary aged children who are permanently excluded. Currently these students are placed in out-of-borough schools, with the majority placed at the Family School in Islington. Although, this is an excellent provision, the Family School has limited capacity and its distance from Brent can make re-integration back into mainstream school in Brent challenging. Brent is planning to expand the age range of Brent River College to provide capacity for primary-aged children.

Childcare and Early Education

Alongside the statutory duty to provide school places the Council has an allied duty to secure sufficient childcare and early education. In addition to the existing entitlements of 15 hours of free early education for some two year olds and all 3 and 4 year olds, from September 2017, all 3 and 4 year olds from working families will have a statutory entitlement to 30 hours of free childcare and early education. Implementation and subsequent administration of this entitlement will sit with the local authority. In terms of sufficiency of places, providers of early education across the private and maintained sectors are currently reviewing existing delivery models to prepare for what is likely to be high demand from parents. In this first year of roll out of the 30 hour entitlement, the numbers of places being offered will have to be monitored closely to ensure that sufficient 30 hour places are available to meet demand from families and to monitor the effect of this on existing 2 year and 15 hour 3 and 4 year places, as a reduction in these could impact some of the most disadvantaged families in the Borough.

In common with most areas in the country there is little building capacity to develop childcare provision in schools. In Brent the priority to date has been to address the acute shortages for school age places. This will remain the priority, but we will develop nursery provision in schools where it is practical to do so.

3. School Place Planning - Frequently Asked Questions

THE COUNCIL ROLE IN SCHOOL PLACE PLANNING

1. **What is the Council's role in providing school places?**
   The Council retains the statutory responsibility to ensure that there are sufficient school places available for all Brent children and young people who need one. It retains too the duties set out in the Education Act 1996 to promote high standards and ensure equal access. The Council has overarching responsibilities for school admissions, co-ordinating admissions at reception, Year 3 (for infant to junior school transition) and at secondary transfer, aiming to meet parental preference.

   In addition to securing school places for pupils aged five to 16, the local authority has related statutory responsibilities in relation to:

   - **Children and young people with special educational needs and disabilities** (SEND) where the Council has to make suitable provision to meet their needs
   - **Early years provision**, where responsibility for childcare sufficiency and for provision for disadvantaged two year olds and all three and four year olds, as well as children's centres, overlaps with school provision
   - **Post 16 education and training** where the Council leads the local 16 to 19 partnership and takes overall responsibility for the sufficiency and suitability of provision.

2. **Can the Council open new schools?**
   It is not possible for the Council to build new community schools. Once the Council identifies a need for a new school it may use one of the following two routes to establish it:

   - The **academy presumption** route whereby the Council would put forward a school proposal which it would advertise and promote to potential academy sponsors. Under this route, the Council would supply the site and use its own capital to build the school;
   - The Council could 'support' a **free school** promoter to apply to the Department for Education (DfE) to build a school, which could be on a Council owned site. The decision would be entirely at the discretion of the DfE, but experience elsewhere indicates that schemes that address school place pressures are more likely to succeed.

3. **Who decides if a school will close, expand or amalgamate?**
   - The local authority has the power to instruct community schools to expand, but not academies, foundation or voluntary aided schools. The local authority also has the power to close community schools or to require them to amalgamate. This is not a power that this local authority has exercised hitherto as we aim, wherever possible, to work collaboratively with schools. In the case of Academies any expansion must be approved by the Regional Schools Commissioner.

PUPIL PROJECTIONS

4. **Where do the projections come from?**
   - The projections that Brent and most other London authorities use to inform place planning are provided by the Greater London Authority (GLA).
   - The GLA projections are informed both by centrally held demographic data, such as the Office of National Statistics (ONS) census data and fertility rates and birth rates, together with locally held information such as migration patterns and planned housing growth.
   - The methodology also takes account of the percentage of children who historically move into the following academic year in an area. This is particularly important in Brent where there is a high level of pupil mobility and migration to schools in other boroughs.

5. **Are the projections accurate?**
   - The GLA projections are a good indicator of place need, but they remain a statistical model which should be seen as a valuable tool rather than a definitive position. There are a number of factors which can lead to the projections being revised up or down.
   - Birth rates, migration patterns and the impact of local regeneration projects can change significantly in a short period of time. The GLA projections for Reception numbers in Brent have been revised downwards. It is anticipated that demand for Reception places will continue to reduce based on the latest birth rate trends. The latest number of births in Brent is lower than recent years – 4877 in August 2016, compared to 5106 in August 2014 and 5139 in August 2015.
   - Secondary projections are more secure as they largely take account of children already in the system. However, the percentage of children who historically move into

the following academic year is a particularly important factor in Brent which is currently a net exporter of secondary pupils. This may change if pressures on secondary places in neighbouring boroughs leads to an increase in demand beyond that in the current projections.

6. **What do the projections tell us about demand for primary places?**
   - The January 2017 projections indicate that the demand for Reception will reduce from 2017 to 2021. They also show that there will continue to be pressures in some parts of the Borough, such as Planning Area 1 (north) and Planning Area 3 (west), as well as some primary year groups.

7. **What are Primary planning areas and why do we have them?**
   - The Council has a duty to provide a "reasonable offer" of a school place to all children. In the primary phase a "reasonable offer" is one that is within 2 miles of home. By dividing the borough into planning areas officers can more easily ensure that places are provided near to where children live. However, they are only a guide to help officers. In reality children can travel across planning areas to attend school, particularly when they live close to the borders.

8. **So why don't we have secondary planning areas?**
   - Secondary children are expected to travel longer distances to school and are more likely to travel on their own. A reasonable offer for a secondary place is one that is within 3 miles of home. The size of Brent and the good transport links mean that children can travel to any school.

9. **What do the projections indicate in the secondary phase?**
   - There is currently a surplus of places in the secondary phase, but this will begin to change from 2018 as larger primary cohorts move through the system. Projections indicate growth in Year 7 of 22% between 2016 and 2023.

PROVIDING ADDITIONAL PLACES

10. **Is it better to provide temporary or permanent classes?**
    - Generally it is more cost effective to provide permanent places in the primary phase. There are times, however, where site and time constraints mean that this is not possible. There are also occasions where the bulge in numbers only applies to one cohort of students. In these circumstances, it is better to provide a temporary bulge class.
    - Expansion in the secondary phase is more complex than primary, partly because specialist facilities (e.g. sport, science, technology) may need to be provided alongside standard classrooms. Students also need to access these facilities during the building process which makes decant more challenging and can impact on cost.

11. **Is it better to expand existing schools or provide new schools?**
    - Expanding existing schools gives the Council greater confidence that provision will be good and that it will be popular. However, it is important that the challenges of expansion are well managed to avoid impacting on standards in good schools.
    - New schools offer a chance to provide new learning environments and attract high quality providers. However, the Council does not control the provision of free schools. In a borough such as Brent there are also considerable challenges in finding sites for new schools.
    - Expansion is funded by the Council from Basic Need. New schools are largely funded by the Education and Skills Funding Agency.
    - We believe that new schools are a cost effective way to provide the additional places that will be needed in the secondary phase.

4. Our Operating Principles for School Organisation

1. Sixteen agreed operating principles underpin Brent's approach to school place planning.

Principle 1: We will only undertake expansions at high quality or improving schools where leadership is secure.

Principle 2: We will promote federations between primary schools, both to address quality issues and to address the future viability of one form of entry schools.

Principle 3: We will actively consider two-site schools and 5FE schools where there is leadership and management capacity and where this is a genuine expansion and not a new school.

Principle 4: We will develop local capacity to sponsor or promote new schools, working with academies in all phases.

Principle 5: We will work towards the amalgamation of separate infants and junior schools.

Principle 6: We will not currently seek to develop more all-through schools.

Principle 7: We will expect expanded and re-structured schools generally to meet government guidance on space standards but be prepared to consider innovative design solutions to achieve this.

Principle 8: We will seek to minimise disruption to schools during expansion and support school leaders to manage the challenges.

Principle 9: We will continue planning primary places using planning areas.

Principle 10: We will as far as possible incorporate proposals for additional school places into new regeneration schemes.

Principle 11: We will consider expanding voluntary aided schools only where there is local Brent demand, working with the relevant partners.

Principle 12: We will continue planning secondary school places on a borough wide basis with the ambition to make Brent's secondary offer attractive to all parents.

Principle 13: We will consider how community benefits from school facilities can be maximised when we expand or build new schools.

Principle 14: We will consult with local communities as part of the planning process to minimise/mitigate the impact of new school developments.

Principle 15: We will build inclusive provision into expansion and new school proposals and work with neighbouring authorities on the planning of special school places.

Principle 16: After assessing educational suitability, schemes for expansion or new schools will be judged in terms of value for money, deliverability and strategic fit with wider investment programmes

5. The Need for Secondary Places

2. The significant growth that has been seen in the Primary phase since 2010, has begun to move through to the secondary phase in 2016, with demand expected to outstrip supply by 2020/21(January 2017 GLA projections). The projected secondary capacity and place need is outlined in Table 1. By 2023/24, an additional 12 secondary forms of entry will be required in Brent. This is equivalent to two new secondary schools.

Table 1: Secondary Places and Projections

Year	Year 7 Projected intake	Year 7 places available	Surplus/ Deficit of places	Surplus/ Deficit as FE
2017/18	3250	3412	162	5.4
2018/19	3310	3412	102	3.4
2019/20	3397	3412	15	0.5
2020/21	3462	3412	-50	-1.7
2021/22	3570	3412	-158	-5.3
2022/23	3684	3412	-272	-9.1
2023/24	3763	3412	-351	-11.7
2024/25	3625	3412	-213	-7.1
2025/26	3579	3412	-167	-5.6
2026/27	3576	3412	-164	-5.5

3. Alperton is planning to expand by a further 2FE in 2018 using the school's Stanley Avenue site, subject to the Regional Schools Commissioner's approval.

4. Brent has traditionally been a net exporter of pupils. In part this is due to our proximity to other boroughs and in part to the fact that 3 of our secondary schools have not been popular with parents, who chose to preference schools outside of Brent. However, all 3 schools are now judged Good by Ofsted. In the south of the Borough - Primary Planning Area 5 – over 55% of Brent parents chose out-of-borough secondary schools for their children (Table 2). The GLA projections reflect the percentage of children who historically move from Year 6 to Year 7 in the following academic year. If parental preference patterns change, this could impact on future forecasts and demand for individual schools.

5. Neighbouring boroughs are facing similar school place challenges and we anticipate that Brent parents may find it increasingly difficult to access places in out-of-borough secondary schools. Additionally, parental perception of Brent secondary schools that are currently under-subscribed should change as Ofsted judgements and standards have improved. The combination of these factors could mean that the demand for places in Brent secondary schools may increase beyond that currently shown in Table 1.

6. The Council will be exploring options for expanding existing schools, but it is unlikely that the Council will be able to meet the projected level of need outlined only through

expansion. At least one new free school will be needed for the Council to meet secondary need efficiently.

7. Two new free schools intended for Brent were approved by DfE in November 2016 – the North Brent Free School, a secondary school offering 180 places in each year group, and the Avanti Free School, an all-through school offering 60 primary places per year group and 180 secondary places per year group. These schools will be unable to open until permanent sites are secured and the Council is working with the Education and Skills Funding Agency (ESFA) to identify sites. The ESFA will purchase or lease any suitable commercial site and fund any building works. The Avanti Free School will have a Hindu ethos and is expected to attract students from a wide geographic area. As it is difficult to find sites, the Avanti Free School may not be located in Brent.

Table 2: Secondary Transfer by Primary Planning Area

LA of Offered School 2016	Brent Resident School Planning Area					
	PA 1	PA 2	PA 3	PA 4	PA 5	Total
Brent Total	**314**	**337**	**853**	**398**	**588**	**2490**
Brent %	**72.0%**	**82.8%**	**84.1%**	**75.8%**	**55.7%**	**72.4%**
Barnet	63	11	27	21	74	196
Bexley			1			1
Bournemouth					1	1
Buckinghamshire	1	3				4
Camden	2			2	103	107
Ealing	2	7	44	14	19	86
Enfield				2		2
Essex					1	1
Hackney	1					1
Hammersmith and Fulham		1	2	9	27	39
Haringey			1		1	2
Harrow	43	34	59	19	20	175
Hertfordshire	5	6	3		2	16
Hillingdon		4	2		1	7
Hounslow			8	1	2	11
Islington					1	1
Kensington and Chelsea		1	1	10	23	35
Slough	2	2	6		1	11
Sutton	1	1	2			4
Wandsworth				1		1
Westminster	2		5	48	192	247
Non-Brent Total	**122**	**70**	**161**	**127**	**468**	**948**
Non-Brent %	**28.0%**	**17.2%**	**15.9%**	**24.2%**	**44.3%**	**27.6%**
Grand Total	**436**	**407**	**1014**	**525**	**1056**	**3438**

6. The Need for Primary Places

8. In recent years Brent has seen an unprecedented increase in the demand for primary school places. The primary pupil population (Reception to Year 6) increased from 21,427 in May 2008 to 26,502 in May 2016, an increase of 23.7%.

9. In October 2014 officers informed Cabinet that the most recent predictions provided to the authority by the GLA had indicated a substantial reduction in births across London. Table 3 shows the actual births for the three years ending August 2016. The 2015-16 births are 262 lower than the previous year. The drop in the births is reflected in the latest GLA projections and indicate lower demand for Reception places over the next few years.

Table 3: Births in Brent

Year	Sept 2013 – Aug 2014	Sept 2014 – Aug 2015	Sept 2015 – Aug 2016
Births in Brent	5106	5139	4877

10. In the recent past Brent has been forced, at very short notice, to open temporary annexe provision and bulge classes to meet a sudden sharp increase in demand for primary places. Such temporary provision is neither educationally desirable nor cost effective. We have reduced our reliance on this provision by providing sufficient flexibility in permanent and temporary provision on school sites. In recognition of this and the projected growth in primary cohort size from Reception to Year 6, Cabinet recommended, in October 2014, that Brent should aim to maintain a 5% surplus in Reception places. We are currently operating with a surplus of 4% in Reception and a surplus across primary provision of 3%. We expect this to increase based on the most recent GLA forecasts that show demand falling over the next few years (Tables 4 and 5).

11. Table 4 shows the latest GLA forecasts and available primary places and Table 5 shows forecast demand for Reception places from 2017. The places available includes expanded provision at Byron Court, Elsley, Leopold and Uxendon Manor schools, which became permanent during the 2015/16 or 2016/17 academic years.

12. The ESFA proposes to open 2 new primary free schools in Brent. The ESFA is reluctant to open new free schools on temporary sites until a permanent site has been identified. Floreat Colindale Primary, which will provide 420 places (2FE), was due to open in temporary accommodation in 2016 and move to a permanent site from 2018. However, latest plans are for the school to open in 2019 on the school's permanent site at Oriental City. Ark Somerville Primary School (3FE) was originally approved to open in 2017 in the Alperton region of Planning Area 3. It is now earmarked for the York House site, Wembley Central which is adjacent to the other growth area in Planning Area 3. The final column of Table 5 indicates the impact these schools would have on Reception capacity if both opened in 2019.

13. We are forecasting a reduction in demand for Reception places for September 2017, evidenced by fewer on time applications than at the same point in time in previous years.

The latest pupil forecasts suggest that Reception cohorts will continue to fall for a further three years before beginning to increase again (in 2020/21). As a result there will be a temporary increase in spare capacity across the borough. Neighbouring authorities are reporting similar patterns. We are currently working with schools to manage any changes in demand.

14. Brent schools experience a high degree of pupil mobility due to families moving in and out of the Borough and families moving within the Borough. Overall forecasts indicate that year groups are expected fluctuate in size as they move through the system. There is a forecast deficit of primary places in Year 3 in Planning Area 1 and Planning Area 3 for September 2017. We anticipate that spare capacity in other planning areas will be sufficient to meet this need.

Table 4: Primary projections and places

		Rec	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017/2018	Capacity	4,217	4,187	4,214	4,062	3,887	3,977	3,897
	Projections	3,855	3,881	3,961	3,909	3,770	3,775	3,715
	surplus/deficit	**362**	**306**	**253**	**153**	**117**	**202**	**182**
2018/2019	Capacity	4,277	4,277	4,217	4,214	4,062	3,887	4,007
	Projections	3,798	3,858	3,870	3,946	3,902	3,729	3,739
	surplus/deficit	**479**	**419**	**347**	**268**	**160**	**158**	**268**
2019/2020	Capacity	4,427	4,277	4,277	4,217	4,214	4,062	3,887
	Projections	3,782	3,804	3,853	3,900	3,937	3,857	3,691
	surplus/deficit	**645**	**473**	**424**	**317**	**277**	**205**	**196**
2020/2021	Capacity	4,427	4,427	4,277	4,277	4,217	4,214	4,062
	Projections	3,788	3,796	3,805	3,866	3,893	3,901	3,822
	surplus/deficit	**639**	**631**	**472**	**411**	**324**	**313**	**240**
2021/2022	Capacity	4,427	4,427	4,427	4,277	4,277	4,217	4,214
	Projections	3,812	3,801	3,797	3,818	3,864	3,850	3,862
	surplus/deficit	**615**	**626**	**630**	**459**	**413**	**367**	**352**
2022/2023	Capacity	4,427	4,427	4,427	4,427	4,277	4,277	4,217
	Projections	3,836	3,824	3,801	3,808	3,814	3,824	3,809
	surplus/deficit	**591**	**603**	**626**	**619**	**463**	**453**	**408**

Note: Including Floreat Colindale and Ark Somerville free schools from 2019

Table 5: Primary Reception projections and places

Year	Projected Reception intake (GLA January 2017)	Reception places available (excluding 2 planned free schools)	Surplus places	Surplus places as FE	Surplus places with Floreat Free School (2FE) and Ark Somerville (3FE)
2017/18	3855	4217	362	12.1	12.1
2018/19	3797	4277	480	16	16
2019/20	3781	4277	496	16.5	21.5
2020/21	3787	4277	490	16.3	21.3
2021/22	3812	4277	465	15.5	20.5
2022/23	3836	4277	441	14.7	19.7
2023/24	3853	4277	424	14.1	19.1
2024/25	3871	4277	406	13.5	18.5
2025/26	3889	4277	388	12.9	17.9

7. The Need for Places by Primary Planning Areas

15. The Borough is divided into 5 Primary Planning Areas (see Figure i). This supports the Council in providing a school place within a reasonable travelling distance for primary children. The match of demand to the supply of places varies across planning areas and year groups.

16. **Planning Area 1: 7 primary schools**

- **Demand:** The January 2017 GLA projections indicate a surplus of Reception places over the next 6 academic years. Some year groups are forecast to increase as they move through the school system resulting in a deficit of places. This will be alleviated by places at Byron Court, in neighbouring planning area (PA2) as it expands in these year groups (from 3FE to 5FE).

- **Planned Changes to Capacity:** Floreat Colindale Free School is planned to open in September 2019 and will provide 2FE (420 places).

- **Recommendations:** Based on the forecast level of demand and available capacity, developing an Additionally Resourced Provision for children with Autistic Spectrum Disorder (ASD) at Fryent would be an efficient use of the estate and should be explored.

Table 6: Planning Area 1 January 2017 GLA projections and capacity

Planning Area 1		Rec	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017/2018	Capacity	480	480	510	540	510	510	480
	Projections	493	475	509	547	507	500	480
	surplus/deficit	**17**	**35**	**1**	**-7**	**3**	**10**	**0**
2018/2019	Capacity	510	510	510	510	540	510	510
	Projections	498	504	479	534	550	509	504
	surplus/deficit	**12**	**6**	**31**	**-24**	**-10**	**1**	**6**
2019/2020	Capacity	570	510	510	510	510	540	510
	Projections	502	508	508	514	537	553	513
	surplus/deficit	**68**	**2**	**2**	**-4**	**-27**	**-13**	**-3**
2020/2021	Capacity	570	570	510	510	510	510	540
	Projections	493	505	505	535	511	534	551
	surplus/deficit	**77**	**65**	**5**	**-25**	**-1**	**-24**	**-11**
2021/2022	Capacity	570	570	570	510	510	510	510
	Projections	488	496	502	533	532	507	530
	surplus/deficit	**82**	**74**	**68**	**-23**	**-22**	**3**	**-20**
2022/2023	Capacity	570	570	570	570	510	510	510
	Projections	486	492	493	529	529	529	505
	surplus/deficit	**84**	**78**	**77**	**41**	**-19**	**-19**	**5**

17. **Planning Area 2: 9 primary schools**

- **Demand:** The January 2017 GLA projections indicate spare places in all year groups over the next 6 academic years. After several years of place pressures in the area, parents will have increased choice of provision. Spare places in PA2 will also be accessible to parents living in other planning areas and will provide a buffer, to meet any unanticipated demand or pressures in neighbouring areas.

- **Planned changes to capacity:** There are no current planned changes to capacity. Byron Court's expansion from 2FE expansion in January 2016 to a maximum of 5FE will see the school increasing its intake year on year in line with demand.

- **Recommendations:** No further action is required. This planning area is adjacent to PA1 and PA3 and it is expected that demand from these areas will absorb surplus capacity.

Table 7: Planning Area 2 January 2017 GLA projections and capacity

Planning Area 2		Rec	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017/2018	Capacity	780	780	720	750	660	750	630
	Projections	677	691	677	740	634	691	616
	surplus/deficit	**103**	**89**	**43**	**10**	**26**	**59**	**14**
2018/2019	Capacity	780	780	780	720	750	660	750
	Projections	671	669	688	687	728	624	686
	surplus/deficit	**109**	**111**	**92**	**33**	**22**	**36**	**64**
2019/2020	Capacity	780	780	780	780	720	750	660
	Projections	661	663	666	699	676	713	620
	surplus/deficit	**119**	**117**	**114**	**81**	**44**	**37**	**40**
2020/2021	Capacity	780	780	780	780	780	720	750
	Projections	665	657	662	675	688	665	708
	surplus/deficit	**115**	**123**	**118**	**105**	**92**	**55**	**42**
2021/2022	Capacity	780	780	780	780	780	780	720
	Projections	667	660	655	669	664	673	660
	surplus/deficit	**113**	**120**	**125**	**111**	**116**	**107**	**60**
2022/2023	Capacity	780	780	780	780	780	780	780
	Projections	670	660	656	661	657	649	665
	surplus/deficit	**110**	**120**	**124**	**119**	**123**	**131**	**115**

18. **Planning Area 3: 12 primary schools**

- **Demand:** The January 2017 GLA projections indicate increasing demand for Reception places over the next 6 academic years after an initial reduction. This PA has two areas of growth – Alperton and Wembley – and longer term demand for Reception places is expected to continue to grow.

  The year group that will be in Year 1 in 2017 is expected to grow, resulting in a small deficit of places. This will be relieved by available places in PA2 and PA4, where there is a projected surplus across all year groups for the next 6 academic years.

- **Planned Changes to Capacity:** No further changes to capacity are planned. Elsley Primary School and East Lane Primary School (formerly part of Wembley High Technology College) will continue to grow year on year in response to demand for their expanded capacity (both are 4FE schools). A new 3FE Free School (Ark Somerville) is earmarked to be situated in this planning area, opening in 2019.

- **Recommendations:** To review whether to increase pupil numbers in the upper year groups at the East Lane Primary School at a faster pace than planned to meet any additional need for places. Similarly Elsley Primary School could grow faster than planned once the expansion works are completed in 2018.

Table 8: Planning Area 3 January 2017 GLA projections and capacity

Planning Area 3		Rec	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017/2018	Capacity	970	940	940	820	790	850	820
	Projections	932	944	897	819	793	833	812
	surplus/deficit	**38**	**-4**	**43**	**1**	**-3**	**17**	**8**
2018/2019	Capacity	970	970	940	940	820	790	850
	Projections	911	942	941	901	810	782	821
	surplus/deficit	**59**	**28**	**-1**	**39**	**10**	**8**	**29**
2019/2020	Capacity	1,060	970	970	940	940	820	790
	Projections	910	928	946	951	895	802	774
	surplus/deficit	**150**	**42**	**24**	**-11**	**45**	**18**	**16**
2020/2021	Capacity	1,060	1,060	970	970	940	940	820
	Projections	943	944	946	961	951	899	800
	surplus/deficit	**117**	**116**	**24**	**9**	**-11**	**41**	**20**
2021/2022	Capacity	1,060	1,060	1,060	970	970	940	940
	Projections	968	973	960	959	960	948	893
	surplus/deficit	**92**	**87**	**100**	**11**	**10**	**-8**	**47**
2022/2023	Capacity	1,060	1,060	1,060	1,060	970	970	940
	Projections	991	992	983	968	953	953	935
	surplus/deficit	**69**	**68**	**77**	**92**	**17**	**17**	**5**

Note: Includes Ark Somerville and East Lane at 4FE

19. **Planning Area 4: 10 primary schools**

- **Demand:** The January 2017 GLA projections indicate a surplus of Reception places over the next 6 academic years and all other year groups.

  The Old Oak Common redevelopment scheme will affect this area. Initial plans state 866 additional units by 2026. However, the Old Oak Park Royal Development Corporation (OPDC) have indicated that all numbers and timescales are to be revised as new sites have since been added to the masterplan. Further discussions are required with the OPDC to understand the likely impact on provision in Brent.

- **Planned change to capacity:** Two schools in this area have been expanded. Stonebridge Primary School officially expanded from 2FE to 3FE in September 2015, having had 6 bulge classes in a separate annexe since 2012. A capital investment project to provide permanent accommodation is planned. Harlesden Primary School expanded from 1FE to 3FE in September 2014 and opened two Y2 classes in September 2015 such was the demand. Both schools are now seeing reduced demand.

  Due to a fire in 2015, St Joseph's RC Primary reduced its Reception intake in September 2016 from 90 to 60. For 2017 those pupils will move to Year 1. The school has confirmed that it is still using temporary accommodation and that Reception and Year 1 will remain at 60 places for September 2017.

- **Recommendations:** A review of places against demand is required to ensure that schools are sustainable and that we make the best use of capital investment.

Table 9: Planning Area 4 January 2017 GLA projections and capacity

Planning Area 4		Rec	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017/2018	Capacity	735	735	762	730	735	675	725
	Projections	618	628	687	635	692	621	660
	surplus/deficit	**117**	**107**	**75**	**95**	**43**	**54**	**65**
2018/2019	Capacity	765	765	735	762	730	735	705
	Projections	599	618	625	655	641	683	613
	surplus/deficit	**166**	**147**	**110**	**107**	**89**	**52**	**92**
2019/2020	Capacity	765	765	765	735	762	730	735
	Projections	611	599	615	594	657	633	671
	surplus/deficit	**154**	**166**	**150**	**141**	**105**	**97**	**64**
2020/2021	Capacity	765	765	765	765	735	762	730
	Projections	595	608	596	585	598	648	626
	surplus/deficit	**170**	**157**	**169**	**180**	**137**	**114**	**104**
2021/2022	Capacity	765	765	765	765	765	735	762
	Projections	595	594	604	568	592	591	639
	surplus/deficit	**170**	**171**	**161**	**197**	**173**	**144**	**123**
2022/2023	Capacity	765	765	765	765	765	765	735
	Projections	598	599	597	579	580	589	588
	surplus/deficit	**167**	**166**	**168**	**186**	**185**	**176**	**147**

20. **Planning Area 5: 25 primary schools**

- **Demand:** The January 2017 GLA projections show a surplus of Reception places over the next 6 academic years. Other year groups also show spare capacity that is expected to increase. This is mainly due to the rising rolls at Kilburn Grange Free School which opened in 2015/16.

  Many children living in this planning area attend schools in neighbouring authorities – Camden and Westminster. This planning area covers the South Kilburn regeneration region. It is anticipated that the South Kilburn master plan will maximise housing developments, which could lead to an increase in current pupil projections.

- **Planned changes to capacity:** Kilburn Grange Free School opened in September 2015 with an intake of 2FE in Reception. The school will not reach its full capacity of pupils until 2022/23.

- **Recommendations:** As part of the South Kilburn regeneration programme, keep under review school place demand.

Table 10: Planning Area 5 January 2017 GLA projections and capacity

Planning Area 5		Rec	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017/2018	Capacity	1,252	1,252	1,282	1,222	1,192	1,192	1,242
	Projections	1,135	1,143	1,191	1,168	1,144	1,130	1,147
	surplus/deficit	**117**	**109**	**91**	**54**	**48**	**62**	**95**
2018/2019	Capacity	1,252	1,252	1,252	1,282	1,222	1,192	1,192
	Projections	1,119	1,125	1,137	1,169	1,173	1,131	1,115
	surplus/deficit	**133**	**127**	**115**	**113**	**49**	**61**	**77**
2019/2020	Capacity	1,252	1,252	1,252	1,252	1,282	1,222	1,192
	Projections	1,098	1,106	1,118	1,142	1,172	1,156	1,113
	surplus/deficit	**154**	**146**	**134**	**110**	**110**	**66**	**79**
2020/2021	Capacity	1,252	1,252	1,252	1,252	1,252	1,282	1,222
	Projections	1,092	1,082	1,096	1,110	1,145	1,155	1,137
	surplus/deficit	**160**	**170**	**156**	**142**	**107**	**127**	**85**
2021/2022	Capacity	1,252	1,252	1,252	1,252	1,252	1,252	1,282
	Projections	1,094	1,078	1,076	1,089	1,116	1,131	1,140
	surplus/deficit	**158**	**174**	**176**	**163**	**136**	**121**	**142**
2022/2023	Capacity	1,252	1,252	1,252	1,252	1,252	1,252	1,252
	Projections	1,091	1,081	1,072	1,071	1,095	1,104	1,116
	surplus/deficit	**161**	**171**	**180**	**181**	**157**	**148**	**136**

8. The Need for SEND and Alternative Provision Places

21. The Borough's SEND Strategy is to enable each young person to realise their potential in an appropriate, inclusive setting whether in a mainstream, Additionally Resourced Provision (ARP) or a special school. By giving the right support at the right time, young people will be encouraged to become independent, autonomous learners, fully involved with their parents and carers in decisions about their future.

22. In 2014 the Government introduced wide ranging reforms in the way that special educational needs are to be met. Statements of SEN were replaced with Education, Health and Care Plans (EHCPs). The age range for EHCPs was also extended from 2 to 19 to 0 to 25.

23. The new system applies to all providers of education including state funded provision in both maintained and academy schools (including free schools). In mainstream schools, SEN support replaced the previous categories of School Action and School Action Plus.

24. As of January 2016 (SFR release 2016 DfE - school age pupils who attend school in Brent) there were 4923 children and young people assessed as requiring SEN Support. The number of children and young people with an EHC Plan who attend a Brent School was 1470 which is 3% of the school student population of 48,417. The table below shows the breakdown of children and young people in all school settings.

Table 11: January 2016 SEN PROVISION

Jan 2016 - SEN Provision of LB Brent school census - Reception to Yr 11						
School type	Secondary	Primary	Special	PRU (as per census Jan 16)	Children's Centres (as per census Jan 16)	All pupils (inclu PRU and Nurseries)
SEN Support	1,286	3,567	0	17	53	4,923
EHC plan / statement	377	454	638	1	0	1470
All pupils	**19,414**	**27,876**	**638**	**53**	**436**	48,417

25. As of January 2017 there were 1960 (SEN 2 Return**)** Brent resident children and young people with an EHCP or statement. Of these 1824 Brent resident children and young people with an EHCP (Reception to year 14) were attending a school and 136 young people were attending a further education provision (age 16 -25). This includes 413 children and young people with an EHCP Plan or statement in out of Borough mainstream, specialist or independent provision.

Table 12: EHCP/Statement Numbers

Brent Resident EHCP		In Borough		Out Borough		Further Education Age 16-25	Total
1824		1384		440		136	1960
Primary	Secondary	Primary	Secondary	Primary	Secondary	Further Education	Total
953	871	807	577	146	294	136	1960

26. Most children and young people with SEND can have their needs met in a mainstream setting but the demand for specialist places is increasing. In 2017 (Jan SEN2 return) 48% of children and young people with EHC plans attended a mainstream provision and 52% of children and young people with EHC plans attended a specialist provision. Table 13 shows the increase in children and young people with Statements of SEN/EHC Plans and whether they attend a mainstream or specialist school over the last 3 years from 2015-17. The data excludes the number of young people attending further education.

Table 13: Brent resident children and young people with an EHCP (Reception to year 14) –SEN2 Return

2015			2016			2017		
Total No CYP with Statements /EHC Plan	Main stream	Special	Total No CYP with Statements /EHC Plan	Main stream	Special	Total No CYP with Statements /EHC Plan	Main stream	Special
1653	819	834	1772	871	901	1824	873	951
	50%	**50%**		**49%**	**51%**		**48%**	**52%**

27. There are four special schools and five mainstream schools with Additionally Resourced Provision. The Special Schools in the Borough now cater for a wide range of complex SEND (see Table 14). Despite an increase of 104 places since 2012, there is still a demand for specialist provision and Brent is reliant on sourcing places in out-of-borough maintained Special Schools or Independent schools. Table 14 lists the provision available in the Borough. The total capacity is currently 751 places broadly split between primary and secondary.

Table 14: SEND provision by type

School	Type of School	Special Need	Actual number of pupils in Brent Special and ARPs January 2017	Number of Planned Places
Manor School	Special	MLD/ASD	172	170
Phoenix Arch School		ASD/SEMH	47	48
The Village School	Special	PMLD/SLD/ASD	277	270
Woodfield School	Special	MLD/ASD	156	165
Alperton Community School	ARP	MLD	13	16
Kingsbury Green Primary	ARP	HI	17	16
Kingsbury High School	ARP	HI	6	7
Oakington Manor Primary School	ARP	ASD	15	15
Oakington Manor Primary School	ARP	SLCN	18	20
Preston Manor School	ARP	ASD	12	12
Preston Manor School	ARP	SLCN	12	12
Grand Total			**745**	**751**

Note:
ARP - Additionally Resourced Provision,
MLD – Moderate learning difficulties,
SEMH – Social, Emotional Mental Health,
PMLD - Profound and Multiple learning difficulties,
SLCN – Speech and Language Communication Needs
SLD – Severe learning difficulties
HI – Hearing Impairment,
ASD – Autistic Spectrum Disorder,

28. Despite the expansion of Brent special schools, there are currently 114 pupils attending out-of-borough maintained special and academy special schools and 131 pupils attending independent provision also outside of the Borough. Children are often placed in these provisions because there is no appropriate place for them in Brent.

29. Of the 131 pupils currently placed in independent Special provision 68 have a diagnosis of Autism Spectrum Disorder (ASD), 23 pupils have SEMH (Social Emotional Mental Health), 10 pupils have MLD (Moderate Learning Difficulty) and 10 pupils have SLCN (Speech, Language And Communication Needs). Table 15 shows the numbers of children and young people by type of special educational need placed in independent provision.

Table 15: Number Pupils attending independent provision out of Brent by SEN type

SEND Need	Numbers in Independent provision
A S D - Autistic Spectrum Disorder	68
S E M H - Social, Emotional And Mental Health	23
M L D - Moderate Learning Difficulties	10
S L C N - Speech, Language And Communication Needs	10
P M L D - Profound & Multiple Learning Difficult	7
S L D - Severe Learning Difficulties	5
S P L D - Specific Learning Difficulty	4
V I - Visual Impairment	2
P D - Physical Disability	2
Grand Total	131

30. Table 16 below shows the numbers of children and young people by the top four type of special educational need placed in independent primary and secondary provision.

Table 16: Independent Specialist Provision Placements

ASD		SEMH		SCLN		MLD	
Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
16	52	3	20	2	8	3	7

31. Placement costs in independent schools ranged from £25,692 to £104,000 in 2016/17, with an average cost of £48,000. Providing transport to independent provision is currently costing the council in excess of £1.4 million. Notwithstanding the financial case, there is a strong educational and social rationale for the Council to place students within its own boundaries. The time taken to travel to more distant schools can be stressful for children and young people, especially those with physical needs, with more risk of traffic delays leading to loss of education. They are also less likely to develop friendship groups in their own communities, and the parents less able to take part in their support networks.

32. Once children are placed out-of-borough it is very difficult to bring them back to Borough provision. This has meant long term reliance on out-of-borough and independent placements often until children and young people are 19 or older. Some children have such specific needs that cannot be met other than in very specialist provision, but there is considerable scope to reduce these placements.

33. In May this year a review of the number of SEND specialist places was undertaken that examined patterns of placement in existing provision and forecasts of future need. The numbers of children with SEND will increase as overall pupil numbers rise and given increasing diagnosis. Forecasts were showing an expected increase in the numbers of Children and Young People with Education, Health and Care (EHC) Plan to 1,975 by 2020 and 2,420 by 2025. However, in January 2017 there were already 1960 EHC Plans and the forecasts are being revised.

34. Whilst this increase has largely been seen in the primary phase to date, it is now beginning to move into the secondary phase. There is increasing demand for places for children and young people with ASD, social emotional and behavioural difficulties and speech and language needs. Any new specialist provision will need to focus on providing for these cohorts of pupils.

35. Nationally the proportion of children with EHC Plans in specialist provision has increased by 4% since 2010. In Brent if the current 52% (2017 SEN 2 return) placed in specialist provision is maintained, it is estimated there will be demand for 1027 specialist places by 2020, creating a gap of 276 places between current supply and future demand. To meet SEND demand to 2020 and reduce reliance on out-of-Borough special and independent schools, additional local SEN specialist places would need to be provided.

36. The Council is continuing to implement its updated School Place Planning Strategy approved in November 2015 to meet the demand for additional SEND places. There are plans to develop provision locally within the Borough and a new Special Free School is planned for 2018 to alleviate some of the need to place pupils with severe learning difficulties and ASD out of the Borough. Officers are also exploring whether more provision can be provided through Additionally Resourced Provision (ARP) in mainstream schools to meet the particular needs of pupils with ASD and Moderate Learning Difficulties (MLD). This would go some way to relieving pressure on places in special schools. It will help meet the demand but there is still pressure to meet the ongoing demand for special school places in Brent for those with Autism and Social Emotional and Mental Health needs. Brent does not have specialist provision for those with Social Emotional and Mental Health needs and some of these children are placed in independent or out of Borough maintained school placements.

37. Planned changes to provision: Brent Special School heads through the Brent Special School Academy Trust (BSSAT) have collectively sponsored a new Special Free School for 100 places. The site that the Council hopes will become the permanent site of the school, the former Avenue School in NW6, is currently being used by the ESFA as a temporary site for Marylebone Boys, a free school that will be permanently located in Westminster. In the interim, plans are being finalised to expand Manor School by 18

places at Queens Park Community school for September 2017 for primary ASD/MLD children across three classes - Early years (age 4-6), KS 2 (lower end) and KS2 (upper).

38. The number of places in the current arrangement between Alperton/Woodfield has reduced due to the new build at Alperton School and the fact that more complex children at Woodfield cannot be transferred.

39. In relation to primary provision, there will be additionally resourced provision for Children with ASD at Fryent Primary School from September 2017 providing 14 places and a further 14 places by 2018. There is an acute need for additional provision for ASD (see Section 8). Depending on the size of the ARP, in the longer term Fryent's intake could reduce from 120 to 90. This would only require minor moderations to the existing accommodation.

40. Table 17 shows the planned expansion of primary additionally resourced provision and special schools up to September 2018.

Table 17: Planned additional special educational needs provision

School	Type of School	Special	2017/18	2018/19
Fryent Primary	ARP	ASD	14	28
Manor Primary (QPCS)	Special	ASD/MLD	18	18
The Avenue (5-18) Primary and Secondary	Special	ASD/Complex	TBC	Up to 100 places 2018 onwards
Total			32	146

41. The Council has a statutory duty to provide an appropriate full-time education for pupils who have been permanently excluded from school or who are otherwise without a mainstream school place.

42. Exclusion figures remain on a steady upward trajectory. Of particular concern is the increase in Fixed Term Exclusions from primary schools. This increase reflects the national picture. Recently there has also been an increase the number of very young pupils who are permanently excluded. Currently these students are placed in out-of-borough schools, with the majority placed at the Family School in Islington. Although, this is an excellent provision with a focus on both academic and therapeutic progress, the Family School takes pupils from other Boroughs and has limited capacity. Its geography also means a long daily journey for young pupils and presents challenges in terms of successful implementation of re-integration programmes for the pupils back into mainstream school in Brent. There is, therefore, a clear need to develop similar Primary PRU provision in Brent. The Local Authority will create 6 additional places for Key Stage 1 and Key Stage 2 pupils at Brent Pupil Referral Unit (Brent River College) from September 2017. Brent River College has submitted an application to the DfE to expand the age range to make provision for primary age pupils (pending approval). BRC is also

planning to create 6 additional preventative places for children at risk of permanent exclusion (commissioned directly by schools).

43. In order to meet the needs of Children with SEMH, planning is underway to make provision for primary age pupils who either have been excluded and have long term complex needs or are at risk of being excluded. Brent is also working with Roe Green Junior to deliver preventative programmes commissioned by schools for KS1 and KS2 children at risk of exclusion. The funding enhances the current educational offer of PETS 1 and PETS 2 – provisions in place at Roe Green Junior School.

9. Childcare and Early Years Education

44. Under the Childcare Act 2006 local authorities have a statutory duty to secure sufficient childcare for the needs of most working parents/carers in their area. In Brent, childcare for 0 – 4 year olds is delivered through a strong PVI sector as well as through schools in the borough, with an almost 50/50 split between the two sectors for delivery of the free entitlement for 3 and 4 year olds. An increasing number of childminders too are offering the free entitlement for 2, 3 and 4 year olds.

45. Much work has been done to stimulate growth of childcare places through capital and new place funding, most recently for implementation of the free entitlement for eligible two year olds. The local authority's Early Years quality improvement team have also worked very closely with the PVI sector in particular to raise the quality of provision and this has resulted in the highest number of Good or Outstanding Ofsted gradings the sector has had to date. Our current percentage of Good and Outstanding for providers is 91% for PVI providers and 96% for childminders.

46. The quality of childcare provision has been evidenced to be key in ensuring that children thrive and develop at or exceed age related expectations.

47. In practice, developing places for two year olds in schools has proved challenging. Few schools in the country are currently offering provision for two year olds and issues have included capacity and space for expansion. Brent is no exception, as the main focus over the last few years has been to address the acute shortage of school age places rather than use existing space to develop more childcare provision in schools.

48. From September 2017, the government proposes to extend the free entitlement for 3 and 4 year olds to 30 hours per week for working parents. This will have some impact on sufficiency, however the DfE document, 'Childcare Bill: Policy Statement' published in October 2015, rationalises that many children will already be in full time places if their parents are working and, the new extended entitlement will pay for the additional hours parents are already purchasing from an early years setting, helping working families with the cost of childcare.

49. The Local Authority took part in the Early Years Capital Funding bidding rounds launched by the Department for Education in the summer of 2016 and in 2017, it was confirmed that 3 childcare providers in Brent had been successful. These were Roe Green Infant School, Our Lady of Grace Infant School and Wembley Park Montessori. Total capital funding of £1,596,722 was approved and the three providers are committed to creating 195 30 hour places by January 2018.

10. Planned Expansion Programmes

Several projects to expand schools have now been completed.

Table 18: Planned permanent new places for September 2015

School	No. of places	FE Expansion	Final size of school	Update – May 2017
Wembley High Technology College	840	4	4	Completed- 3FE from September 2015 and 4FE from September 2017
Uxendon Manor Primary	420	2	4	Approved, 4FE from 2015. Permanent accommodation in delivery.
Elsley Primary	420	2	4	Approved, 4FE from 2016. Permanent accommodation in delivery.
Stonebridge Primary	210	1	3	Approved, 3FE from 2015. Permanent accommodation in delivery.
Islamia Primary	210	1	2	Project in consultation phase.
Malorees Infants and Juniors	210	1	3	Not proceeding. Removed from schools capital programme.
Byron Court Primary	420	2	5	Approved, 5FE from 2016. Permanent accommodation in delivery.
Leopold (Gwenneth Rickus)	420	2	4	Project completed. 4FE from 2016.
Kilburn Grange (Free School)	420	2	2	Completed
Total number of places	**3,570**	**17**		

Table 19: Planned permanent new places for September 2019

Site	No. of Places	No. of FE	Update – May 17
Oriental City site (Floreat Colindale)	420	2	2FE in permanent accommodation from Sept 2019.
Quintain site (Ark Somerville)	630	3	Expected to open in Sept 2019 subject to planning approval and EFA delivery plans.
South Kilburn regeneration (Carlton Vale and Kilburn Park)	210	1	To be reviewed in the context of pupil forecasts and planned housing
Total number of places	**1260**	**4**	

11. School Amalgamations

50. The October 2014 report secured the in-principle support of Cabinet (subject to statutory consultation and later decision-making) to the amalgamation of the three pairs of infant and juniors schools:

Table 20: Remaining Brent maintained infant and junior schools

Schools	Progress April 2017
Lyon Park Infants and Juniors	These schools now comprise Lyon Park Primary School.
Carlton Vale Infants and Kilburn Park Juniors	To date governors have not agreed to amalgamate
Malorees Infants and Junior Schools	Governors have agreed to federate the two schools from April 2017.

51. It is one of the operating principles of the strategy that separate infants and junior schools should be amalgamated. Ideally this will be done in partnership with the governing boards and either when the opportunity presents itself, for example a headship vacancy or when there is an expansion or rebuilding scheme. However, the Council does have the right to propose and move forward amalgamations without the support of the Governing Board.

Figure i

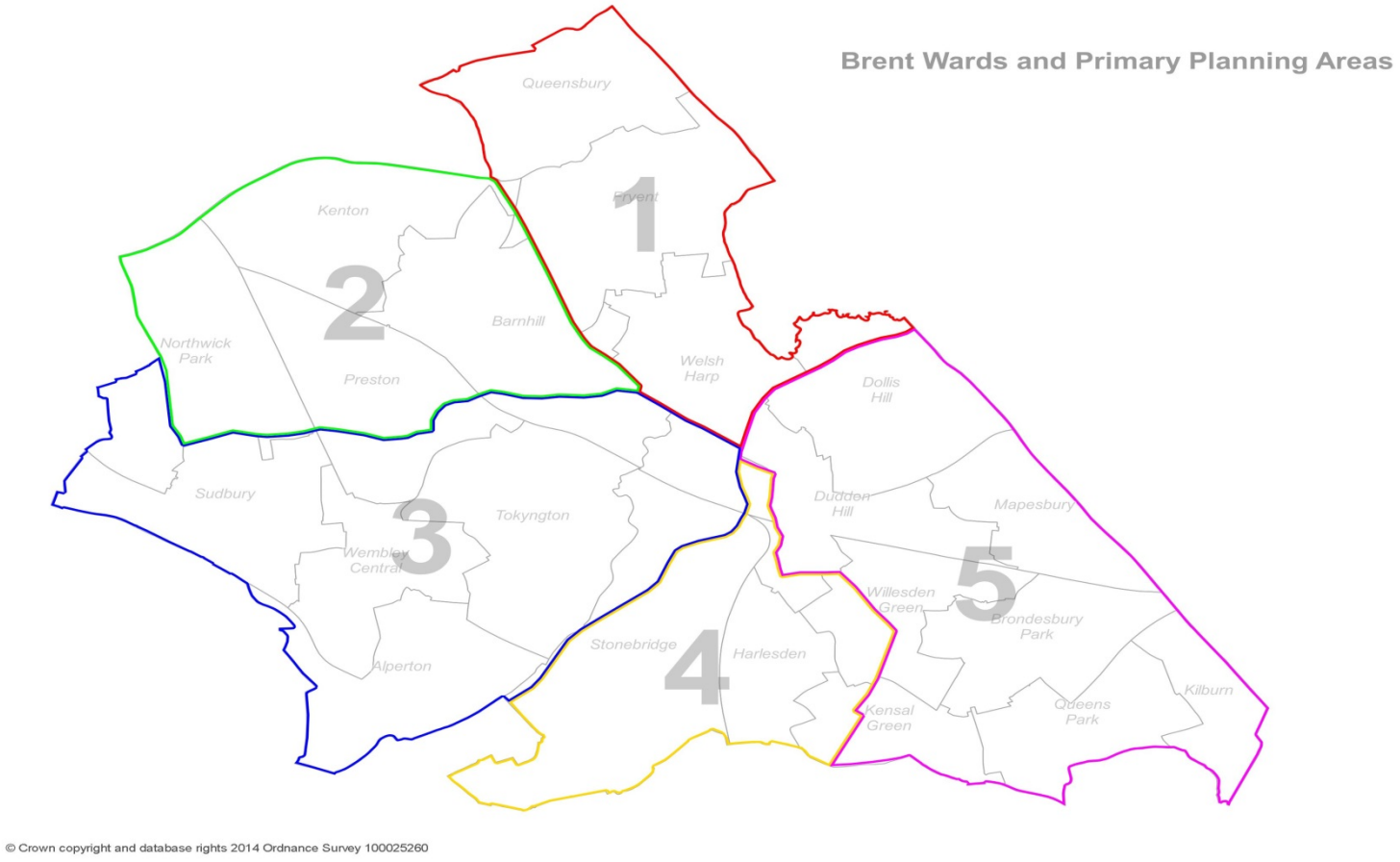

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Figure ii

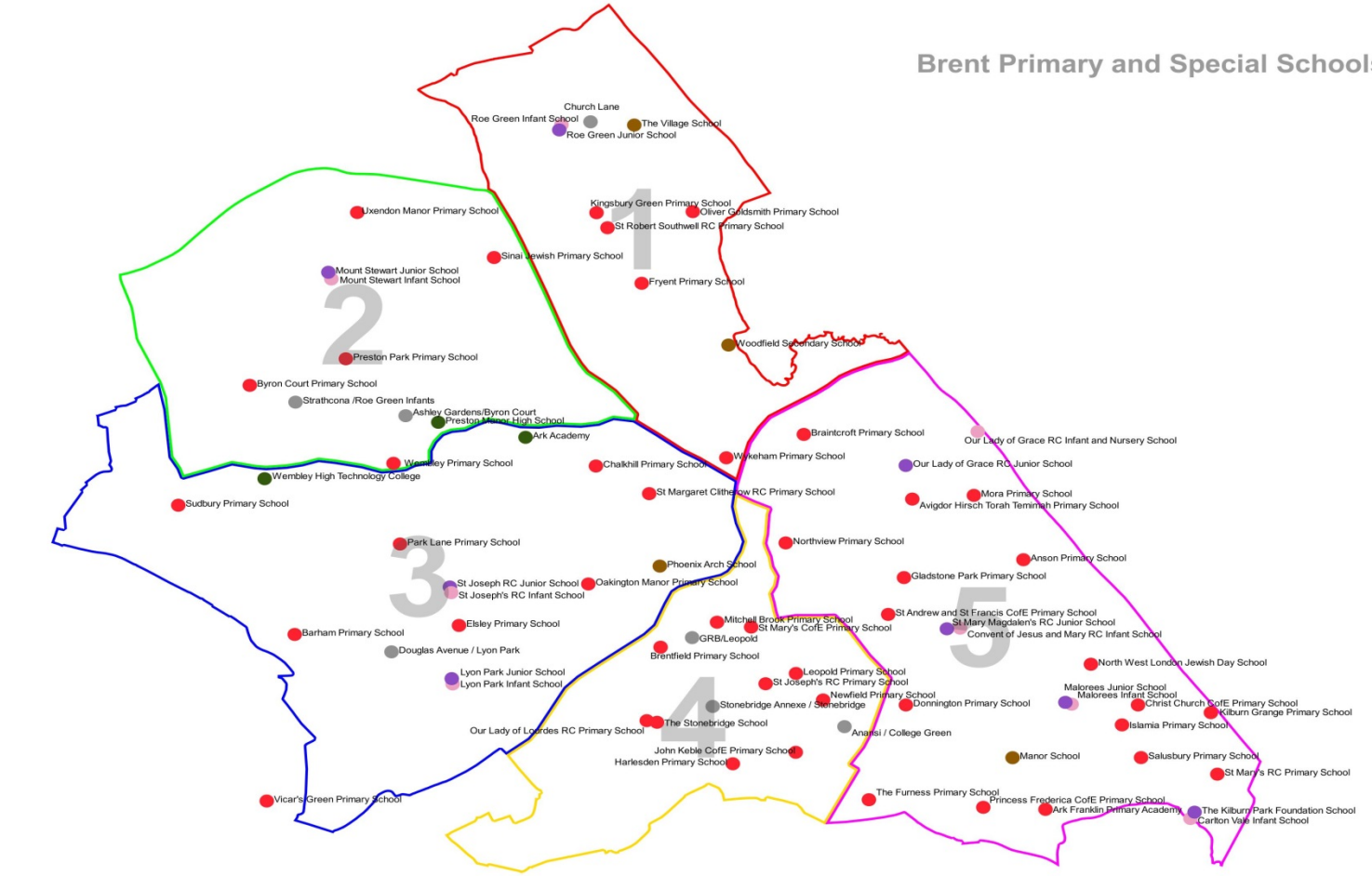

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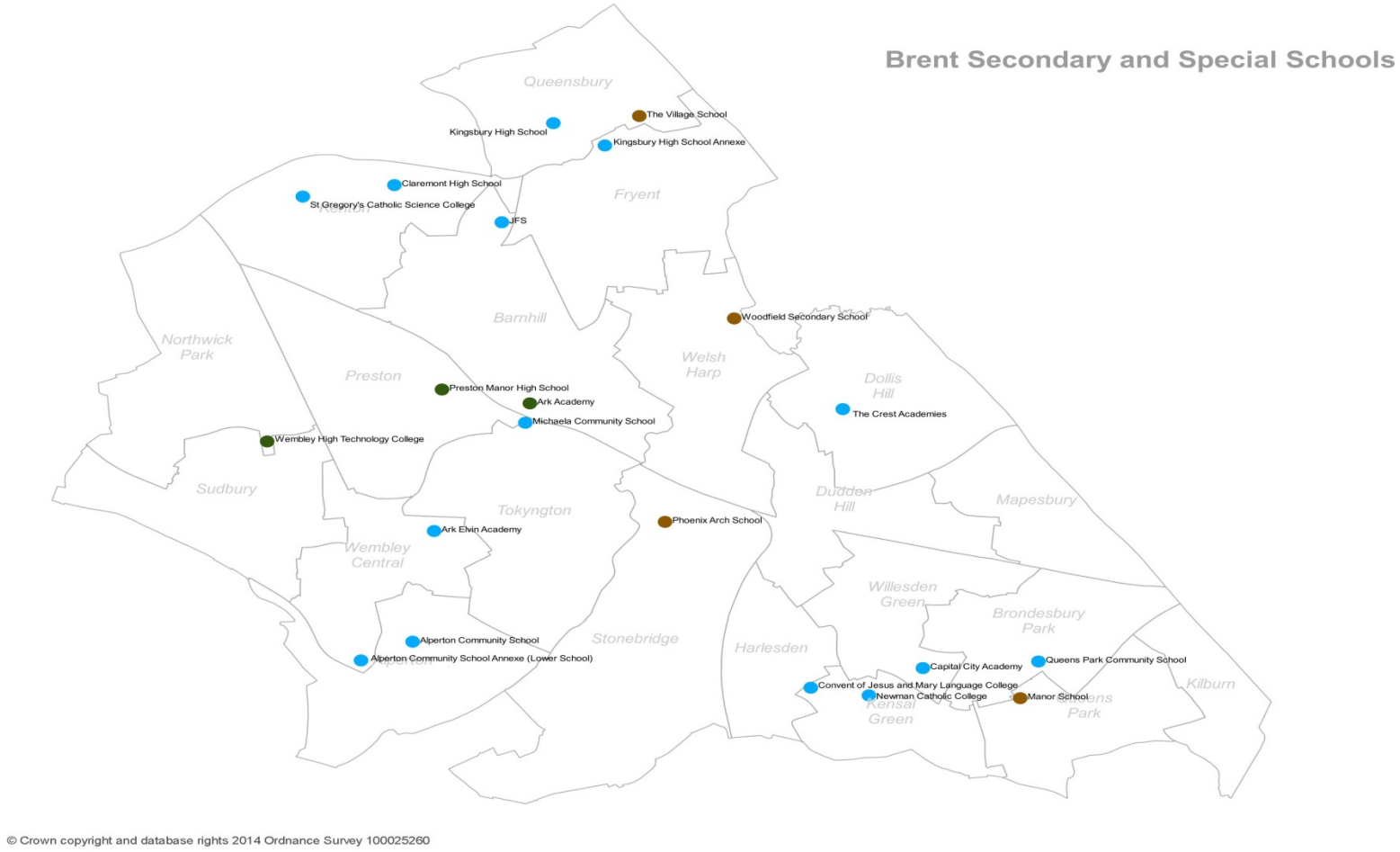
Figure iii



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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director of Children and Young People**
	Wards Affected: All

Contracts with Academies for Additionally Resourced Provision and the Choice, Advice and Fair Access Service

1. Summary

1.1 This report seeks an exemption from the procurement requirements of the Council's Contract Standing Orders and approval to award contracts for the placement of children and young people in:

- Additionally Resourced Provision (ARP) provided by academies for the academic year 2017/18.
- the Choice, Advice and Fair Access Interview (CAFAI) Service and related specialist English as an Additional Language (EAL) provisions provided by academies for the academic year 2017/18.

1.2 The costs of the proposed contracts referred to in this report are fully met from the Dedicated Schools Grant.

1.3 This report covers only Additionally Resourced Provision (ARP) in academies. It does not include ARPs in maintained primary and nursery settings that are managed through Service Level Agreements.

2. Recommendations:

That Cabinet:

2.1 agrees an exemption from the procurement requirements of the Council's Contract Standing Order No 96 in respect of contracts for the provision of:

- Additionally Resourced Provision (ARP) for the academic year 2017/18.
- The Choice, Advice and Fair Access Interview Service and specialist English as an Additional Language (EAL) provisions for the academic year 2017/18.

2.2 Approves the award of the contracts referred to in Recommendation 2.1 above for the academic year 2017/18 to the schools listed in Tables 1 and 2 of this report.

2.3 Notes that the costs of the proposed contracts referred to in Recommendation 2.2 are fully met from the DSG.

3.0 Detail

3.1 The Council has a statutory duty to provide full time education for all children and young people between the ages of 5 and 16. The Raising Participation Age (RPA) places a duty on all young people to participate in education or training until their 18th birthday.

3.2 The Council has a duty to assess, identify and make appropriate provision for those with Special Educational Needs and Disabilities (SEND) ages 0-25 years as set out in the new SEN (Special Educational Needs) Code of Practice 2014 (Children and Families Act 2014).

3.3 It is important that provision allows for the needs of children to be met in local schools (thus meeting Equality duties and the requirements of the Children & Families Act 2014 and related guidance) and avoids higher-cost services in independent provision. The Council therefore has a responsibility to commission a range of specialist provision to meet these needs.

3.2 The majority of children and young people who have an Education Health and Care Plan (EHCP) with SEND are placed in Brent or out-of-borough maintained mainstream or special schools and Academies. In a minority of cases where needs are very high and complex and suitable provision is not available within the Borough, pupils may be placed in an independent non maintained special school.

3.3 Children and young people identified with an EHC plan who have a learning difficulty such as speech and language and communication need, autism or hearing or visual impairment needs, may in some cases require Additionally Resourced Provision (ARP). ARPs support the educational development through additional specialist provision and resources. The Council commissions ARPs from a number of maintained schools and Academies. They provide:

- Teaching staff with additional skills and expertise in a particular area of SEN.
- Specialist environments which support the learning needs of each pupil.
- Systems to track small-step progress.
- Additional specialist staff input as necessary.

3.4 The specialist ARP places in Brent schools are commissioned by the Council for Children and Young people with an EHC plan with the following special education needs:

- Moderate Learning Difficulties (MLD)
- Hearing Impairment (HI)
- Autistic Spectrum Disorder (ASD)
- Social, Language and Communication Needs (SLCN)

3.5 **ARPs in Academies:** Funding for the ARPs in academies is based on a national formula (£10,000 per place). In addition, top up fees are paid to each academy for individual children who are placed in the provision, based on bandings that are agreed by the Schools Forum. All costs are met from the high needs block funding stream of the DSG. ARPs in academies operate through a contractual agreement that sets out the required provision and the Council's expectation of the academy. All Children and Young people placed in these provisions have an EHC plan and decisions about ARP placements are made through the Council's SEND Panel.

3.6 The table below provides information on the ARPs in Academies for the academic year 17/18. Each school employs specialist staff to work in ARPs and the Council has previously invested capital funding in the ARPs to provide an appropriate learning environment.

Table 1: ARPs in Academies

School	Special Need	No of places commissioned	Block Place Funding	Top up per individual child placed
Secondary ARPs				
Alperton	MLD ARP	16 places	£160,000	£9,837
Kingsbury High	HI ARP	7 places	£70,000	£10,014
Preston Manor	SLCN ARP	12 places-	£120,000	£6,276
Preston Manor	ASD ARP	12 places	£120,000	£12,673
Primary ARPs				
Oakington Manor	SLCN ARP	20 places	£200,000	£2,403
Oakington Manor	ASD ARP	15 places	£150,000	£8,635

MLD - Moderate Learning Difficulties, HI - Hearing Impairment, ASD - Autistic Spectrum Disorder, SLCN - Speech and Language Communication Needs

3.7 **Choice, Advice and Fair Access Interview Service (CAFAI) and EAL provisions:** The Council commissions targeted support for the needs of vulnerable new arrivals, including unaccompanied asylum seekers/looked after children. The CAFAI process is used to assess the needs of Year 10 and Year 11 new arrivals who do not speak English or have significant special needs (around 250 children a year). The CAFAI process involves a base-line assessment in Maths and English and interviews to ascertain the best placements for individual students to achieve positive outcomes. Without this provision, there is a risk that the number of young people who are NEET would increase.

3.8 Table 2 sets out the contracts that are the subject of this report. Claremont High School manages the CAFAI service. Students can be referred to one of four educational provisions delivered by Queens Park Community School (QPCS) and Claremont High School that are funded through de-delegated DSG (known as the Pupil Growth Fund). For information a further provision is delivered by Newman Catholic College and is funded directly through the school's DSG allocation.

Table 2: CAFAI and EAL Contracts

School	Special Need	No of places commissioned	Top up per place/Funding per place DSG	Total Contract Funding from DSG
CAFAI Administration and Co-ordination				
Claremont High (including supply assessment teachers)				£69,250
Provisions				
Queens Park	EAL	35	£4,792	£167,720
Queens Park	Reduced GCSE	30	£4,792	£143,760
Claremont High	EAL	35	£4,792	£167,720
Claremont High	Reduced GCSE	30	£5,000	£150,000

3.9 Outcomes as a result of this provision are positive. In a recent thematic Ofsted visit, the current system was praised for the short time that it takes for young people to access education provision. The expertise of staff in the centres and their work with young people was commended. Students accessing EAL projects demonstrate good progress. 100% of former Year 11 students accessing EAL Projects have remained in Education, Employment or Training (EET) and access Post 16 provision. End of year reports provided by the EAL Projects document that young people have significantly enhanced their English skills and students have provided very positive feedback.

3.10 The market for schools or academies providing ARP, CAFAI and EAL for children is a highly specialised market with growing demand across the country. Officers are committed to seeking more innovative and collaborative arrangements that secure both immediate and long-term savings plus efficiencies and at the current time it is considered that block contracts are the most appropriate way of trying to secure such savings and efficiencies. Officers recommend that the most appropriate way forward for the academic year 2017/18 is to award block contracts to the school providers detailed in Tables 1 and 2 whilst longer term commissioning arrangements are considered to maintain service continuity.

4.0 Financial Implications

4.1 The Dedicated Schools Grant (DSG) funds both the ARPs and the CAFAI and EAL contracts.

Place funding for ARPs is included in local authorities' initial DSG allocation and then deducted by the Education Funding Agency (EFA). The EFA pays the place funding direct to academies. The local authority pays the top-up funding to academies.

The budgets for top-up funding for maintained schools and academies is within the Inclusion service. There is sufficient budget to fund the top-ups detailed in the table above.
The budget for the CAFAI and EAL contracts is within the Partnership, Planning and Performance service. There is sufficient budget to fund the contracts detailed in the table above.

5.0 Legal Implications

5.1 Under the Education Act 1996, as amended by the Education and Inspections Act 2006 and regulations subsequently issued under it, the council has a duty to identify, assess and make provision to meet the special educational needs of children within its area by ensuring that sufficient primary, secondary and further education is available to meet their needs. Local authorities are to ensure that their education functions are exercised with a view to promoting high standards ensuring fair access to opportunity for education and learning, promote the fulfilment of learning potential; and ensure that sufficient schools providing primary and secondary education are available for their area. SEND and Alternative Provision are also referenced in the Academies Act 2010 and the Education Act 2011.

5.2 Contracts for provision of education fall within Schedule 3 of the Public Contract Regulations 2015 ("EU Procurement Regulations"). All of the proposed contracts detailed in Tables 1 and 2 are valued at less than the threshold for Schedule 3 contracts of £589,148. As a result the procurement of such services are not subject to full requirement of the EU Procurement Regulations. Nevertheless, the general EU requirements for transparency, non-discrimination and equal treatment will normally require advertising and some form of competitive process before contract award, even for below threshold procurements, especially if the contract is likely to be of interest to overseas EU providers. Given the current limited market in the type of services provided by the schools and the short duration of the proposed contracts, it can be maintained that the direct award of the contracts does not contravene these general duties.

5.3 Contract Standing Order 96(a) provides that for contracts with an estimated value below the EU Procurement Regulations threshold, tenders shall be invited for Medium and High Value Contracts and quotes sought in relation to a Low Value Contracts. However, Contract Standing Order 84(a) provides that subject to compliance with domestic and European legislation, the Cabinet may agree an exemption from the requirement to procure in accordance with Contract Standing Orders where there are "good operational and/or financial reasons". For the reasons detailed in paragraph 5.2 it is not considered there is a breach of domestic or EU legislation. Further, Officers consider that there are good operational and financial reasons for awarding the contracts with the

schools set out in Tables 1 and Table 2 rather than carrying out a formal tendering (or quote) process. These reasons are set out in Section 3.10 of the report.

5.4 The estimated value of the proposed contracts as set out in Tables 1 and 2 are such that they are classed as either Medium Value or Low Value Contracts for the purposes of the Council's Contract Standing Orders.

6.0 Diversity Implications

6.1 The Council is required under section 149 of the Equality Act 2010 when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a protected characteristic and those who do not share that protected characteristic. The protected characteristics covered under the Act are age, disability, gender reassignment, marriage and civil partnership (only in respect of eliminating unlawful discrimination) pregnancy, maternity, race (this includes ethnic or national origins), religion or belief (this includes lack of belief) sex and sexual orientation. Due regard means giving relevant and proportionate consideration to the duty, in that whenever significant decisions are being made or policies developed consideration must be given to the impact/affect that implementing a particular policy or decision will have in relation to equality before making that decision or change.

6.2 The provisions in this report have been subject to screening. These provisions aim to raise the education standards for all and address inequality due to disability (including multiple complex needs), social disadvantage and/or other protected characteristics, and contribute to the delivery of the council's equality duties.

7.0 Staffing/Accommodation Implications (if appropriate)

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

8.0 Background Papers

8.1 None.

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Brent	**Cabinet** 24 July 2017 **Report from the Chief Finance Officer**
	Wards affected: All
Draft Statement of Accounts 2016/17	

1.0 Purpose

1.1 To present the draft Statement of Accounts.

2.0 Recommendations

2.1 The Committee is asked to consider the draft accounts.

3.0 Background

3.1 The Council is required to present its accounts, approved by the Chief Finance Officer, for audit by 30 June. Following the completion of the audit of the accounts the Audit Committee will receive a report on the audit from KPMG and be asked to approve the accounts for publication.

3.2 Although the presentation of the draft accounts to Cabinet is not part of the formal decision making process it enables members to gain an understanding of the financial statements and raise any issues at an early stage of the process.

4.0 Statement of Accounts

4.1 The draft statement of accounts is set out in the appendix to this report. Whilst there is a prescribed format for much of the statement officers seek to ensure that the information is presented as concisely as possible.

4.2 Within the accounts four statements are defined as “core financial statements”, which means that they are fundamental to understanding the accounts. A short commentary on each of these is set out below.

Movement in Reserves Statement (MiRS)

4.3 The MiRS shows the movement in the year on the different reserves held by the Council, analysed into those reserves which can be used to fund expenditure and other reserves of a technical nature which cannot be used to fund expenditure. This is therefore a summary of the resources that the council has available to fund future expenditure and to manage financial risks.

Comprehensive Income and Expenditure Statement (CIES)

4.4 The CIES sets out the total expenditure by the authority in the 2016/17 financial year. The format of the CIES is prescribed to us and although it uses familiar departments, the breakdown into cost of services and other income and expenditure is different to the council's management accounts, which are used for budget monitoring and present income and expenditure by service area.

Expenditure Funding Analysis (EFA)

4.5 This shows a breakdown of expenditure by funding source, along with the adjustments required to be made by statute and accounting regulations. As with the CIES, although it shows the familiar departments, the breakdown of income and expenditure is different to the council's management accounts.

Balance Sheet

4.6 The balance sheet reports how much the council is worth. This is the difference between what we own, are owed and what we owe others.

Cash Flow Statement

4.6 The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the 2016/17 financial year.

Other Statements and Key Notes

4.7 Members' attention is also drawn to the following financial statements, which although not technically defined as "core financial statements" are nonetheless highly important to understanding key aspects of local authority services and financing:

- The Housing Revenue Account (HRA) which presents the financial transactions relating to the provision of council housing; and
- The Collection Fund which presents a summary of the collection of council tax and national non domestic rates.

4.8 The accounts also provide substantial detail by way of notes and other statements. In particular, Members may find the following helpful to their understanding the financial position of the authority:

- Notes 2 and 7 to the core financial statements, which disclose the debtors and creditors of the council as at 31 March 2017

- Note 9 to the core financial statements, which discloses the provisions held by the Council against the costs of likely future events

- Note 10 to the core financial statements, which discloses the level of earmarked revenue reserves and the purposes for which these are held.

5.0 Financial Implications

5.1 The accounts are a financial document, and present a picture of the council's activities in 2016/17 and its assets and liabilities as at 31 March 2017. However, there are no financial implications directly arising from the production of the draft accounts.

6.0 Legal Implications

6.1 The Accounts and Audit Regulations 2011 require that the draft accounts are approved for issue by 30 June following the year end by the Responsible Finance Officer.

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LONDON BOROUGH OF BRENT
STATEMENT OF ACCOUNTS
2016/17

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Narrative Statement

Brent 2020

The overall strategic approach for the council is Brent 2020. Brent 2020 is the vision for Brent that connects our Borough Plan to the actions we need to take over the next three years, with our partners, to deliver our priorities and provide support to the residents of Brent in 2020.
There are five key priority areas for the Brent 2020 programme:

- Employment and skills - in order to respond to the increase in the working age population and lift people out of poverty and welfare dependency.

- Regeneration - physical, social and environmental - to improve the economic, social and environmental conditions in the borough.

- Business and housing related growth - to maximise the tax base to support the delivery of core services.

- Demand Management - to manage down the pressure on needs-led budgets such as children's social care, adult social care and homelessness.

- Raising income through our assets - to support the delivery of core services.

Over the past year we have undertaken three wide ranging outcome based reviews (OBRs) and have established four key strategic boards to drive forward our strategic approach to the key building blocks of civic enterprise, commissioning and procurement, business and digital.

The Civic Enterprise Board has developed a shared services strategy and is implementing a strategic approach to income generation including fees and charges and debt recovery. Some financial benefits of this approach that have so far been approved include increased revenue from competitively priced Fees & Charges escalating to £2.0m per annum in 2018/19 and additional income generated by providing a more expansive Building Control Inspection service (£112k per annum by 2019/20). A new debt recovery project that involves collaboration between Brent's in-house Legal Team and debt recovery function has helped to recover over £1.3m of debt.

The Commissioning and Procurement Board is leading on a strategic supplier and category-led approach to procurement, rather than focussing on individual contracts, as it looks to maximise the savings and benefits across the Council. The Council is moving away from cuts to service-redesign, income generation and procurement as a source of savings to better protect frontline services. It has already found £1.8m of savings made through better procurement with more planned to come, as departments work together to lever greater value out of existing contracts and find more effective and efficient ways to deliver services.

To support housing and regeneration priorities the NAIL Programme was introduced to develop alternatives to residential care for customers with high care and support needs. This style of accommodation and support gives a more personal service and enables adults to have more control over their home and care, which is in line with central government policy. However, it is also intended to deliver significant efficiency savings from the Adult Social Care (ASC) care home budget, which accounts for the largest area of ASC spend.

Our approach to our five priorities through our boards and OBRs has been to work in partnership with key groups including business, the voluntary sector and local communities. The intention of the Brent 2020 programme is fundamentally to reshape the nature of the Council's role and relationship with service users, better managing future demand while supporting individuals to become more resilient.

This course of action is having a clear effect. Homelessness is a growing problem in England that is resulting in increasing numbers of people living in poor quality temporary accommodation at considerable cost. To combat this Brent has implemented the Temporary Accommodation Reform plan looking to ensure that homeless families have access to affordable accommodation. The 2016/17 outturn indicates that the initial implementation has been successful in managing the short term costs of this demand. The number of families in temporary accommodation in Brent has reduced by 11%, whereas the average increase in London over the same period was 20%. The TA reform plan and the OBRs will embed this trend.

In other areas such as Adult Social Care there has been less success in overcoming the challenges in the short term. Demand for the service increased significantly in 2016/17, the implication of which can be linked to the eventual outturn for the departments of a £3.6m overspend. This is not unlike the rest of London where the average overspend is approximately £3.7m. In order not to cut frontline services the Council, as part of its financial planning, allowed sensible contingencies. It is envisaged that the 2020 vision, via the Outcome Based Reviews, will support the Council in addressing options to manage these pressures in the long term.

We intend to achieve our ambitious vision, even in the context of some of the most pressing financial challenges experienced in public services for decades. Our track record of investment in organisational transformation and our achievements to date, combined with our vision for Brent in 2020 and the work underway to deliver this, has strengthened our capacity to manage change effectively, making the council well placed as we enter the next phase of our journey through to 2020.

Financial Year 2016/17

The Council set its departmental budget for 2016/17 at £239.5m and its Housing Revenue Account (HRA) budget at £4m. This included revenue support grant from central government of £56m, a reduction of 20% on the £69.9m received in 2015/16. Income from Council Tax payers increased by 12%, from £87.7m to £98.3m, mostly attributable to an increase in the Borough's tax base as well as the first increase in council tax levels after having been held at the same level for six consecutive years.

2016/17 Revenue Budget Compared with Outturn

The table below reflects the current structure of the Council and compares revenue budget to outturn.

Department	**Full year Budget (£m)**	**Actual Outturn (£m)**	**Variance (£m)**
Community Wellbeing	122.9	126.1	3.2
Performance Policy & Partnerships	10.5	10.5	0.0
Resources Department	31.8	33.9	2.1
Regeneration & Environment	33.5	29.5	(4.0)
Children And Young People	40.8	43.1	2.3
Net Service Total (General Fund)	**239.5**	**243.1**	**3.6**
Central Items	(239.5)	(243.1)	(3.6)
Total Outturn (General Fund)	**0.0**	**0.0**	**0.0**
Housing Revenue Account	4.0	1.4	(2.6)

The **Community Wellbeing** budget overspent by £3.2m as per the last forecast. As anticipated, this largely related to the late delivery of NAIL accommodation by the private market (£2m). This was in addition to pressures as a result of higher levels of need and a sharp increase in the number of clients receiving community based packages (£1m). Planned savings targets were missed in 2016/17 regarding the de-registration of Tudor Gardens (£0.3m) and the recovery pathway in Mental Health (£0.3m). The general needs housing budget underspent by £0.4m. This was due the implementation of the temporary accommodation reform plan, from which further savings are anticipated in future years.

The **Public Health** budget underspent by £0.4m, which was transferred to the Public Health ring-fenced reserve. The service was able to deliver a number savings early, including a reduction in the substance misuse contract in anticipation of the grant reduction in 2017/18.

Policy, Performance & Partnerships finished the year on budget.

Resources overspent by £2.1m. The main element was the overspend in legal services, as reported throughout the year and partially offset by Digital Services underspend of £0.3m. The strong performance of Digital Services is a success for the council's civic enterprise strategy. Otherwise, minor underspends and overspends offset each other across other services.

Regeneration and Environment department identified significant savings during the year. As a result of these and other similar actions a substantial in year underspend was generated, leading to a significant underspend of £3.7m which was forecasted throughout the year. Year-end adjustments increased this underspend to £4.0m, through a combination of increased income from garden waste collection, litter patrols and a number of contractual contingencies which were in the event not fully utilised.

The **Children and Young People** department overspent by £2.3m. As forecast there were large overspends of £1.7 million on placements for looked after children and care leavers after accounting for compensating in-year savings. Looked after children numbers rose from 2015/16 levels to average 349 in 2016/17, with older more complex cases being taken into care. This, in addition to the high proportion of unaccompanied asylum seekers (24%), has had a knock on effect on the number of care leavers supported by the borough. The budget also came under pressure in-year from accommodating intentionally homeless families.

The **Dedicated Schools Grant** outturn underspent more significantly than expected due to fewer allocations being made to schools for pupil growth and expansions. The high needs block also underspent with fewer children being placed out of borough. These will be managed within the overall DSG and carried forward to next year.

DSG Block	Full year Budget (£m)	Actual Outturn (£m)	Variance (£m)
DSG Income	(194.8)	(195.1)	(0.3)
Schools Block – including growth funding allocations	130.3	127.3	(3.0)
Early Years and High Needs Block	62.4	60.4	(1.6)
Central Services	2.5	2.3	(0.2)
Total	0.0	(5.1)	(5.1)

School balances have reduced by £5 million, with £3 million of this reflecting the conversion of 2 schools to Academy Status. Overall balances for maintained schools reduced, but there is not a uniform pattern. Half of the 60 maintained schools used balances to support projects and in-year expenditure, and half

added to their balances. Average balances remain at a prudent level of 12%, with 8 schools holding balances below 5% and 1 nursery school finishing the financial year in a deficit.

The outturn position of the **Housing Revenue Account** is showing an underspend of £2.6m for 2016/17, which is predominately due to an underspend in the three areas. £0.9m resulted from savings anticipated from the retendering of warden and concierge services. £1.0m was due to an increase in the anticipated leasehold major works income for Fire Safety works which was not budgeted for. A further £1.6m related to capital financing charges and the reduction in the forecast of long term borrowings.

Central Items has delivered an underspend of £3.1m against its budget. This is primarily attributable to the Capital Financing budget, reflecting an underspend within the Council's capital programme.

Changes in the organisational structures in the Council and schools have resulted in a reduction in high earning staff as is shown in note 29. Excluding the impact of redundancy and termination agreements, there has been a significant reduction in the more senior staff, those earning over £60,000, from 70 to 53, excluding terminations.

The cost of exit packages in 2016/17 decreased compared to 2015/16, as shown in note 30. The number of exit packages decreased from 166 in 2015/16 at a cost of £3.3m to 123 in 2016/17 at a cost of £2.6m, representing a decrease of £0.7m. The council has managed to help control the overall cost of exit packages by reducing further the average cost from £24k in 2015/16 to £21k in 2016/17.

Other key events in the year involved Brent Housing Partnership (BHP) and a new company, I4B.

On 24th April 2017, Cabinet took a decision to end the management agreement with BHP, and bring housing management services back under direct control of the Council. The future of BHP Limited as a subsidiary company of the council will be decided upon in early 2017/18.

I4B Ltd is a company wholly owned by Brent Council that was incorporated on the 16th of December 2016. The primary purpose of the company is to deliver the housing options defined in the Temporary Accommodation reform plan. As of 31st March 2017, I4B did not own any assets and there were no transactions between the company and Brent Council.

Capital Outturn

The Council's in-year expenditure in 2016/17 was £102.3m (2015/16 £93.4m). Of this £102.3m, £100.8m is from the capital programme as shown below; the remaining £1.5m of capital expenditure is expenditure by the schools from their delegated resources.

Boards	2016/17 Budget £m	2016/17 Outturn £m	Variance £m
Corporate Landlord	2.6	2.5	(0.1)
Estates Regeneration	3.7	1.2	(2.5)
Housing Investment Board	129.5	67.1	(62.4)
Schools Programme	47.4	14.4	(33.0)
South Kilburn Programme	17.3	5.8	(11.5)
Transport & Highways	22.7	9.8	(12.9)
Grand Total	**223.2**	**100.8**	**(122.4)**

The end of year position represented an underspend of £122.4m. All Boards were significantly below budget bar Corporate Landlord. This was driven by a 12 month delay in the Street-lighting contract;

contractual issues with the main contractor in the schools programme; and unrealistic profiling in Housing and South Kilburn. Expenditure from the capital programme in 2016/17 was broadly consistent with 2015/16 (£89.3).

The Council has reviewed the profiling for future years, challenging project managers. Whilst the budget for 2017/18 is largely consistent with 2016/17, the increase in direct purchases (£70m more than 2016/17) makes this more likely to be achieved.

Balance Sheet

	2015/16	2016/17	Movement
	£m	**£m**	**£m**
What the council owns or is owed (assets):			
Property, Plant, equipment, vehicles and infrastructure	1,459	1,475	16
Other Assets	8	9	1
Amount owed to us by other people/organisations	136	153	17
Cash and cash equivalents	32	19	(13)
The amount we hold in investments	141	152	11
Total we own and are owed	**1,776**	**1,808**	**32**
What the council owes (liabilities)			
We owe other people/organisations	(139)	(140)	(1)
We have outstanding loans	(424)	(419)	5
We have to meet future years' pension costs	(636)	(819)	(183)
We received grants from government towards our assets	(22)	(20)	2
We have other liabilities (e.g. Cash overdrawn and provisions)	(16)	(22)	(6)
Total amount we owe	**(1,237)**	**(1,420)**	**(183)**
Total the council is worth	**539**	**388**	**(151)**

Excluding the liability to pay future pension fund costs, the overall net worth of the Council increased by £32m. This was principally due to increase in the value of assets, primarily relating to the revaluation of Stonebridge Estate.

The overall net worth of the Council decreased by £151m. This is primarily the result of a single factor within unusable reserves: -

£183m increase in the value of the Council's share of the Pension Fund liabilities. There was a substantial increase in the net liability the Council holds for the pension fund to £819m. This varies

considerably year to year, and it is very sensitive to small changes to the assumptions made in calculating it: it was £599m at 31 March 2014, £725m at 31 March 2015, and £636m at 31 March 2016. The council has a plan to address this liability that is consistent with clearing its deficit within 19 years. At the previous valuation, three years ago, the deficit recovery plan was 22 years and therefore, the Council's underlying strategy is still on track.

The deficit is historical and not due to recent investment performance, which has been significantly above the actuary's assumptions of investment returns. The investment return on Pension Fund Assets was 17.3%, however this benefit from strong continued growth in assets was offset by £183m of actuarial losses by a change in their financial assumptions. However, it is important to recognise that each year the Pension Fund accrues future pension liabilities that it must fund yearly. The Pension Fund has recently undertaken its Triennial Review the purpose of which is to establish that the Brent Pension Fund is able to meet its liabilities to past and present contributors and to review employer contribution rates. Further details on the Triennial Review are included under Pension Fund/CIV section of the Narrative Statement.

The deficit on the pension fund of £819m is best understood as a snap shot at 31 March 2017 of the measurement of inter-generational equity. In effect, over recent years the cost of services provided has been understated by £819m compared to their true long-term cost. The deficit is the amount by which previous taxpayers have benefited, and which will need to be made up by future taxpayers.

The Council also adopted a new investment strategy in April 2016 to enable the development of a wider capital programme directly linked to the Brent 2020 aspirations. It replaced the council's historical approach to rolling forward capital budget allocations without linking them to strategic objectives.

The initial focus was on financing the Temporary Accommodation Reform Plan, with an agreed in principle spend of £100m, and establishing an investment company. This latter company – I4B - was approved by Cabinet in November 2016 and held its inaugural board meeting on 20 December 2016. This should generate a long-term financial return and help meet some of the vast demand for affordable rented properties.

Debtors - Amount owed to us by other people/organisations

The value of the Council's short-term debtors increased to £94m (£81m as at 31 March 2016). However, the true like for like comparison is more favourable.

The 31 March 2017 figure includes one-off payments in advance such as £2.7m early payments to long-term suppliers in order to secure price discounts.

Council tax income increased by 12%, mostly reflecting the increased taxbase from substantial housing developments. Over the year council tax debt increased by £3m.

Due to a significant increase in demand for Adult Social Care in 2016/17 discussed earlier, the expenditure incurred by the Council has increased proportionally, resulting in a £1.8m rise in debt related to this type of service. Furthermore the debt is expected to increase as there is a proportion which will only be paid upon the death of the client when their house is sold.

There was also an increase in debt owed to other local authorities, from which the risk of non-recovery is minimal.

Treasury

Borrowings

The Council's external borrowing has reduced by £4m and its PFI liabilities by £2m, as the Council pays down the principal on Equal Instalment of Principal PWLB loans and its PFIs. The remainder of its loans are due on maturity that range between 2020 and 2070. A requirement to comply with Basle III has

resulted in Barclays Bank changing £15m of the Council's Lender's option, Borrower's option loans (LOBOs) to fixed rate loans, thereby benefitting the Council.

Investments
The value of investments have increased slightly, but returns remain very low due to interest rates (0.3%). As the Capital programme delivers on its key deliverables in relation to the Temporary Accommodation Reform Plan and New Accommodation for Independent Living, which involve direct purchases, these balances will reduce towards the bare minimum working capital levels (circa £25m). The Council expects to borrow upward of £150m in the future, but this is still a year away.

Summary of borrowing and investments

	31/03/2016	31/03/2017
	£m	£m
External Borrowing:		
PWLB (including accrued interest)	328	324
Fixed Rate Loans	0	15
LOBO Loans	95	80
Total External Borrowing	**423**	**419**
PFI	32	30
Total Gross External Debt	**455**	**449**
Investments:		
Deposits	91	152
Marketable Instruments	50	0
Money Market Funds	23	15
Total Investments	**164**	**167**
Net Debt	291	282

Pension Fund and London Collective Investment Vehicle
The pension fund accounts are disclosed from page 77 onwards. The pension fund comprises the Council plus other bodies.

Due to strong investment performance and the weakness of sterling versus other currencies strengthening the value of the overseas assets with the Pension Fund, the net asset value has increased to £802.6m (2015/16 £675.9m).

Contributions received from employers and employees totalled £48.5m for the year, an increase on the previous year's £46.3m.

Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, came to £40.1m, an increase on the previous year's £37.9m.The Council is fortunate to be in a positive cash-flow position because its contributions exceed its outgoings to members. Once a pension fund starts paying out more in benefits each year than it collects in contributions, it has to eat into investments each year to allow continuity in the scheme. Brent is not in this position as a whole at present, however some of the other members of the Local Government Pension Scheme are.

The Council has recently undertaken its Triennial Valuation, which is a detailed appraisal that uses economic and demographic assumptions in order to estimate future liabilities, rather than the more limited annual review. It has agreed contribution rates of 32.5%, 33.8% and 35% for 2017/18 through 2019/20 that are consistent with clearing its deficit within 19 years. At the previous valuation, three years ago, the deficit recovery plan was 22 years and therefore, the Council's underlying strategy is still on track.

The Triennial Valuation revealed that the Fund's assets, at 31 March 2016, were sufficient to meet 55% of the liabilities (i.e., the present value of promised retirement benefits) accrued up to that date (56% at the March 2013 valuation). This corresponded to a deficit of £535m (2013 valuation: £442m) at that time.

The Council's pension fund has increased its investments via the London Collective Investment Vehicle (CIV) through a second Diversified Growth Fund investment in Ruffer (Baillie Gifford was transferred in last year). The London CIV also negotiated savings on the Pension Fund's passive equity investment with Legal & General. This means that over 50% of the Pension Fund is either with the CIV or managed via the CIV, benefitting the Pension Fund by using economies of scale to obtain lower management fees and increasing the options available for investment. Annually, this has saved the Pension Fund approximately £0.4m.

Core Financial Statements
Balance Sheet

31-Mar 2016 £'000		Notes	31-Mar 2017 £'000	
1,458,874	Property, Plant & Equipment	1	1,474,986	Non-current Assets
498	Heritage Assets		498	
822	Investment Property		1,409	
1,542	Intangible Assets	1	1,777	
100	Long Term Investments	23	100	
54,958	Long Term Debtors	23	58,725	
1,516,794	**Long Term Assets**		**1,537,495**	
141,077	Short Term Investments	23	151,612	Current Assets
4,519	Assets Held for Sale		5,610	
55	Inventories		1	
80,806	Short Term Debtors	2	94,269	
32,156	Cash and Cash Equivalents	3	19,018	
258,613	**Current Assets**		**270,510**	
(8,573)	Short Term Borrowing	23	(8,572)	Liabilities
(107,009)	Short Term Creditors	7	(110,955)	
(5,828)	Provisions	9	(6,546)	
(121,410)	**Current Liabilities**		**(126,073)**	
(31,507)	Long Term Creditors	23	(28,724)	
(10,700)	Provisions	9	(15,463)	
(414,975)	Long Term Borrowing	23	(410,634)	
(658,108)	Other Long Term Liabilities	8	(838,657)	
(1,115,290)	**Long Term Liabilities**		**(1,293,478)**	
538,707	**Net Assets**		**388,454**	
(12,323)	General Fund		(12,253)	Reserves
(41,004)	Capital Receipts		(34,520)	
(143,306)	Earmarked Reserves - Revenue	10	(144,683)	
(33,531)	Earmarked Reserves - Capital	10	(42,861)	
(96,482)	Other Usable Reserves		(99,074)	
(212,061)	Unusable Reserves		(55,063)	
(538,707)	**Total Reserves**		**(388,454)**	

Movement in Reserves Statement

	General Fund Balance £'000	School Balances £'000	Earmarked General Fund Reserves £'000	HRA £'000	Earmarked HRA Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance as at 31 March 2015	**(12,235)**	**(21,604)**	**(125,993)**	**(4,483)**	**(1,824)**	**(52,919)**	**(21,893)**	**(77,941)**	**(318,892)**	**(139,619)**	**(458,511)**
Movement in reserves during 2015/16											
(Surplus) or deficit on the provision of services	22,476	0	0	18,408	0	0	0	0	40,884	0	40,884
Other comprehensive income & expenditure										(121,080)	(121,080)
Total comprehensive income & expenditure	**22,476**	**0**	**0**	**18,408**	**0**	**0**	**0**	**0**	**40,884**	**(121,080)**	**(80,196)**
Adjustments between accounting basis & funding basis under regulations	(57,495)			(20,118)		11,915	17,956	(896)	(48,638)	48,638	0
Net (increase)/decrease before transfers to earmarked reserves	(35,019)	0	0	(1,710)	0	11,915	17,956	(896)	(7,754)	(72,442)	(80,196)
Transfers to/(from) earmarked reserves	34,931	(4,516)	(23,001)		100		(7,514)		0		0
(Increase)/decrease in 2015/16	**(88)**	**(4,516)**	**(23,001)**	**(1,710)**	**100**	**11,915**	**10,442**	**(896)**	**(7,754)**	**(72,442)**	**(80,196)**
Balance as at 31 March 2016 carried forward	**(12,323)**	**(25,101)**	**(150,013)**	**(6,193)**	**(1,724)**	**(41,004)**	**(11,451)**	**(78,837)**	**(326,646)**	**(212,061)**	**(538,707)**
Movement in reserves during 2016/17											
(Surplus) or deficit on the provision of services	13,155	0	0	37,670	0	0	0	0	50,825	0	50,825
Other comprehensive income & expenditure									0	99,430	99,430
Total comprehensive income & expenditure	**13,155**	**0**	**0**	**37,670**	**0**	**0**	**0**	**0**	**50,825**	**99,430**	**150,255**
Adjustments between accounting basis & funding basis under regulations	(29,864)	0	0	(47,313)	0	6,483	22,541	(9,415)	(57,567)	57,567	(0)
Net (increase)/decrease before transfers to earmarked reserves	(16,709)	0	0	(9,643)	0	6,483	22,541	(9,415)	(6,742)	**156,997**	150,255
Transfers to/(from) earmarked reserves	16,779	4,984	(21,763)	11,090	0	0	(11,090)	0	(0)	**0**	(0)
(Increase)/decrease in 2016/17	**70**	**4,984**	**(21,763)**	**1,447**	**0**	**6,483**	**11,451**	**(9,415)**	**(6,742)**	**156,997**	**150,255**
Balance as at 31 March 2017	**(12,253)**	**(20,117)**	**(171,776)**	**(4,746)**	**(1,724)**	**(34,521)**	**0**	**(88,252)**	**(333,388)**	**(55,064)**	**(388,452)**

Comprehensive Income and Expenditure Statement

2015/16 Gross Expenditure £'000	2015/16 Gross Income £'000	2015/16 Net Expenditure £'000		2016/17 Gross Expenditure £'000	2016/17 Gross Income £'000	2016/17 Net Expenditure £'000	Note
251,993	(239,562)	12,431	(DSG) Children And Young People	244,151	(239,856)	4,295	
69,698	(23,896)	45,802	(GF) Children And Young People	69,796	(21,911)	47,885	
195,115	(60,872)	134,243	(GF) Community Wellbeing	220,875	(61,489)	159,386	
58,827	(54,336)	4,491	(HRA) Community Wellbeing	91,666	(54,764)	36,902	
396,828	(414,115)	(17,287)	Central Items	362,096	(393,225)	(31,129)	
6,696	(749)	5,947	Performance Policy & Partnerships	15,299	(1,016)	14,283	
69,666	(35,552)	34,114	Regeneration & Environment	70,167	(36,996)	33,171	
46,201	(15,147)	31,054	Resources Department	48,584	(15,281)	33,303	
1,095,024	**(844,229)**	**250,795**	**Cost of Services**	**1,122,633**	**(824,536)**	**298,097**	
		39,428	Other operating expenditure			2,728	11
		41,975	Financing and investment income and expenditure			40,433	12
		(291,314)	Taxation and non-specific grant income			(290,433)	13
		40,884	**(Surplus) or Deficit on Provision of Services**			**50,825**	
		(15,465)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(73,473)	
		(105,615)	Actuarial (gains)/losses on pension assets and liabilities			172,903	32
		(121,080)	**Other Comprehensive Income and Expenditure**			**99,430**	
		(80,196)	**Total Comprehensive Income and Expenditure**			**150,255**	

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax [and rent] payers how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates [services or departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2015/16				2016/17		
Net Expenditure Chargeable to the General Fund and HRA Balances	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in Comprehensive Income and Expenditure Statement**		**Net Expenditure Chargeable to the General Fund and HRA Balances**	**Adjustments between the Funding and Accounting Basis**	**Net Expenditure in Comprehensive Income and Expenditure Statement**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
(12,355)	(24,786)	12,431	Children And Young People (DSG)	(3,151)	(7,446)	4,295
42,513	(3,289)	45,802	Children And Young People (GF)	43,124	(4,761)	47,885
129,650	(4,593)	134,243	Community Wellbeing (GF)	129,107	(30,279)	159,386
(28,151)	(32,642)	4,491	Community Wellbeing (HRA)	(28,139)	(65,041)	36,902
(40,310)	(23,023)	(17,287)	Central Items	(39,724)	(8,595)	(31,129)
9,422	3,475	5,947	Performance Policy & Partnerships	10,322	(3,961)	14,283
28,374	(5,740)	34,114	Regeneration & Environment	28,408	(4,763)	33,171
30,954	(100)	31,054	Resources Department	34,802	1,499	33,303
160,097	**(90,698)**	**250,795**	**Net Cost of Services**	**174,749**	**(123,347)**	**298,096**
(158,299)	51,612	(209,911)	Other Income and Expenditure	(176,265)	71,007	(247,272)
1,798	**(39,086)**	**40,884**	**(Surplus) or Deficit**	**(1,516)**	**(52,340)**	**50,824**
16,718			Opening General Fund and HRA Balance	18,516		
1,798			**Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year**	(1,516)		
18,516			**Closing General Fund and HRA Balance at 31 March 2017**	**17,000**		

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

2015/16 £'000		2016/17 £'000	Note
(40,883)	Net surplus or (deficit) on the provision of services	50,825	
41,813	Adjustments for non-cash movements	(61,340)	
50,336	Adjustments for investing and financing activities	57,932	
51,266	**Net cash inflows/(outflows) from Operating Activities**	**47,417**	
(44,460)	Net cash inflows/(outflow) from Investing activities	(54,752)	5
(6,531)	Net cash inflows/(outflow) from Financing activities	(5,803)	6
275	**Net increase/(decrease) in cash and cash equivalents**	**(13,138)**	
31,881	Cash and cash equivalents at the beginning of the reporting period	32,156	
32,156	**Cash and cash equivalents at the end of the reporting period**	**19,018**	3

Physical and Intangible Assets

Note 1 – Significant movements on balances of property, plant and equipment

Movements in 2016/17	Council Dwellings	Land & Buildings	VPF&E	Infrastructure	Surplus	Asset under construction	Total	PFI Assets	Intangible Assets
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or Valuation									
At 1 April 2016	**645,479**	**643,226**	**40,405**	**234,793**	**5,100**	**20,359**	**1,589,362**	**90,389**	**5,251**
Additions	54,013	10,963	585	10,434	147	9,649	85,791	49	
Depreciation written out		(13,945)	0	0	(2)	0	(13,947)	(354)	0
Revaluation increases (decreases) in the Revaluation Reserve	0	72,425	0	0	349	0	72,774	64,426	699
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(55,219)	(30,141)	0	0	0	0	(85,360)	0	0
Derecognition - Disposals	(4,158)	(18,205)	(6,316)	0	0	0	(28,678)	(563)	0
Derecognition - Others	0	0	0	0	0	0	0	0	0
Reclassifications (to/from Investment Property)	0	0	0	0	0	0	0	0	0
Reclassifications (to/from Assets Held for Sale)	0	0	0	0	(633)	0	(633)	0	0
Other movements in Cost or Valuations	0	6,288	0	0	0	(6,792)	(504)	0	504
At 31 March 2017	**640,115**	**670,611**	**34,674**	**245,227**	**4,962**	**23,217**	**1,618,805**	**153,947**	**6,454**
At 1 April 2016	**(9,787)**	**(36,853)**	**(25,937)**	**(57,827)**	**(83)**	**(1)**	**(130,488)**	**(17,127)**	**(3,709)**
Charge for 2016/17	(9,863)	(13,351)	(4,691)	(6,055)	(2)	0	(33,961)	(4,188)	(968)
Depreciation written out	298	13,945	0	0	2	0	14,245	354	
Depreciation charge written out to the Revaluation Reserve	0	0	0	0	0	0	0	0	0
Depreciation charge written out to the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0
Impairment written out	0	0	0	0	0	0	0	0	0
Impairment losses (reversals) recognised in the Revaluation Reserve	0	(528)	0	0	0	0	(528)		0
Derecognition - Disposals	0	914	5,905	0	0	0	6,819	10	0
Derecognition - Others	0	0	0	0	0	0	0	0	0
Reclassifications (to/from Assets Held for Sale)	0	0	0	0	81	0	81	0	0
Other Movements in Depreciation & Impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
At 31 March 2017	**(19,352)**	**(35,873)**	**(24,723)**	**(63,882)**	**(2)**	**(1)**	**(143,833)**	**(20,951)**	**(4,677)**
Balance Sheet Amount at 31 March 2017	**620,763**	**634,738**	**9,951**	**181,345**	**4,960**	**23,216**	**1,474,973**	**132,996**	**1,777**
Balance Sheet Amount at 1 April 2016	**635,692**	**606,373**	**14,468**	**176,966**	**5,017**	**20,358**	**1,458,874**	**73,262**	**1,542**

Note 1 – Significant movements on balances of property, plant and equipment

Movements in 2015/16	Council Dwellings	Land & Buildings	VPF&E	Infrastructure	Surplus	Asset under construction	Total	PFI Assets	Intangible Assets
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or Valuation									
At 1 April 2015	**653,873**	**620,529**	**50,395**	**225,468**	**5,115**	**44,106**	**1,599,486**	**94,625**	**5,251**
Additions	31,061	13,757	926	9,325		20,359	75,428	0	0
Depreciation written out	(10,495)	(9,917)	0	0	(11)	0	(20,423)	(1,746)	0
Revaluation increases (decreases) in the Revaluation Reserve	0	15,465	0	0	0	0	15,465	(2,125)	0
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(22,481)	(289)	0	0	(4)	(514)	(23,288)	(45)	0
Derecognition - Disposals	(6,477)	(320)	(10,916)	0	0	(39,591)	(57,304)	(320)	0
Derecognition - Others	0	0	0	0	0	0	0	0	0
Reclassifications (to/from Investment Property)	0	0	0	0	0	0	0	0	0
Reclassifications (to/from Assets Held for Sale)	0	0	0	0	0	0	0	0	0
Other movements in Cost or Valuations	(2)	4,001	0	0	0	(4,001)	(2)	0	0
At 31 March 2016	**645,479**	**643,226**	**40,405**	**234,793**	**5,100**	**20,359**	**1,589,362**	**90,389**	**5,251**
Depreciation and Impairments									
At 1 April 2015	**(10,495)**	**(34,556)**	**(30,689)**	**(52,266)**	**(81)**	**(1)**	**(128,088)**	**(15,856)**	**(2,739)**
Charge for 2015/16	(10,160)	(12,220)	(6,164)	(5,561)	(13)	0	**(34,118)**	(3,023)	(970)
Depreciation written out	10,495	9,917	0	0	11	0	**20,423**	1,746	0
Depreciation charge written out to the Revaluation Reserve	373	0	0	0	0	0	373	0	0
Depreciation charge written out to the Surplus/Deficit on the Provision of Services	0	0	0	0	0	0	0	0	0
Impairment written out	0	0	0	0	0	0	0	0	0
Impairment losses (reversals) recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	0	6	10,916	0	0	0	**10,922**	6	0
Derecognition - Others	0	0	0	0	0	0	0	0	0
Reclassifications (to/from Assets Held for Sale)	0	0	0	0	0	0	0	0	0
Other Movements in Depreciation & Impairments	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
At 31 March 2016	**(9,787)**	**(36,853)**	**(25,937)**	**(57,827)**	**(83)**	**(1)**	**(130,488)**	**(17,127)**	**(3,709)**
Balance Sheet Amount at 31 March 2016	**635,692**	**606,373**	**14,468**	**176,966**	**5,017**	**20,358**	**1,458,874**	**73,262**	**1,542**
Balance Sheet Amount at 1 April 2015	**643,378**	**585,971**	**19,706**	**173,202**	**5,034**	**44,105**	**1,471,398**	**78,769**	**2,512**

Current Assets
Note 2 – Debtors

31-Mar-16 £'000		31-Mar-17 £'000
35,469	Central government bodies	27,606
3,527	Other local authorities	10,387
2,105	NHS bodies	5,977
4,844	Public corporations and trading funds	4,506
34,861	Other entities and individuals	45,792
80,806	**Total**	**94,269**

Note 3 – Cash and Cash Equivalents

31-Mar-16 £'000		31-Mar-17 £'000
66,980	Cash held by the council	51,003
(84,686)	Bank current accounts	(68,611)
27,051	School bank accounts	21,022
22,811	Short-term deposits	15,604
32,156	**Total**	**19,018**

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Cash Flow Notes
Note 4 – Cash Flow Statement - Operating Activities
The cash flows for operating activities include the following items:-

2015/16 £'000		2016/17 £'000
4,684	Interest received-cash inflow	3,847
(23,673)	Interest paid-cash (outflow)	(22,882)

Note 5 – Cash Flow Statement - Investing Activities

2015/16 £'000		2016/17 £'000
(93,392)	Purchase of property, plant and equipment, investment property and intangible assets	(102,149)
(1,404)	Net increase/(decrease) in short-term and long-term investments	(10,535)
8,954	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	25,997
41,382	Capital grants received	31,935
(44,460)	**Net cash flows from investing activities**	**(54,752)**

Note 6 – Cash Flow Statement - Financing Activities

2015/16 £'000		2016/17 £'000
(4,332)	Net increase/(decrease) in short-term and long-term borrowing	(4,342)
(2,199)	Cash inflow/(outflow) relating to Private Finance Initiative schemes	(1,461)
(6,531)	**Net cash flows from financing activities**	**(5,803)**

Liabilities

Note 7 – Creditors

31-Mar-16 £'000		31-Mar-17 £'000
(6,092)	Central Government bodies	(22,740)
(18,968)	Other Local Authorities	(2,979)
(3,317)	NHS bodies	(63,476)
(296)	Public corporations and trading funds	(21,394)
(78,336)	Other entities and individuals	(366)
(107,009)	**Total**	**(110,955)**

Note 8 – Long-Term Liabilities

31-Mar-16 £'000		31-Mar-17 £'000
(635,984)	Pension Fund Liability	(818,540)
(22,124)	Deferred Income	(20,117)
(658,108)	**Total**	**(838,657)**

Note 9 – Provisions

	Outstanding Legal Cases £'000	Compensation Claims £'000	Other Provisions £'000	Total £'000
Short Term Provisions				
Balance at 1 April 2016	**0**	**(2,923)**	**(2,905)**	**(5,828)**
Net additions to provisions made in 2016/17	0	189	(908)	(719)
Balance at 31 March 2017	**0**	**(2,734)**	**(3,813)**	**(6,547)**
Long Term Provisions				
Balance at 1 April 2016	**(215)**	**(4,439)**	**(6,048)**	**(10,702)**
Net additions to provisions made in 2016/17	(4,763)	0	0	(4,763)
Balance at 31 March 2017	**(4,978)**	**(4,439)**	**(6,048)**	**(15,465)**

Outstanding legal claims

Disrepair Cases - Estimated compensation due to Council tenants for disrepair cases.

Housing Repairs - To meet legal liabilities to repair leased properties.

Compensation Claims

Uninsured Losses - The Council meets a proportion of its insurance liabilities and claims from the Uninsured Losses provision. The level of the provision is reviewed annually on the basis of information from the Council's advisers.

Other Provisions

Corporate Leases - Provision for photocopier leases

NNDR Revaluations - Provision for backdated NNDR appeals

Affordable Housing PFI - Provision for shortfall of income over the term of the contract

Earmarked Reserves

Note 10 – Transfers to/from Earmarked Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and below. Movement in the unusable reserves are detailed in the technical reconciliation section.

	Balance at 31-Mar-16 £'000	Transfers in 2016/17 £'000	Transfers out 2016/17 £'000	Movement 2016/17 £'000	Balance at 31-Mar-17 £'000
General Fund Capital Related					
Capital Financing	(21,529)	(7,337)	4,229	(3,108)	(24,637)
Revenue Contribution to Capital	(5,330)	0	5,330	5,330	0
Pension Liabilities	(4,466)	(675)	0	(675)	(5,141)
Capital Funding	(2,206)	(10,877)	0	(10,877)	(13,083)
Total	**(33,531)**	**(18,889)**	**9,559**	**(9,330)**	**(42,861)**
General Fund Revenue Reserves					
Technical and other obligations					
Transformation	(4,950)	(447)	2,519	2,072	(2,878)
Service Pressures	(2,000)	0	0	0	(2,000)
Future Funding Risks	(5,100)	0	0	0	(5,100)
Council Tax, Business Rates & Local Welfare	(4,886)	(588)	400	(188)	(5,074)
Redundancy & Restructuring	(3,725)	0	0	0	(3,725)
Welfare Reform	(3,510)	0	0	0	(3,510)
Other Central	(2,234)	(3,707)	0	(3,707)	(5,941)
JFS School PFI	(2,975)	(111)	0	(111)	(3,086)
Employment Initiatives	(1,706)	0	0	0	(1,706)
Insurance	(1,526)	(1,179)	62	(1,117)	(2,643)
Willesden Sports Centre PFI	(2,186)	0	0	0	(2,186)
Public Health	(1,706)	(417)	441	24	(1,682)
South Kilburn	(2,500)	(700)	0	(700)	(3,200)
HMO Licensing	(1,467)	0	416	416	(1,051)
Investment Reserve	(12,000)	0	500	500	(11,500)
Total	**(52,471)**	**(7,149)**	**4,338**	**(2,811)**	**(55,282)**
Service Reserves	**(13,058)**	**(2,257)**	**1,132**	**(1,125)**	**(14,183)**
S106 and Community Infrastructure Levy	**(40,121)**	**(10,453)**	**2,935**	**(7,518)**	**(47,639)**
Joint Arrangements					
Brent NHS Trust Joint Venture	(9,410)	0	4,000	4,000	(5,410)
Delayed Transfer of Care	(325)	0	0	0	(325)
Total	**(9,735)**	**0**	**4,000**	**4,000**	**(5,735)**
Total General Fund Revenue Reserves	**(115,385)**	**(19,859)**	**12,405**	**(7,454)**	**(122,839)**

Note 10 – Table Continued

	Balance at 31-Mar-16 £'000	Transfers in 2016/17 £'000	Transfers out 2016/17 £'000	Movement 2016/17 £'000	Balance at 31-Mar-17 £'000
Housing Revenue Account	**(1,725)**	**0**	**0**	**0**	**(1,725)**
Central DSG	**(1,019)**	**(5,055)**	**0**	**(5,055)**	**(6,074)**
School Balances	**(25,177)**	**5,058**	**0**	**5,058**	**(20,119)**
Total Revenue Reserves	**(142,287)**	**(14,801)**	**12,405**	**(2,396)**	**(144,683)**
Total Earmarked Reserves	**(176,837)**	**(38,745)**	**21,964**	**(16,781)**	**(193,618)**

Comprehensive Income and Expenditure Notes

Note 11 – Other Operating Expenditure

31-Mar-16 £'000		31-Mar-17 £'000
2,538	Levies	2,480
1,344	Payments to the Government Housing Capital Receipts Pool	1,322
35,547	(Gains)/losses on the disposal of non-current assets	(1,075)
39,429	**Total**	**2,727**

Note 12 – Financing and Investment Income and Expenditure

31-Mar-16 £'000		31-Mar-17 £'000
23,317	Interest payable and similar charges	22,556
23,097	Pensions interest cost and expected return on pensions assets	21,992
(4,488)	Interest receivable and similar income	(4,160)
49	(Surplus)/Deficit on Trading Accounts	45
41,975	**Total**	**40,433**

Note 13 – Taxation and non-Specific Grant Incomes

31-Mar-16 £'000		31-Mar-17 £'000
(92,986)	Council tax income	(101,882)
(48,345)	NNDR Top Up	(48,748)
(33,363)	Business Rates	(35,527)
(69,854)	Revenue Support Grant	(56,000)
(15,772)	Other government grants & taxation	(16,340)
(30,992)	Capital grants and contributions	(31,935)
(291,312)	**Total**	**(290,432)**

Additional Disclosures

Note 14 – Acquired and Discontinued Operations

The council has no transactions to disclose.

Note 15 – Pooled Budgets

The Council has entered into two partnership agreements under Section 31 of the Health Act 1999, one with NHS Brent CCG for provision of occupational therapy equipment and the other with the Central and North West London NHS Foundation Trust for provision of mental health services. Additionally there is a pooled fund agreement under section 75 of the National Health Service Act 2006 between the Council and the CCG to administer the Government's Better Care Fund to support the integration of health and social care.

Partnership income and expenditure for 2016/17 is shown in the table below:

	Mental Health £'000	Occupational Therapy £'000	The Better Care Fund £'000
Funding: London Borough of Brent	(350)	(450)	(3,599)
NHS Brent CCG	0	(654)	(20,101)
CNWLNFT	(891)	0	0
Total Funding	**(1,241)**	**(1,104)**	**(23,700)**
Expenditure	1,181	1,178	23,700
2016/17 Net Overspend/(Underspend)	**(60)**	**74**	**0**
2015/16 Net Overspend/(Underspend)	**(29)**	**656**	**0**

Note 16 – Members' Allowances

Total payments including National Insurance costs in 2016/17 were £1,096,948 (£1,050,820 in 2015/16). Details of the Members' Allowances scheme are available on Brent's website (www.brent.gov.uk)

Note 17 – External Audit Costs

31-Mar-16 £'000		31-Mar-17 £'000
200	Fees payable to KPMG with regard to external audit services carried out for the year	200
71	Fees payable to KPMG with regard to additional audit services carried out for the year	6
0	Fees payable to KPMG with regard to additional audit services carried out for prior year	5
27	Fees payable to KPMG for the certification of grant claims and returns for the year	22
0	Fees payable to KPMG for the certification of grant claims and returns for prior year	1
298	**Total**	**234**

Note 18 – Contingent Liabilities

The Council has a number of contingent liabilities. The best estimate of the liability for all the issues could be in the region of £4.8m, but due to the nature of the contingent liabilities this is subject to significant change. Figures are not shown against contingent liabilities where there are legal proceedings or the disclosure would adversely affect the outcome.

Note 19 – Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

2015/16 £'000	Revenue Grants	2016/17 £'000
	Housing Benefit:	
(317,998)	Mandatory Rent Allowances: subsidy	(296,890)
(20,910)	Mandatory Rent Rebates outside HRA	(18,777)
(29,022)	Rent Rebates Granted to HRA Tenants: subsidy	(27,768)
(2,889)	Housing Benefit and Council Tax Benefit Administration	(2,812)
(370,819)		**(346,247)**
	Schools:	
(201,461)	Dedicated Schools Grant (DSG)	(195,107)
(10,128)	Pupil Premium Grants	(8,454)
(4,722)	Sixth forms funding from Learning and Skills Council (LSC)	(3,970)
(3,686)	Universal Infant School Meal	(3,484)
(3,345)	Central Education Services	(2,897)
(223,342)		**(213,912)**
	Other:	
(3,121)	Adult and Community Learning from Learning and Skills Council	(3,057)
(2,607)	Discretionary Housing payments	(2,866)
(51)	Local Welfare Programme Funding	0
(4,660)	Private Finance Initiative	(6,531)
(17,511)	Public Health	(22,516)
(2,763)	Public Health Children 0-5	0
(10,390)	REFCUS revenue grants	(9,707)
(1,308)	Troubled Families	(1,219)
(69,854)	Revenue Support Grant	(56,000)
(3,094)	Section 31	(1,924)
(1,078)	Council Tax Freeze Grant	0
(7,139)	New Homes Bonus	(11,151)
(1,166)	Care Bill Implementation	0
(1,137)	Asylum Leaving Care (Post 18) Grant	(2,219)
(7,414)	Other Miscellaneous Grants	(5,839)
(133,293)		**(123,029)**
(727,454)	**Total**	**(683,188)**

2015/16 £'000	Capital Grants	2016/17 £'000
	Grants:	
(5,943)	Basic Needs	(13,449)
(2,560)	School Condition Grant	(2,362)
(5,646)	Transport for London	(4,420)
0	Disabled Facilities	0
(2,316)	Other Grants	(1,489)
0	Education Funding	(1,597)
	Contributions:	
(14,527)	Section 106 and Community Infrastructure Levy	(8,619)
(30,992)	**Total**	**(31,936)**

Note 20 – Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded by the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE).

The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget as defined in the Schools and Early Years Finance (England) Regulations 2011.

In 2016-17, as in previous years, an element of the DSG was recouped by the DfE to fund academy schools in the borough.

The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

DSG received in 2016/17 was deployed as follows:

	Central Expenditure	Individual Schools Budget	Total
	£'000	£'000	£'000
Final DSG for 2016-17 before Academy Recoupment			302,189
Academy figure recouped for 2016-17			(107,356)
Total DSG after recoupment for 2016-17			**194,833**
Brought Forward from 2015-16			1,019
Carry Forward to 2017-18 agreed in advance			(1,019)
Agreed initial budgeted distribution in 2016-17	46,990	147,843	**194,833**
In year adjustments	272		272
Final budgeted distribution for 2016-17	47,262	147,843	195,105
Less Actual Central Expenditure	(42,207)	0	(42,207)
Less Actual ISB deployed to schools	0	(147,843)	(147,843)
Carry Forward to 2017-18 agreed in advance	**5,055**	**0**	**6,074**

Note 21 – Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Councillors and Chief Officers complete related party transaction forms each year.

A number of voluntary organisations which received grants from the London Borough of Brent in 2016/17 have Brent Members as Directors, Trustees or employees.

The following disclosures show where material transactions were made as obtained from Members' 2016/17 Declarations of Related Party Transactions (where the organisation received a significant amount of funding):

	2016/17 £'000
Community Voluntary Service (CVS)	243
Help Somalia	17

London Borough of Brent Pension Fund - administrative support is provided to the Fund. The Pension Fund's accounts are shown separately in this document. The Council charged the Pension Fund £0.682m for administering the fund in 2016/17 (£0. 661m was charged in 2015/16).

Pooled Budgets - Details of partnerships with NHS Brent CCG and the North West London Mental Health Trust are shown in Note 15 to the Core Financial Statements.

Subsidiary Companies - Brent has a number of subsidiaries including Brent Housing Partnership (BHP) Limited, LGA Digital and I4B.

BHP

The Council paid a management fee to BHP of £7.458m in 2016/17 (£7.649m in 2015/16).

I4B

I4B Ltd is a company wholly owned by Brent Council that was incorporated on the 16 December 2016. The primary purpose of the company is to deliver the housing options defined in the Temporary Accommodation reform plan. As of 31st March 2017, I4B did not own any assets and there were no transactions between the company and Brent Council.

LGA digital

The council entered into an agreement to partner with the Local Government Association for the provision of ICT services, including the implementation of new infrastructure for their offices, the hosting of their ICT services at the Brent Data Centres, and the ongoing provision of ICT support services on the 27 January 2016.

The council established a company that is 50% owned by the council and 50% by the Local Government Association to facilitate this arrangement.

Barham Park

Barham Park Trust is a charity that that is controlled by the council as a result of the council appointing all the trustees and is included in Brent's Group accounts as a subsidiary. Brent held £463k on behalf of the Barham Park Trust.

The Group Accounts can be found later in this document and combine the accounts of Brent, BHP, Barham Park Trust and LGA Digital Services.

Locata

Brent, in partnership with other London boroughs and Housing Associations, is operating a joint lettings scheme for housing tenants. A company called Locata (Housing Services) Limited has been set up for this purpose.

Brent is liable to contribute to the debts and liabilities of Locata up to £10, if it was wound up.
Locata's accounts have not been consolidated into Brent's group accounts because the sums involved are not material to the Council's accounts and because Brent has limited influence on the company (less than 20% voting rights).

A copy of Locata's accounts can be obtained from Companies House: www.companieshouse.gov.uk.

Note 22 – Capital Expenditure and Capital Financing

2015/16 £'000 GF	2015/16 £'000 HRA	2015/16 £'000 Total		2016/17 £'000 GF	2016/17 £'000 HRA	2016/17 £'000 Total
			Capital Investment			
44,367	31,061	75,428	Property, Plant and Equipment	32,865	57,098	89,963
0	0	0	Investment Properties	0	0	0
0	0	0	Intangible Assets	0	0	0
16,149	0	16,149	Revenue Expenditure Funded from Capital under Statute	10,795	0	10,795
60,516	**32,922**	**91,577**	**Total Expenditure**	**43,660**	**57,098**	**100,758**
			Sources of Finance			
		(20,869)	Capital Receipts			(32,151)
		(25,735)	Government Grants and other Contributions			(24,643)
		(11,284)	Direct revenue contributions			0
		(28,116)	Major Repairs Reserve			(32,404)
		0	Earmarked Reserves			(9,559)
		(5,573)	Borrowing			(2,001)
		(91,577)	**Total Resources**			**(100,758)**
		0	**Net Balance**			**0**
			Calculation of Capital Financing Requirement			
		1,458,874	Fixed Assets			1,474,986
		1,542	Intangible Assets			1,777
		4,519	Assets Held for Sale			5,610
		(209,149)	Revaluation Reserve			(275,722)
		(649,355)	Capital Adjustment Account			(605,693)
		(22,124)	Deferred Income			(20,117)
		584,308	**Capital Financing Requirement**			**580,841**

Financial Instruments

Note 23 – Financial Instruments Categories

The following categories of financial instrument are carried in the Balance Sheet. In addition, cash and cash equivalents are disclosed in Note 3 – Cash and Cash Equivalents.

	Long Term			Current		
	31-Mar 2017 £'000	31-Mar 2016 £'000	31-Mar 2015 £'000	31-Mar 2017 £'000	31 March 2016 £'000	31 March 2015 £'000
Investments						
Loans and receivables	0	0	0	151,612	141,077	139,673
Unquoted equity investment at cost	100	100	100	0	0	0
Total investments	**100**	**0**	**100**	**151,612**	**141,077**	**139,673**
Debtors						
Loans and receivables	58,725	54,958	59,646	0	0	0
Financial assets carried at contract amounts	0	0	0	45,792	34,861	36,516
Total Debtors	**58,725**	**54,958**	**59,646**	**45,792**	**34,861**	**36,516**
Borrowings						
Financial liabilities at amortised cost	(410,634)	(414,975)	(419,316)	(8,572)	(8,573)	(8,564)
Total Borrowings	**(410,634)**	**(414,975)**	**(419,316)**	**(8,572)**	**(8,573)**	**(8,564)**
Other Long Term Creditors						
PFI and finance lease liabilities	(28,724)	(31,507)	(34,182)	0	0	0
Total Other Long Term Creditors	**(28,724)**	**(31,507)**	**(34,182)**	**0**	**0**	**0**
Creditors						
Financial liabilities carried at contract amounts	0	0	0	(64,905)	(78,336)	(69,737)
Total Creditors	**0**	**0**	**0**	**(64,905)**	**(78,336)**	**(69,737)**

Note 24 – Fair Values of Assets and Liabilities

The Council's long term financial assets and financial liabilities are carried in the Balance Sheet at amortised cost. The portion of borrowings and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under short term borrowings or short term investments This includes accrued interest for long term investments and borrowings, as well as accrued interest for cash and cash equivalents.

The Council's long term borrowing at 31 March 2016 and 31 March 2017 consisted of loans from the Public Works Loan Board (PWLB) and market loans. The PWLB has provided the Council with Fair Value amounts in relation to its debt portfolio, assessed by calculating the amounts the Council would have had to pay to extinguish the loans on these dates. In the case of market loans, the Council's Treasury Adviser has calculated the fair value based on equivalent swap rates at the Balance Sheet date. The carrying amount of short-term borrowing is considered to be at fair value.

In the case of the Council's investments, these consisted almost entirely of term deposits with Banks and Building Societies. The maturity dates of these investments were within 12 months of the Balance Sheet date. The contracts of term deposits do not permit premature redemption. None of the investments were impaired (i.e. at risk of default), apart from the impairments incurred as a result of the Icelandic situation

Financial Liabilities

31-Mar-16 Carrying Amount £'000	31-Mar-16 Fair Value £'000		31-Mar-17 Carrying Amount £'000	31-Mar-17 Fair Value £'000
(8,573)	(8,573)	Short Term Borrowing (PWLB)	(8,572)	(8,572)
(319,475)	(463,495)	Long Term Borrowing (PWLB)	(315,134)	(513,958)
(95,500)	(163,712)	Long Term Borrowing (LOBO)	(80,500)	(162,013)
0	0	Long Term Borrowing (Market Loans)	(15,000)	(23,444)
(34,182)	(34,182)	Long Term Creditors	(28,724)	(28,724)

The Fair Value of financial liabilities is higher than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. There has been an increase in the fair value of the Council's loans due to an increase in the discount rate, which is based on a projection of the long-term interest rates. This is consistent with the increase in the Pension Liabilities.

Financial Assets

31-Mar-16 Carrying Amount £'000	31-Mar-16 Fair Value £'000		31-Mar-17 Carrying Amount £'000	31-Mar-17 Fair Value £'000
141,077	141,077	Loans and Receivables	151,612	151,612
54,182	54,182	Long Term Debtors	58,725	58,725

The amortised value of investments is a good estimate of the Fair Value.

Impairment of Deposits with Icelandic Banks

Heritable Bank

Heritable bank is a UK registered bank under Scots law. The company was placed in administration on 7th October 2008. As at 31 March 2016, the Council had recovered £9.8m of the original £10m deposit and a further repayment may arise subject to the result of court action. The impairment made by the Council is essentially the balance of the deposit outstanding.

Note 25 – Leases

Authority as Lessee

Finance Leases

Brent Council leases some of its IT equipment and Vehicles under finance leases. The assets acquired are included in Plant, Property and Equipment in the balance sheet as part of Plant, Furniture, Vehicles and Equipment in the notes at the following net amounts

31-Mar-16 £'000		31-Mar-17 £'000
2,987	Plant, Furniture, Vehicles and Equipment	1,741

The council is committed to making minimum payments comprising of repaying the outstanding liability for the capital purchase, and interest upon the outstanding liabilities. The minimum lease payments are made of the following amounts:

31-Mar-16 £'000		31-Mar-17 £'000
	Finance lease liabilities	
1,192	Current	580
1,791	Non-current	1214
128	Finance costs payable in future years	66
3,111	**Minimum lease payments**	**1860**

These minimum lease payments are payable over the following periods

	Total Minimum Lease Payments		Present Value of Minimum Lease Payments Repayable Minimum Lease Payments Repayable	
	2015-16 £'000	2016-17 £'000	2015-16 £'000	2016-17 £'000
Not Later than one year	1,255	618	1,192	580
Later than one year and not later than five years	1,833	1,242	1,791	1,214
	3,088	**1,860**	**2,983**	**1,794**

Operating Leases

Brent Council leases Land & Buildings, Office Equipment, vehicles, and telecommunications Equipment in order to provide its services.

The Future Minimum payments under these leases in future years are:

2015-16 £'000		2016-17 £'000
653	Not later than one year	773
1,697	Later than one year and not later than five years	1,573
6,282	Later than five years	5,809
8,632	**Total**	**8,155**

The following future sublease payments are receivable:

£'000		£'000
0	Future Minimum Sublease Payments Receivable	907

The expenditure charged to Comprehensive Income and Expenditure Statement for these leases is detailed below:

2015-16 £'000		2016-17 £'000
1,554	Minimum Lease payments	697
(103)	(Sublease payments receivable)	(168)
1,451	**Total**	**529**

Authority as Lessor

Finance Leases

Brent Council leases Northwick golf course to a commercial operator on a finance lease with a remaining term of 91 years.

The authority has a gross investment in the property which is the present value of future lease payments receivable under the contract. The gross investment is made up of the following amounts:

2015-16 £'000		2016-17 £'000
	Finance lease debtor	
1,249	Non-Current	1,249
1,249	**Gross Investment in Lease**	**1,249**

The gross investment in the lease and the minimum lease payments will be received from the commercial operator over the following periods:

	Gross Investment in the Lease		Present Value of Minimum Lease Payments	
	2015-16 £'000	**2016-17 £'000**	**2015-16 £'000**	**2016-17 £'000**
Later than one year and not later than five years	1	1	1	1
Later than five years	1,249	1,248	1,249	1,248
	1,250	**1,249**	**1,250**	**1,249**

In addition to the payments made by the commercial operator shown above, the council receives contingent rent based on the turnover of the golf course. In 2015-16, £22k contingent rent was receivable.

Operating Leases

The council leases out a number of its properties both for commercial use and service provision.

Future minimum lease payments expected under these contracts are:

2015-16 £'000		2016-17 £'000
1,697	Not later than one year	1,892
3,489	Later than one year and not later than five years	6,266
23,318	Later than five years	33,710
28,504	**Total**	**41,868**

The council receives additional contingent rent for one of its properties based on the turnover of the lessee's business.

Note 26 – Private Finance Initiative (PFI) and Service Concessions

The Council has entered into three PFI projects which have generated assets to be used by the Council, these are:

- In 1998/99 a 20 year project to provide and maintain street lights throughout the Borough, legal title to these street lights transfers to Brent at the end of the contract. The contract pays for the maintenance and operation of the streetlights throughout the contract period
- In 2006/07 a 25 year project to provide, operate and maintain a new sports centre and related facilities in Willesden; legal title to this sports centre transfers to Brent at the end of the contract
- In 2008/09 the Council entered into phase 1 of a 20 year project to provide and maintain social housing, and replacement residential facilities for people with learning disabilities. Phase 2 of this contract was signed in 2010-11. Legal title to the residential facilities for people with learning disabilities transfers to Brent. Brent controls the residual value of 158 units of the housing stock at the end of the contract by a combination of restrictions on the sale and use of the social housing built and guaranteed nomination rights to 158 of the properties built. The complexities of this contract are further detailed below.

The Council has reviewed its contracts and identified the following agreements that meet the definition of a Service Concession:

- In 2005/06 a 32 year agreement was made to provide and maintain social housing within Stonebridge. Whether or not a block of flats or house paid for by this contract appears on Brent's balance sheet was determined by a tenant's vote at the start of the contract. The PFI operator manages and maintains these properties on behalf of Brent.
- A provision of £5.7m is maintained to reflect changes in the PFI schemes agreed in prior years. Please refer to note 9.

The assets that have been recognised on the balance sheet funded by PFIs and service concessions are shown in Note 1 on Plant, Property, and Equipment.

These assets are funded by the following liabilities which are repaid over the course of the contract to recompense the PFI operator for the capital expenditure they have incurred.

2015-16 £'000		2016-17 £'000
33,932	Balance outstanding at start of year	31,767
(2,166)	Payments during the year	(1,407)
31,766	**Balance outstanding at end of year**	**30,360**

The following future payments are expected to be made on the PFIs and Service Concessions:

	Payment for Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Payable in 2017/18	3,403	2,617	3,194	9,214
Payable with two to five years	10,077	9,740	11,189	31,006
Payable within 6 to 10 years	9,673	15,029	11,553	36,255
Payable within 11 to 15 years	8,656	14,803	8,677	32,136
Payable within 16 to 20 years	2,056	8,894	6,223	17,173
Total	**33,865**	**51,083**	**40,836**	**125,784**

Where a PFI asset is paid for by third party payments, it is a requirement to recognise of deferred income: this recognises the expected future third party payments. Deferred income recognised on the balance sheet is:

2015-16 £'000		2016-17 £'000
(24,131)	Deferred Income opening balance	(22,124)
2,007	Amortisation	2,007
(22,124)	Deferred Income closing balance	(20,117)

Further details of the Housing and Adult Social Care PFI: assessed under IFRS this contract has three distinct elements:

1. Residential facilities for people with learning disabilities – Legal title to 20 units of residential facilities for people with learning disabilities transfers to Brent. This element of the PFI is accounted for using the service concession rules for IFRIC 12
2. Residential social housing with guaranteed nomination rights Brent controls the residual value of this Social Housing stock at the end of the contract by a combination of restrictions on the sale and use of the social housing built and nomination rights to some of the properties built. Brent will be granted at least 158 nomination rights. This element of the PFI is accounted for using the service concession rules for IFRIC 12.
3. Residential social housing without guaranteed nomination rights – This is residual stock after Brent is granted at least 158 nomination rights. This will be at most 206 units. These units can be sold by the PFI Operator to other Registered Social Landlords under the conditions of the contract. This element is therefore considered to be temporary housing stock, and is accounted for using the embedded lease rules for IFRIC 4.

The Assets and Liabilities for element 2 of the PFI have been calculated using the ratio of 158:364, which is the ratio of guaranteed nomination rights to total social housing properties.
The payments for element 3 are the residual payments once elements 2 and 3 are accounted for.

There are a number of uncertainties about this contract where the Council's assets and liabilities may be affected by uncertain future events:

- The number of nomination rights is governed by House Price inflation: the higher house price inflation is the greater the number of nomination rights.
- The PFI Operator is allowed to sell a number of properties to equal in value to the principal amount of senior debt for the PFI. The principal amount of senior debt will be affected by future social housing rents. It is also possible that refinancing of the contract could lower the principal amount of senior debt.
- At this stage, it is not possible to state to which 158 properties the Council will get permanent nomination rights. This will be determined over the course of the contract by the granted of long term tenancies to residents of the properties. This may result in the Council's assets and liabilities being higher or lower than currently projected.

These features of the contract are an important part of the Council's risk control for this contract. The contract is fixed in price; it is the apportionment of this fixed payment between the permanent and temporary elements which is uncertain. In substance, the risks principally affect the future benefits the Council will receive at the end of the contract in the form of nomination rights.

Note 27 - Nature and extent of risks arising from Financial Instruments

The Council considers its main risks to be: -

- *Credit Risk:* The possibility that one party to a financial instrument will fail to meet its contractual obligations, causing a loss for the other party.
- *Liquidity Risk:* The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk:* The possibility financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments

- The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.
- Up to £15m can be invested with a single pre-selected UK banking group (or individually rated banks within that group) for up to 100 days.
- Up to £10m can be invested with pre-selected overseas banks, or AAA rated money market funds for up to 190 days. Up to £10m can be invested in institutions that are supported by major international organisations such as the USA Federal Reserve or the European Central Bank for longer periods.
- Up to £20m can be invested with individual other local authorities or UK government bodies for terms that can exceed one year
- The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2017 that this was likely to crystallise. The Council's direct exposure to banks and building societies on 31st March 2017 was limited to £0.2m with Heritable Bank and a marginal net amount with the Royal Bank of Scotland.
- The table below summarises the credit risk exposures of the Council's investment portfolio by credit rating:

	Short Term	
	31-Mar-17	31-Mar-16
Credit Rating	**£'000**	**£'000**
AAA	15,600	22,800
AA-	0	15,000
A	0	20,000
Unrated local authorities	151,500	91,000
Debt Management Office	0	15,000
Residual Icelandic banks	200	200
Total Investments	**167,300**	**164,000**

(Excludes interest and impairment)

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the Approved List for Investments, which governs lending to banks and financial institutions, including building societies, government authorities and supranational institutions. The Council combines long-term, short-term and individual ratings to reduce the risk of default. To further reduce risk, the Council only

makes new investments with financial institutions through marketable instruments which could be sold at short notice to minimise prospective losses.

The following analysis summarises the Authority's potential maximum exposure to credit risk. 66% is the element which has not been provided for, based on historical experience of default.

	Amount at 31 March 2017 £'000	Historical experience of default %	Estimated maximum exposure to default £'000
	(a)	(b)	
Deposits with banks and financial institutions	2		2
Trade debtors	93,337	57.27%	53,455
	93,339		**53,457**

The short term investments are loans and receivables and shown at amortised cost.

The Council expects some losses from non-performance by its Icelandic counterparty in relation to deposits, and has allowed for this in the impairment calculation. The Council does not expect any losses from non-performance by other counterparties.

Trade debtors are general debtors to the Council, and do not include government departments, other local authorities or housing rents.

The Council does not generally allow credit for its trade debtors. During the reporting period the council held no collateral as security.

Liquidity risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments, although officers monitor the situation carefully, given recent comments in the financial press. The Council is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than specified of the Council's borrowing matures in any period

The maturity analysis of the principal sums borrowed is as follows:

	£'000
Less than one year	4,341
Between one and two years	4,341
Between two and five years	19,736
Between five and ten years	5000
Between ten and twenty years	25,058
Between 20 and 30 years	400
Between 30 and 40 years	235,021
More than 40 years	40578
Uncertain date *	80,500
	414,975

*The Council has £80.5m of "Lender's option, borrower's option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate

or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely repay these loans. The maturity date is therefore uncertain.

Investments of £167m are due to be repaid to the Council within one year.

Market Risks: Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. However, more than 90% of the Council's long term borrowing is at fixed rates so the risk would arise when the need to refinance arises or on occasions when short term borrowing is required, which are small in relation to the Council's scale of operation. A rise in interest rates would lead to a fall in the fair value of borrowings but this would have no impact on the Income and Expenditure Account.

Investments classed as "loans and receivables" and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on Comprehensive Income and Expenditure. Changes in interest receivable on investments will be posted to the Surplus or Deficit on the Provision of Services.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. At 31 March 2017, all the principal borrowed was exposed to fixed rates.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest receivable on variable rate investments	(1,673)
Impact on Comprehensive Income and Expenditure	(1,673)
Decrease in fair value of fixed rate borrowings/liabilities*	**125,684**

*No Impact on Comprehensive Income and Expenditure

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. However, it would lead to a negative interest rate on our investments.

Employee Benefits

Note 28 - Senior Employees' Remuneration

Senior employees are Brent's Chief Executive and direct reports (other than administration staff) and statutory chief officers.

Post Holder	Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employers pension contributions £	Total remuneration including pension contributions £	Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employers pension contributions £	Total remuneration including pension contributions £
*Chief Executive – C Downs (Started Sept 15)	108,919	0	108,919	0	108,919	202,729	0	202,729	0	202,729
Interim Chief Executive – C Gilbert (Left Sept 15)	91,863	0	91,863	0	91,863	0	0	0	0	0
Strategic Director Regeneration & Environment (Started Jun 16)	0	0	0	0	0	98,627	0	98,627	29,588	128,215
Interim Strategic Director Regeneration & Environment (Until Jun 16)	146,981	0	146,981	0	146,981	36,621	0	36,621	0	36,621
Strategic Director of Regeneration and Growth (Until Jan 16)	117,170	0	117,170	33,794	150,964	0	0	0	0	0
Chief Finance Officer (section 151 officer)	122,008	0	122,008	35,870	157,878	123,729	0	123,729	33,888	157,617
Strategic Director Children and Young People	147,259	0	147,259	42,640	189,899	146,485	0	146,485	43,945	190,430
Human Resources Director (Until Jun 15)	41,499	157,610	199,109	8,968	208,077	0	0	0	0	0
Strategic Director Environment & Neighbourhood Services (Until May 15)	21,881	102,219	124,100	4,470	128,570	0	0	0	0	0

Post Holder	Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employers pension contributions £	Total remuneration including pension contributions £	Salary (including fees and allowances) £	Compensation for loss of office £	Total remuneration excluding pension contributions £	Employers pension contributions £	Total remuneration including pension contributions £
Chief Legal Officer (Until Nov 16)	81,896	0	81,896	24,368	106,264	54,091	0	54,091	15,521	69,612
Interim Chief Legal Officer (Started Oct 16)	0	0	0	0	0	41,116	0	41,116	12,335	53,450
Strategic Director of Community & Well-being	139,144	0	139,144	40,153	179,297	146,985	0	146,985	43,945	190,930
Director of Public Health	111,566	0	111,566	32,800	144,366	113,004	0	113,004	33,805	146,809
Strategic Director of Resources (Started Jun 16)	0	0	0	0	0	120,190	0	120,190	36,011	156,200
Interim Strategic Director of Resources (Jan 16 - Jul 16)	21,521	0	21,521	0	21,521	39,143	0	39,143	0	39,143
Director of Policy, Partnerships and Performance	122,508	0	122,508	35,870	158,378	125,701	0	125,701	36,969	162,670
Total	**1,274,215**	**259,829**	**1,534,044**	**258,933**	**1,792,977**	**1,248,421**	**0**	**1,248,421**	**286,007**	**1,534,428**

*The chief executive's remuneration of £202,729 includes £9,658 in fees for acting as returning officer. She was entitled to over twice that amount (£24,184), but distributed the balance to other staff who helped with the election and would not otherwise have been rewarded.

Note 29 – Officers' Remuneration

The number of employees whose remuneration in 2016/17 and 2015/16, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:-

2015/16				2016/17		
Schools Staff	Officers	Total	Remuneration band £	Schools Staff	Officers	Total
129	64	193	50,000 - 54,999	104	71	175
64	23	87	55,000 - 59,999	79	33	112
32	21	53	60,000 - 64,999	30	15	45
22	11	33	65,000 - 69,999	27	8	35
27	12	39	70,000 - 74,999	21	7	28
12	8	20	75,000 - 79,999	12	9	21
5	5	10	80,000 - 84,999	12	6	18
11	5	16	85,000 - 89,999	9	4	13
4	2	6	90,000 - 94,999	6	3	9
1	2	3	95,000 - 99,999	1	1	2
2	1	3	100,000 - 104,999	2	1	3
2	2	4	105,000 - 109,999	1	1	2
1	4	5	110,000 - 114,999	0	3	3
1	0	1	115,000 - 119,999	2	0	2
0	2	2	120,000 - 124,999	1	2	3
0	0	0	125,000 - 129,999	0	2	2
0	0	0	130,000 - 134,999	0	0	0
0	1	1	135,000 - 139,999	0	1	1
0	0	0	140,000 - 144,999	1	0	1
0	2	2	145,000 - 149,999	0	2	2
0	1	1	155,000 – 159,999	0	0	0
0	1	1	175,000 - 179,000	0	0	0
0	1	1	190,000 - 194,999	0	0	0
0	0	0	200,000 - 204,999	0	1	1
313	**168**	**481**	**Total**	**308**	**170**	**478**

The table above includes senior employees. Further details concerning senior employees are shown in a separate note.

The number of schools staff earning above £50,000 has reduced by 5. Academy conversions have resulted in a reduction of nine, offset by a net increase of four staff due to school expansions and re-organisations.

In 2016/17 13 officers (2015/16 11 officers) were in the £50K+ bands due to redundancy or termination agreements. Excluding this impact, the number of staff earning over £50,000 has remained constant. However, there has been a further significant reduction in the more senior staff, those earning over £60k, from 70 to 53, excluding terminations.

Note 30 – Exit Packages

Exit Package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		Total number of exit packages by cost band (b) + (c)		Total cost of exit packages in each band £'000	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
£0 - £20,000	31	35	70	37	101	72	803	635
£20,001 - £40,000	16	23	31	9	47	32	1,200	864
£40,001 - £60,000	3	6	5	7	8	13	371	629
£60,001 - £80,000	0	1	4	3	4	4	276	259
£80,001 - £100,000	2	1	1	1	3	2	268	171
£100,000 - £150,000	1	0	2	0	3	0	332	0
Total cost included in bandings	**53**	**66**	**113**	**57**	**166**	**123**	**3,250**	**2,558**
ADD: amounts provided for in CIES not included in bandings							795	81
TOTAL cost included in CIES							**4,045**	**2,639**
Average cost of exit packages							**24**	**21**

The number of exit packages decreased from 166 in 2015/16, at a cost of £3.3m, to 123 in 2016/17 at a cost of £2.6m, an overall decrease in cost of £0.7m.

The council has managed to help control the overall cost of exit packages by reducing further the average cost from £24k in 2015/16 to £21k in 2016/17.

Pension Notes

Note 31 - Pension Schemes Accounted for as Defined Contribution Schemes

In 2016/17, the Council paid £9.1m to Teachers' Pensions (£9.3m 2015/16) in respect of teachers' retirement benefits, representing 16.48% (16.48% 2015/16) of pensionable pay. The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis.

The Council also paid £36k in 2016/17 (£36k in 2015/16) to the NHS pension scheme representing 14.3% (14.3% in 2015/16) of pensionable pay related to Public Health responsibilities.

Note 32 – Defined Benefit Pension Schemes

Participation in Pension Schemes

The Council participates in The Local Government Pension Scheme – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. Actuarial gains and losses on pension assets and liabilities are recorded as Other Comprehensive Income and Expenditure. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

31 March 2016 £'000		31 March 2017 £'000
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
28,096	Current service cost	22,857
486	Past service costs (including curtailments)	(1,458)
0	Settlements and curtailments	
	Financing and investment Income and Expenditure:	
41,526	Interest cost	41,641
(18,429)	Expected return on scheme assets	(19,649)
51,679	*Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services*	**43,391**
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
0	Changes in demographic assumptions	(16,919)
(114,575)	Changes in financial assumptions	231,239
(20,417)	Other experience	57,639
29,377	Return on assets excluding amounts in net interest	(99,056)
(53,936)	*Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement*	**216,294**
	Movement in Reserves Statement	
30,140	Employers' contributions payable to the scheme	**29,445**
4,960	Contributions in respect of unfunded benefits	**4,293**
35,100	*Actual amount charged against the General Fund Balance for pensions in the year:*	**33,738**
(51,679)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(43,391)
(16,579)		(9,653)

Note 33 – Reconciliation of Assets and Liabilities in Relation to Post-Employment Benefits

2015/16				2016/17		
Scheme Assets	Pensions Obligations	Net Pensions Liability		Scheme Assets	Pensions Obligations	Net Pensions Liability
£'000	£'000	£'000		£'000	£'000	£'000
573,455	**(1,298,475)**	**(725,020)**	**Opening Balance at 1 April**	**567,448**	**(1,203,432)**	**(635,984)**
			Service Costs			
0	(28,096)	(28,096)	Current Service Cost	0	(22,857)	(22,857)
0	(486)	(486)	Past Service cost and gains/losses on curtailments	0	1,458	1,458
18,429	(41,526)	(23,097)	Interest Income and Expense	19,649	(41,641)	(21,992)
			Remeasurements			
(29,377)	20,417	(8,960)	Return on Plan Assets	99,056	(57,639)	41,417
0	0	0	Actuarial Gains and Losses arising from changes in demographic assumptions	0	16,919	16,919
0	114,575	114,575	Actuarial Gains and Losses from changes in Financial Assumptions	0	(231,239)	(231,239)
			Contributions			
35,100		35,100	The Council	33,738	0	33,738
6,405	(6,405)	0	Employees	6,133	(6,133)	0
			Payments			
(36,564)	36,564	0	Retirement Grants and Pensions	(51,289)	51,289	0
567,448	**(1,203,432)**	**(635,984)**	**Closing Balance at 31 March**	**674,735**	**(1,493,275)**	**(818,540)**

Note 34 – Sensitivity Analysis

Change in assumptions at 31 March 2017	Approximate % increase to Employer Liability	Approximate monetary amount
	%	£'000s
0.5% decrease in Real Discount Rate	9%	130,222
1 year increase in member life expectancy	4%	59,731
0.5% increase in the Salary Increase Rate	1%	13,193
0.5% increase in the Pension Increase Rate	8%	115,557

Note 35 – Explanation of Change in Net Pension Liability

The Net Pension Liability has increased by £183m. This was driven by an increase in actuarial losses of £231m resulting from a change in financial assumptions, i.e. the actuary's view of the future economic growth has worsened, thus affecting the expectation of returns.

The discount factor has also reduced from 3.5% to 2.5% leading to an increase in the net interest on the net defined liability, an adverse movement of £22m. However, some of the negative position was offset by stronger than anticipated returns, leading to a growth in scheme assets of £113m.

It is clear that a further decrease in the discount rate could significantly increase the liabilities. There are also risks attached to the maturity of the members, as it can be seen that 45% of the liability relates to pensioners and this percentage is growing.

The Employer's contributions for the period to 31 March 2018 are estimated to be approximately £28,905,000. The deficit recovery period is 19 years. Contributions will grow from 32.5% of pensionable pay in 2017/18 to 33.8% in 2018/19 to 35.0% in 2019/20.

	Liability split (£'000s) as at 31 March 2017	Liability split (%) as at 31 March 2017	Weighted Average Duration (Years)
Active Members	382,922	27%	24.0
Deferred Members	408,330	28%	21.2
Pensioner Members	645,174	45%	11.4
Total Members	1,436,426	100%	16.6

Note 36 – Basis for Estimating Assets and Liabilities

The latest full actuarial valuation of the London Borough of Brent's liabilities took place as at 31 March 2013. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund and assessing discretionary benefit liabilities are set out below:

2015-16		2016-17
	Actuarial Assumptions:	
	Longevity at 65 for current pensioners:	
22	Men	22.3
24.3	Women	24.5
	Longevity at 65 for future pensioners:	
24.4	Men	24.1
26.8	Women	26.4
4.0%	Rate of increase in salaries	2.70%
2.2%	Rate of increase in pensions	2.40%
3.5%	Rate for discounting scheme liabilities	2.50%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2008 service)	50.00%
75.0%	Take-up of option to convert annual pension into retirement lump sum (post-April 2008 service)	75.00%

Note 37 – Fair value of employers assets (bid value)

Brent's share of the Pension Fund Assets as estimated within the statutory IAS19 report is shown below: -

31-Mar-16					31-Mar-17			
Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Percentage of Total Assets %	Asset Category	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Percentage of Total Assets %
				Private Equity				
0	74,111	74,111	13.0%	All		73,200	73,200	10.8%
				Real Estate				
29,873	0	29,873	5.0%	UK Property	1,935	0	1,935	0.3%
3,052	0	3,052	1.0%	Overseas Property	3,152	0	3,152	0.5%
				Investment Funds & Unit Trusts				
263,779	0	263,779	47.0%	Equities	334,302	0	334,302	49.5%
73,461	0	73,461	13.0%	Bonds	78,208	0	78,208	11.6%
58,589	0	58,589	10.0%	Hedge Funds				
0	34,961	34,961	6.0%	Infrastructure		44,523	44,523	6.6%
0	0	0	0%	Other	105,377	0	105,377	15.6%
				Cash and cash equivalents				
0	29,619	29,619	5.0%	All	34,038	0	34,038	5.0%
428,754	**138,691**	**567,445**	**100%**	**Totals**	**557,012**	**117,723**	**674,735**	**100.0%**

Housing Revenue Account
Income and Expenditure Statement for the Year Ended 31 March 2017

2015/16 Excluding Revaluations £'000	2015/16 Including Revaluations £'000		2016/17 Excluding Revaluations £'000	2016/17 Including Revaluations £'000
		Income		
(48,718)	(48,718)	Dwelling Rents	(47,412)	(47,412)
(187)	(187)	Non Dwelling Rents	(175)	(175)
(2,911)	(2,911)	Tenants Charges for Services and Facilities (Note 1)	(2,770)	(2,770)
(335)	(335)	Contribution Towards Expenditure	0	0
(2,187)	(2,187)	Leaseholders' Charge for Serviced and Facilities	(2,309)	(2,309)
(492)	(492)	Other Income	(2,098)	(2,098)
(54,830)	**(54,830)**	**Total Income**	**(54,764)**	**(54,764)**
		Expenditure		
10,303	10,303	Repairs and Maintenance	9,773	9,773
10,495	10,495	Supervision and Management	11,427	11,427
4,876	4,876	Special Services	3,791	3,791
963	963	Rent and Rates and Others Charges	949	949
10,160	10,160	Depreciation of Fixed Assets	9,863	9,863
31	31	Bad or Doubtful Debts	670	670
11	11	Debt Management Expenses	9	9
0	22,481	Revaluation losses	0	55,184
36,839	**59,320**	**Total Expenditure**	**36,482**	**91,666**
(17,991)	**4,490**	**Cost of Services included in the Council's Income and Expenditure Account**	**(18,282)**	**36,902**
		HRA share of the operating income and expenditure included in the Council's income and expenditure		
1,344	1,344	Payment to capital receipts pool	1,322	1,322
(3,107)	(3,107)	(Gain) or Loss on Sale of HRA fixed Assets	(6,579)	(6,579)
6,126	6,126	Interest payable and similar charges	6,019	6,019
38	38	Amortised Payment and Discount	49	49
(67)	(67)	HRA Investment Income/Mortgage Interest	(44)	(44)
(13,657)	**8,824**	**Surplus/or Deficit for the Year on HRA Services**	**(17,514)**	**37,670**

This statement reflects a statutory obligation to account separately for the Council's housing provision. It shows the major elements of housing expenditure and income.

Movement on the HRA Statement

2015/16	2016/17

£'000		£'000
(4,483)	**Housing Revenue Account brought forward**	**(6,193)**
8,824	Surplus/or Deficit on the provision of services	37,670
8,824	**Total comprehensive income and expenditure**	**37,670**
(10,534)	Adjustment between accounting basis and funding basis under regulations	(36,224)
(1,710)	**Net (increase)/decrease before transfers to earmarked reserves**	**1,446**
(6,193)	**Balance as at 31 March carried forward**	**(4,747)**

HRA adjustments between accounting basis and funding basis under regulations

2015/16 £'000		2016/17 £'000
3,107	Gain/loss on sale of HRA non -current assets	6,579
2,128	Capital expenditure funded by HRA	2,045
708	Amortised payment and discount	728
(22,481)	Exceptional items-downward revaluation of assets	(55,184)
(1,344)	Payments to the capital receipts pool	(1,322)
(165)	Pooled capital receipts-contribution to administration costs	(165)
0	Pension interest cost and expected return on pension costs	6
17,674	Transfers to/from Major Repairs Reserve	20,952
(10,160)	Transfers to/from Capital Adjustment Account	(9,863)
(10,533)	**Total adjustments between accounting basis and funding basis under regulations**	**(36,224)**

Notes to the Housing Revenue Account

Note 1 – Housing Stock

The Council's stock of dwellings reduced during the year from 8,314 TO 8,150, a net reduction of 164 dwellings. These reductions resulted from Right to Buy sales and transfer of dwellings from the HRA to the General Fund to be used for Temporary Accommodation.

The stock at the end of the year was made up as follows:

31-Mar-16		31-Mar-17
261	Leasehold	270
8,053	Freehold	7,880
8,314	**Total**	**8,150**

Note 2 – Rent Arrears

The level of rent arrears at 31st March 2017 was £3.713m. Movement on the arrears and related provisions are shown below.

31-Mar-16		31-Mar-17
£'000		**£'000**
3,575	Arrears from tenants	3,713
4,252	Arrears from Right to Buy Leaseholders	5,008
(6,675)	Provision	(7,345)
1,152	**Total Arrears**	1,377

Note 3 – Non-current Assets

	Council Dwellings	Non-Operational	Total
	£'000	**£'000**	**£'000**
Gross Book Value at 1 April 2016	**635,692**	**7,021**	**642,713**
Revaluation in 2016/17	(55,184)	2,653	(52,531)
Expenditure during the Year	54,013		54,013
Depreciation written out			0
Other movements	(4,158)		(4,158)
Disposals	**630,363**	**9,674**	**640,037**
Gross Book Value at 31 March 2017	298		298
Write out of Accumulated Depreciation	(9,863)	(87)	(9,950)
(Depreciation)/adjustment for current year	**620,798**	**9,587**	**630,385**
Net Book Value at 31 March 2017	**635,692**	**7,021**	**642,713**

Note 4 – Vacant Possession Value of HRA Dwellings

The vacant possession value of dwellings within the HRA at 31st March 2017 was £2.644billion. The difference between vacant possession value of the HRA dwellings and balance sheet value within the HRA shows the economic cost to the government of providing Council housing at less than open market value.

Note 5 – HRA Capital Receipts

2015/16 £'000		2016/17 £'000
9,212	Houses	10,260
9,212	**Total**	**10,260**

Note 6 – Net Interest Charged to the HRA

The net interest charge to the HRA, is calculated in accordance with government regulation.

2015/16 £000's		2016/17 £000's
6,126	Interest on HRA mid-year Capital Financing Requirement	6,019
6,126		**6,019**

Note 7 – Brent Housing Partnership

In October 2002, the Council formed Brent Housing Partnership Limited, an arm's length management organisation. Brent Housing Partnership Limited is responsible for the provision of services associated with the Council's Housing stock (repairs, lighting, cleaning). The housing stock remains in the ownership of the Council and the rents is collected by Brent Housing Partnership Limited. The Council has entered into a contract with Brent Housing Partnership Limited to provide these services. The income and expenditure arising from these activities are shown in the Council's accounts in accordance with requirement of the current CIPFA Code of Practice and legislation. Brent Housing Partnership Limited is required by law to prepare a set of accounts which shows its management and administrative cost. Following the review of the housing management functions, Cabinet took a decision to end the management agreement with Brent Housing Partnership, and bring housing management services back under direct control of the Council half-way through 2017/18.

Note 8 – Revaluation of HRA Dwellings in 2016/17

HRA dwellings are valued at Existing Use Value. The Council calculates any arising revaluation loss or gain on the properties held within the HRA through the application of a regional annual housing indexation factor. In addition there was an instruction from Central Government to reduce the social housing factor. The HRA Non Operational Assets have been revalued by the Council's Internal Valuers. The revaluation values have been incorporated into the value of HRA Non Operational Assets shown in Note 3.

Collection Fund

These statements represent the transactions of the Collection Fund. This is a statutory fund separate from the General Fund of the Council. The Collection Fund accounts independently for income relating to Council Tax and Non-Domestic Rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised. Administrative costs are borne by the General Fund.

From 1 April 2013, local authorities have kept a proportion of the income raised from Non Domestic Rates (in London the local authority keeps 30%, 50% is paid over to central government, and 20% to the Greater London Authority [GLA]). This transfers some of the benefits and risks directly to local authorities, as they now benefit from a share of the increased income if their business base grows, but there is also a risk should the total income fall, either due to businesses closing, or due to successful appeals being made against rateable valuations, and bills dropping as a result. As at 31 March 2017 there were still over a thousand valuation appeals outstanding in Brent, and although many of these will be unsuccessful, there will be a reduction in income as a result of successful appeals. An allowance has been made for this in finalising the figures for 2016/17, but the authority has no influence over decisions made by the Valuation Office.

In addition to its 30% share of income raised from Non Domestic Rates, the Council also receives a "Top-up" payment from central government, to bring it back to the income figure it would have received for 2016/17 had the previous system remained unchanged. This income is credited to the General Fund rather than the Collection Fund.

For Council Tax, 95.74% of the debit relating to the 2016/17 financial year had been collected by March 31st 2017. This is fractionally down from the 95.87% achieved in 2015/16. For Non Domestic Rates the in-year collection rate increased from 98.32% to 98.74%.

Collection Fund Account for the Year ended 31 March 2016

2015/16 £'000		Notes	2016/17 £'000
	Income		
(120,782)	Income from Council Tax payers	1	(126,049)
(113,548)	Income from Non Domestic Rates	2	(123,762)
(3,017)	NNDR Crossrail Levy (to GLA)		(3,310)
(237,347)	**Total Income**		**(253,120)**
	Expenditure		
	Council Tax:-		
	Payment to GLA		
24,426	- precept	3	24,634
1,101	- share of surplus		697
	Payment to Brent		
87,679	- precept	3	98,290
3,899	- share of surplus		2,503
1,830	Provisions for uncollectable amounts		(1,139)
12	less (write back)/add write off		3
	Non-Domestic Rates:-		
114,490	- Payment to National Pool / Preceptors	3	122,212
420	- Cost of Collection Allowance		416
3,017	NNDR Crossrail Levy (to GLA)		3,310
236,874	**Total Expenditure**		**250,926**
	Council Tax		
(1,787)	Surplus in year		(1,061)
(9,923)	Surplus brought forward		(11,710)
(11,710)	Surplus carry forward		(12,771)
	Non Domestic Rates		(1,133)
292	Surplus in year		5,666
5,374	Deficit brought forward		4,533
5,666	Deficit carry forward		

Notes to the Collection Fund

Note 1 – Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities (for Brent this is the GLA) and the Council for the forthcoming year and dividing this by the Council Tax Base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts) which was 89,255 for 2016/17. This basic amount of Council Tax for a Band D property £1,377.24 for 2016/17 is multiplied by the proportion specified for the particular band to give an individual amount due.

Council Tax bills were based on the following proportions and property numbers for Bands A to H:

	Proportion of Band D Charge	Number of Band D Equivalent Properties	
Band A	0.67	1,339	
Band B	0.78	5,921	
Band C	0.89	21,935	
Band D	1.00	26,319	
Band E	1.22	22,408	
Band F	1.44	8,077	
Band G	1.67	5,098	
Band H	2.00	446	
		91,543	x 97.5% Collection Rate = 89,255

The final income of £126.046m for 2016/17 includes adjustments to debits during the year.

Note 2 – National Non-Domestic Rates (NNDR)

Non Domestic Rates are organised on a national basis. The Government specified a rate of 49.7p in the £ for 2016/17 (48.4p for small businesses having a rateable value of below £12,000) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. There was a nation-wide re-valuation of all properties which took effect from 1 April 2010. From 2013/14, the Council retains 30% of the income due, 20% goes to the Greater London Authority and 50% to Central Government. The Government redistributes the sums paid to it back to local authorities on the basis of a Formula Grant calculation. The amounts collected from the ratepayers and paid between the three preceptors can be analysed as follows:

2015/16 £'000		2016/17 £'000
134,666	**Gross Debit**	136,822
(8,218)	Charitable Relief	(7,980)
(856)	Provision for Uncollectable Amount	(969)
(4,693)	Provision for Rate Appeal Reductions (movement)	(3,024)
(1,720)	Other Adjustments	(2,230)
(3,104)	Empty/Void Relief	(2,576)
(2,527)	Retail Relief	(274)
113,548	Net NNDR Income	119,768
(420)	Cost of Collection Allowance Payable to the General Fund	(416)
113,128	Amount Payable to NNDR Pool/Preceptors	**119,352**

In addition to the above, properties with a rateable value of over £55,000 pay an additional business rates supplement of 2.0p in the £ to the Greater London Authority, to pay towards the costs of the Crossrail project. This supplement began on 1 April 2010, and for 2015/16 £3.017m was due to the GLA.

Note 3 – Precepts

2015/16 £'000	Council Tax	2016/17 £000
87,679	London Borough of Brent	98,290
24,426	Greater London Authority	24,634
112,105		**122,924**

The Greater London Authority (GLA) functions include London's policing, fire and emergency planning services, and transport.

2015/16 £'000	NNDR	2016/17 £000
57,245	Central Government	58,645
34,023	London Borough of Brent	35,187
22,898	Greater London Authority	23,458
114,166		**117,289**

Note 4 – Estimated Surplus and Deficit

By 15 January each year, the Council estimates what the surplus or deficit on the collection fund will be as at 31 March. These estimates are set out below. The estimate is different to the final outturn figure.

31-Mar-16 £000		31-Mar-17 £'000
(2,503)	London Borough of Brent	(2,253)
(697)	Greater London Authority	(543)
(3,200)	**Deficit / (Surplus)**	**(2,796)**

Note 5 – Collection Fund Debtors and Creditors

Brent Council businesses and residents, the Greater London Authority (GLA) and central government share the outstanding liabilities and assets of the Collection Fund. The balances are as follows:

Debtors

2015/16 £'000		2016/17 £'000
3,425	Other entities and individuals	7,396
1,869	Central Government	2,685
1,484	Other local authorities	2,524
6,778		**12,605**

Creditors

2015/16 £'000		2016/17 £'000
(7,074)	Other entities and individuals	(9,811)
(6,892)	Central Government	(10,408)
(3,625)	Other local authorities	(5,057)
(17,591)		**(25,276)**

Group Accounts

Local authorities are required to produce group accounts which include interests in subsidiaries, associates and joint ventures.

Brent has one subsidiary, Brent Housing Partnership (BHP) Limited. This is an arm's length management organisation (ALMO) which was set up in October 2002 to manage Council properties on behalf of Brent.

BHP is a limited company. It is limited by a guarantee with no share capital. It is fully owned by the London Borough of Brent. The London Borough of Brent has an obligation to meet BHP's pension fund liabilities. BHP's accounts may be obtained from Ian Rooney, Head of Financial Services, 6th Floor, Brent Civic Centre, Engineers Way, Wembley HA9 0FJ, e-mail address ian.rooney@bhphousing.co.uk.

At the time of approving the group accounts, BHP's audit opinion on their 2015/16 financial statements had not been issued. It is expected that the audit opinion will be signed shortly after 30th September 2016 by their external auditors (PricewaterhouseCoopers) with no changes to the financial statements. The reason for the delay is a consequence of the ongoing performance review being undertaken by the Council. This has no material effect on the overall group accounts

The group accounts also consolidate the accounts of the Barham Park Trust and LGA Digital Services. Barham Park Trust is a charity that is controlled by the council as a result of the council appointing all the trustees. LGA Digital Service Limited is a company that is 50% owned by the council and 50% owned by the Local Government Association

The accounts of BHP, Barham Park Trust and LGA Digital Services have been consolidated as subsidiaries using the acquisition basis of combination.

The following group financial statements have been prepared:

- Group Movement in Reserves Statement
- Group Comprehensive Income and Expenditure Account
- Group Balance Sheet
- Group Cash Flow Statement

A significant amount of information in these statements is identical to Brent's accounts on the preceding pages of this document. Information has not been reproduced in the group accounts where it can be readily seen in Brent's accounting statements. This includes accounting policies. The accounting policies for the group accounts are the same as for Brent's single entity accounts and are shown earlier in this document.

Group Statements

Group Movement in Reserves Statement

	General Fund Balance	School Balance	Earmarked General Fund Reserves	HRA	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2015	**(12,692)**	**(21,604)**	**(125,993)**	**(10,250)**	**(1,824)**	**(52,919)**	**(21,892)**	**(77,941)**	**(325,115)**	**(131,637)**	**(456,752)**
Movement in reserves during 2015/16											
Surplus or (deficit) on the provision of services	22,476	0	0	16,652	0	0	0	0	39,128	0	39,128
Other comprehensive income & expenditure	0	0	0	0	0	0	0	0	0	(126,034)	(126,034)
Total comprehensive income & expenditure	22,476	0	0	16,652	0	0	0	0	39,128	(126,034)	(86,906)
Adjustments between accounting basis & funding basis under regulations	(57,495)	0	0	(20,118)	0	11,915	17,956	(896)	(48,638)	48,638	0
Net increase/decrease before transfers to earmarked reserves	**(35,019)**	**0**	**0**	**(3,466)**	**0**	**11,915**	**17,956**	**(896)**	**(9,510)**	**(77,396)**	**(86,906)**
Transfers to/from earmarked reserves	34,931	(3,497)	(24,020)	0	100	0	(7,514)	0	0	0	0
Increase/(decrease) in 2015/16	(88)	(3,497)	(24,020)	(3,466)	100	11,915	10,442	(896)	(9,510)	(77,396)	(86,906)
Balance as at 31 March 2016	**(12,780)**	**(25,101)**	**(150,013)**	**(13,716)**	**(1,724)**	**(41,004)**	**(11,450)**	**(78,837)**	**(334,625)**	**(209,033)**	**(543,658)**
Movement in reserves during 2016/17											
Surplus or (deficit) on the provision of services	13,155	0	0	36,987	0	0	0	0	50,142	0	50,142
Other comprehensive income & expenditure	0	0	0	0	0	0	0	0	0	99,115	99,115
Total comprehensive income & expenditure	13,155	0	0	36,987	0	0	0	0	50,142	99,115	149,257
Adjustments between accounting basis & funding basis under regulations	(29,864)	0	0	(47,313)	0	6,483	22,541	(9,415)	(57,568)	57,568	0
Net increase/decrease before transfers to earmarked reserves	**(16,709)**	**0**	**0**	**(10,326)**	**0**	**6,483**	**22,541**	**(9,415)**	**(7,426)**	**156,683**	**149,257**
Transfers to/from earmarked reserves	16,779	4,984	(21,763)	11,090	0	0	(11,090)	0	0	0	0
Increase/(decrease) in 2016/17	70	4,984	(21,763)	764	0	6,483	11,451	(9,415)	(7,426)	156,683	149,257
Balance as at 31 March 2017	**(12,710)**	**(20,117)**	**(171,776)**	**(12,952)**	**(1,724)**	**(34,521)**	**0**	**(88,252)**	**(342,052)**	**(52,349)**	**(394,401)**

GROUP COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

2015/16 Gross Expenditure £'000	2015/16 Gross Income £'000	2015/16 Net Expenditure £'000		2016/17 Gross Expenditure £'000	2016/17 Gross Income £'000	2016/17 Net Expenditure £'000
251,993	(239,562)	12,431	(DSG) CHILDREN AND YOUNG PEOPLE	244,151	(239,856)	4,295
69,698	(23,896)	45,802	(GF) CHILDREN AND YOUNG PEOPLE	69,796	(21,911)	47,885
195,115	(60,872)	134,243	(GF) COMMUNITY WELLBEING	220,875	(61,489)	159,386
109,634	(109,278)	356	(HRA) COMMUNITY WELLBEING	153,796	(119,877)	33,919
396,827	(414,115)	(17,288)	CENTRAL ITEMS	362,096	(393,225)	(31,129)
6,695	(749)	5,946	PERFORMANCE POLICY & PARTNERSHIPS	15,299	(1,016)	14,283
69,669	(35,552)	34,117	REGENERATION & ENVIRONMENT	70,167	(36,996)	33,171
47,366	(16,312)	31,054	RESOURCES DEPARTMENT	49,291	(15,985)	33,306
1,146,997	**(900,337)**	**246,661**	**Cost of Services**	**1,185,471**	**(890,355)**	**295,116**
		39,428	Other operating expenditure			2,728
		44,158	Financing and investment income and expenditure			42,582
		(291,119)	Taxation and non-specific grant income			(290,282)
		39,128	**(Surplus) or Deficit on Provision of Services**			**50,144**
		(16,773)	Surplus or deficit on revaluation of Property, Plant and Equipment assets			(75,707)
		(109,261)	Actuarial gains/losses on pension assets and liabilities			174,822
		(126,034)	**Other Comprehensive Income and Expenditure**			**99,115**
		(86,906)	**Total Comprehensive Income and Expenditure**			**149,259**

Group Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax [and rent] payers how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates [services or departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2015/16				2016/17		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
(12,355)	(24,786)	12,431	Children And Young People (DSG)	(3,151)	(7,446)	4,295
42,513	(3,290)	45,803	Children And Young People (GF)	43,124	(4,761)	47,885
129,650	(4,592)	134,242	Community Wellbeing (GF)	129,107	(30,279)	159,386
(32,285)	(32,641)	356	Community Wellbeing (HRA)	(31,122)	(65,041)	33,919
(40,310)	(23,022)	(17,288)	Central Items	(39,724)	(8,596)	(31,128)
9,422	3,476	5,946	Performance Policy & Partnerships	10,322	(3,961)	14,283
28,375	(8,527)	36,902	Regeneration & Environment	28,408	(4,763)	33,171
30,954	(100)	31,054	Resources Department	34,805	1,499	33,306
155,964	**(93,482)**	**249,446**	**Net Cost of Services**	**171,769**	**(123,348)**	**295,117**
(152,410)			Other Income and Expenditure	(172,598)		
3,554	**(93,482)**	**249,446**	**(Surplus) or Deficit**	**(829)**	**(123,348)**	**295,117**
16,718			Opening General Fund and HRA Balance	26,496		
3,554			**Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year**	**(828)**		
20,272			**Closing General Fund and HRA Balance at 31 March 2017**	**25,668**		

Group Balance Sheet

31 March 2016 £'000		31 March 2017 £'000
1,506,059	Property, Plant & Equipment	1,523,925
498	Heritage Assets	498
11,232	Investment Property	12,299
1,542	Intangible Assets	1,777
100	Long Term Investments	100
15,792	Long Term Debtors	20,266
1,535,223	**Long Term Assets**	**1,558,865**
141,077	Short Term Investments	151,612
4,519	Assets Held for Sale	5,613
130	Inventories	8
78,550	Short Term Debtors	85,157
35,470	Cash and Cash Equivalents	28,604
259,746	**Current Assets**	**270,994**
(8,573)	Short Term Borrowing	(8,572)
(105,607)	Short Term Creditors	(108,326)
(5,828)	Provisions	(6,546)
	Deferred income	
(120,008)	**Current Liabilities**	**(123,444)**
(31,496)	Long Term Creditors	(28,724)
(10,701)	Provisions	(15,463)
(414,975)	Long Term Borrowing	(410,634)
(674,132)	Other Long Term Liabilities	(857,193)
(1,131,304)	**Long Term Liabilities**	**(1,312,014)**
543,657	**Net Assets**	**394,401**
(334,625)	Usable Reserves	(342,051)
(209,032)	Unusable Reserves	(52,350)
(543,657)	**Total Reserves**	**(394,401)**

Group Cash Flow Statement

2015/16 £'000		2016/17 £'000
(159,119)	Net surplus or (deficit) on the provision of services	50,142
160,831	Adjustments for non-cash movements	(53,036)
50,336	Adjustments for investing and financing activities	57,932
52,049	Net cash inflows/(outflow) from Operating Activities	**55,038**
(44,183)	Net cash inflows/(outflow) from Investing activities	(54,756)
(8,909)	Net cash inflows/(outflow) from Financing activities	(7,149)
(1,043)	**Net increase or (decrease) in cash and cash equivalents**	**(6,866)**
36,512	Cash and cash equivalents at the beginning of the reporting period	**35,470**
35,470	**Cash and cash equivalents at the end of the reporting period**	**28,606**

Notes to the Group Accounts

This shows the main differences between items in Brent's single entity accounts and the group accounts. Where there are intra-group entries these are adjusted in calculating the overall group position.

2016/17

	Brent	BHP	Barham Park	LGA	Adjustments	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Financing and investment income	(40,433)	(2,149)	(9)	0		(42,591)
Local Authority housing (HRA)	36,902	(2,983)	0	0	0	33,919
Property plant and equipment	1,474,986	48,899	40	0		1,523,925
Investment properties	1,409	10,890	0	0		12,299
Long term debtors	58,725	0	0	0	(38,459)	20,266
Inventories	1	7				8
Short term debtors	94,269	4,893	423	0	(14,420)	85,165
Cash and cash equivalents in hand	19,018	9,116	0	470		28,604
Short term creditors	(110,955)	(11,321)	0	(470)	14,420	(108,326)
Long term creditors	(28,724)	(38,459)	0	0	38,459	(28,724)
Usable reserves	(333,391)	(8,206)	(463)	0	0	(342,059)
Unusable reserves	(55,064)	2,714	0	0	0	(52,350)
Cash flow from investing activities	(54,752)	(3)	0	0	0	(54,755)

2015/16

	Brent	BHP	Barham Park	LGA	Adjustments	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Financing and investment income	41,975	2,183	0	0	0	44,158
Local Authority housing (HRA)	4,491	(4,134)	0	0	0	356
Property plant and equipment	1,458,874	47,185	945	0	0	1,507,004
Investment properties	822	10,410	0	0	0	11,232
Long term debtors	54,958	0	0	0	(39,166)	15,792
Inventories	55	76	0	0	0	130
Short term debtors	80,806	12,183	445	0	(14,750)	78,685
Cash and cash equivalents in hand	32,156	2,148	0	1,165	0	35,470
Short term creditors	(107,009)	(12,183)	0	(1,165)	14,750	(105,608)
Long term creditors	(31,507)	(39,154)	0	0	39,166	(31,496)
Usable reserves	326,646	7,522	445	0	0	334,613
Unusable reserves	212,061	(3,029)	945	0	0	209,977
Cash flow from investing activities	(44,460)	277	0	0	0	(44,183)

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Finance Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Council Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the Council at the Accounting date and its income and expenditure for the year ended 31 March 2017.

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Finance Officer

I certify that the accounts set out on pages 9 to 84 give a true and fair view of the financial position of the London Borough of Brent as at 31 March 2017 and its income and expenditure for the year then ended, and that the accounts set out on pages 85 to 111 give a true and fair view of the net assets of the London Borough of Brent Pension Fund as at 31 March 2017 and its income and expenditure for the year then ended.

Conrad Hall **26 June 2017**
Chief Finance Officer

Statement of Accounting Policies

1. Code of Practice

The general policies adopted in preparing these accounts are in accordance with the 2016-17 Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance Accountants (CIPFA) - Statement of Recommended Practice (SORP), henceforth referred to as the "Code of Practice". This Code of Practice is based upon International Financial Reporting Standards (IFRS), with some adoptions from International Public Sector Accounting Standards (IPSAS).

Accounts drawn up under the Code assume that a local authority's services will continue to operate for the foreseeable future. This assumption is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government).

1.1 Materiality

The Council has presented information in the accounts to provide a full picture of its performance and financial health, any of which, if omitted, might influence decisions made on the basis of these accounts. Information about transactions and balances of low financial value and which are non-influential for decision-makers (immaterial) have been omitted where possible to improve the readability of the statements.

1.2 Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

2. Comprehensive Income and Expenditure Statement

2.1 Accruals of Expenditure and Income

The Statement of Accounts is prepared on an accruals basis with the effects of transactions and other events being recognised when they occur, and recorded in the accounting records and reported in the financial statements of the periods to which they relate.

The exception to this is the Cash Flow Statement which is prepared in accordance with International Accounting Standard (IAS) 7.

2.2 Revenue Recognition

Revenue is recognised in line with the Code of Practice and IAS 18.

2.3 VAT

Income and expenditure accounts are VAT exclusive, unless VAT is irrecoverable, in which case it is included.

2.4 Revenue Grants

Grants are immediately recognised where the Council has reasonable assurance it will comply with the conditions attached to the grant, and the grants or contributions will be received.

2.5 Charges to Revenue

External interest payable and the provision for depreciation are charged to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement. This results in a charge to the General Fund for depreciation for all fixed assets used in the provision of services. The charge is allocated to each individual service on the basis of the capital employed in its provision. Depreciation charges are reversed out of the General Fund in the Movement in Reserves Statement.

The charge made to the HRA is calculated on the basis determined by the Local Government and Housing Act 1989.

Amounts set aside from revenue for the repayment of external loans, to finance capital expenditure or as transfers to earmarked reserves are disclosed in the Movement in Reserves Statement and the notes to this statement.

2.6 Council Tax and National Non Domestic Rates (NNDR)

Council Tax included in the Comprehensive Income and Expenditure Statement (CIES) account is Brent's accrued income for the year including its share of the surplus or deficit arising. The collection of Council Tax on behalf of the Greater London Authority (GLA) is in substance an agency arrangement so these amounts are shown in the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement. There will be a debtor / creditor position between Brent and the GLA to be recognised in Brent's balance sheet if the net cash paid to the GLA is not exactly its share of cash collected from Council Taxpayers. In this case, Brent's accrued income will be shown in the taxation and non-specific grant section of the Comprehensive Income and Expenditure Statement. The 'Operating Activities' section of the cash flow statement only includes Brent's share of Council Tax cash collected during the year.

The income collected from NNDR is shared between the Council, Central Government and the Greater London Authority (GLA) rather than being paid over to government and redistributed (so is now acting as principal and agent.) Apart from its own share of NNDR transactions, Brent accounts only for the effects of timing differences between the collection of NNDR attributable to major precepting authorities and central government and paying it across.

In terms of its own share and any top-up or levy from Central Government, income from the collection of NNDR will be shown in the taxation and non-specific grant section of the Comprehensive Income and Expenditure Statement. Similarly Brent's attributable share of NNDR debtor and creditor balances with taxpayers are recognised in the balance sheet. In addition Brent's share of the net cash collected from NNDR taxpayers is included in the operating activities section of Brent's cash flow statement.

2.7 Overheads/Cost of Support Services

The full costs of support services (also known as overheads) have been charged to services in the Comprehensive Income and Expenditure Statement in accordance with CIPFA's 'Service Reporting Code of Practice'. Charges have been made on a variety of bases. Appropriate statistics have been used, for example, Human Resources charges were based on staff numbers.

2.8 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Sterling at the rate ruling on the date of the transactions. The Pension Fund accounting policies deal with the only foreign currency dominated assets disclosed on the balance sheet.

2.9 Accounting for the costs of the carbon reduction commitment scheme

The Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This scheme is currently in the third year of its second phase which ends on 31 March 2019. The authority is required to purchase allowances, either currently or retrospectively, and surrender them on the basis of emissions i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the authority is recognised and reported in the costs of the authority's services and is apportioned to services on the basis of energy consumption.

2.10 Jointly Controlled Operations

The council has jointly controlled operations in the form of pooled budgets in conjunction with Brent CCG and Central North West London Mental Health Trust. The Council's joint operations with Brent CCG relate to the Better Care Fund and the Brent Integrated Community Equipment Service. The Council's joint operation

with the Central North West London Mental Health Trust relate to the management of the joint Mental Health Service in Brent The authority recognises the income that it gains and expenditure that it incurs on the Comprehensive Income and Expenditure Statement. The Balance sheet recognises any assets and liabilities resulting to the council from the pooled budget.

3. Balance sheet – Long Term Assets

3.1 Plant, Property and Equipment
All expenditure on the acquisition, creation or enhancement of fixed assets above the Council's de minimis of £5,000 is capitalised on an accruals basis in the accounts. Repairs and maintenance expenditure is charged direct to service revenue accounts.

Fixed assets are valued on the basis required by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS) by the Council's In-house Valuer. Fixed assets are classified into the groupings required by the Code of Practice, with the exception of plant and furniture and equipment where two categories are combined due to the limited amount of plant held by the Council.

Individual categories of assets are valued on the following basis:

- Council dwellings are valued using a beacon principle (i.e. using sample dwellings) based on their Open Market Value (OMV) but adjusted to reflect their value as social housing
- Other Land and Buildings are included in the balance sheet at their OMV. The exceptions to this are school buildings and Social Services establishments that are included at their Depreciated Replacement Cost (DRC).
- Surplus assets are included in the balance sheet at their OMV.
- Community assets are included in the balance sheet at depreciated historic cost where appropriate otherwise they are included at a nominal value.
- Infrastructure assets, vehicles, plant, furniture and equipment have been valued at depreciated historic cost.
- Assets under construction are held at their invoiced construction cost at year end.

Revaluations of fixed assets are planned on a five year cycle with a proportion of the asset base being revalued each year. Material changes to asset valuations resulting from works or similar investment outside of the agreed revaluation of assets cycle will be adjusted in the period as they occur.

At 1 April 2009 those land and building assets held at 1 April 2004 values were revalued completing that 5 year cycle. There has been subsequent revaluation of elements of the asset base at 1 April each year in line with the five year cycle. Council dwellings have been revalued at 1 April 2016 in line with the separate 5 year cycle.

3.1.1 Depreciation and Amortisation
Depreciation is the measurement of the cost or revalued amount of the economic benefits of the tangible fixed assets that have been consumed during the financial year.

Consumption includes the wearing out, using up or other reduction in the useful economic life of a tangible fixed asset whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

With the exception of HRA dwellings, depreciation is calculated on all building assets using the straight line method as set out below. Land Assets are not depreciated.

Buildings	5 – 60 years as determined by the valuer
Infrastructure	10 – 40 years
Plant, Vehicles, Equipment and Machinery	Up to 10 years

Housing Revenue Account dwellings are depreciated by an estimate of the consumption of economic benefits. The Major Repairs Allowance calculated by central government is used as the basis for this. Where buildings assets are revalued, the accumulated depreciation at the beginning of the year is written down to the revaluation reserve.

3.1.2 Component Accounting

Local authorities are required to value the components of major assets, where the components are of material value and have a significantly different economic life to the asset itself.

Componentisation will be undertaken where the value of the individual component is over £2 million and/or the value of that component is in excess of 20% of the total gross carrying value of the building.
Housing Revenue Account assets are not componentised, in accordance with valuation guidance published by central government.

Consideration of the requirement for componentisation will be undertaken when buildings are valued / re-valued, or enhancement expenditure of £250,000 is spent on them, which will trigger a revaluation.

3.2 Investment Properties

Investment properties are properties held solely for capital appreciation or rental income. The Code of Practice requires that investment properties are not depreciated, but instead held at fair value, in this case OMV, and their book value is adjusted annually where there has been a material change in value. The Council adjusts the book value of these assets when appropriate indices indicate that the property has changed in value by 15% or more since the last indexation or revaluation. Investment properties have a full revaluation on the same five year cycle as Plant, Property and Equipment.

3.3 Heritage Assets

Heritage Assets are defined as:

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture, or an intangible asset with cultural, environmental or historical significance.

Heritage assets are carried at valuation rather than fair value, reflecting the fact that exchanges of heritage assets are uncommon. The Council's valuation is as per an insurance valuation. Revaluations will be carried out as and when the insurance valuation is updated.

3.4 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. Expenditure on purchasing intangible fixed assets such as computer software has been capitalised at cost.

Amortisation is the equivalent of depreciation for intangible assets and is calculated using the straight line method based on estimated economic life of between 5 to 7 years.

3.5 Impairment

Impairment reviews on groups of assets are undertaken on an annual basis by the valuer. Impairment is recognised where the asset's carrying value is greater than its net recoverable value in use or through sale, and the loss is specific to the asset, or a small group of assets. Losses not specific to the asset or a small group of assets, such as a general fall in market prices will be treated as revaluation losses.

Impairment losses are recognised against historic cost, and revalued net book value (for revalued assets). Losses for revalued assets will be recognised against the revaluation reserve to the limit of the credit balance for that asset in the revaluation reserve, and thereafter in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement. Losses for non-revalued assets will be recognised in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement.

The impairment review includes an annual assessment of whether there is indication that the recoverable value of any impaired assets has increased, reversing part or all of the impairment. If there is indication that the recoverable value has increased, the valuer will reassess the economic life of the asset for the purposes of determining depreciation. The impairment will be reversed to the extent that up to the carrying value of the asset had there been no impairment. This reversal will in the first instance be used to reverse any charge made to the surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement, and then to the revaluation reserve.

4. Balance sheet – Current Assets

4.1 Inventories and Long Term Contracts
Inventories are valued at the lower of cost and net realisable value. The Council has no inventories obtained through non-exchange transactions.
Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year

4.2 Cash and Cash Equivalents
IAS 7 defines cash and cash equivalents as cash, bank balances, and very short term investments used for cash management purposes. The Council uses bank overdrafts as part of its cash management strategy, therefore these are disclosed as part of cash and cash equivalents in line with IAS 7. Short term investments invested for three months or less with a known maturity value and date are included in cash and cash equivalents; the Council uses money market funds as an integral part of its cash management, so these investments are also disclosed as part of cash and cash equivalents.

4.3 Work in Progress (Construction contracts)
Under the Code of Practice, construction contracts undertaken by the Council for the Council's customers are accounted for as set out in IAS 11. This is separate from Assets under Construction where the Council is constructing assets for its own use. The Code of Practice requires use of the percentage completion method for calculating accounting entries for such contracts. Under the percentage of completion method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and surplus/deficit which can be attributed to the proportion of work completed. The percentage of completion is assessed based on costs incurred for work performed to date.

Until the point where outcome of the construction contract can be reliably estimated, revenue will only be recognised in line with construction costs to date. Once construction costs can be reliably measured, revenue will be recognised using the percentage completion method described above. Any expected losses will be immediately recognised as an expense.

5. Balance sheet - Liabilities

5.1 Provisions, Contingent Liabilities, and Contingent Assets
The Council makes a provision in compliance with IAS 37 where there is a present obligation as a result of a past event where it is probable that the Council will incur expenditure to settle the obligation and where a reasonable estimate can be made of the amount involved. In addition to the provisions listed in note 9 to the Core Financial Statements, there is a provision for unrecovered debts, this has been netted off against the debtors figure on the balance sheet (see note 2 to the Core Financial Statements).

The Code of Practice requires provisions to be split into current provisions (within a year) and long term provisions. The current provision for insurance is estimated by taking the moving average of insurance expense over the previous three years. All other current provisions are estimated by the officers of the Council in the relevant service area.

The provision for Council Tax debts is based on an assessment of the likely future collection of Council Tax arrears compared to the total level of arrears. Collection of arrears continues for several years after the original liability arises, and the provision is re-assessed each year based on collection trends and movements in amounts due. Debts are not actually written off until there is no realistic chance of collection, at which point the write-off reduces both the debtors and provision totals.

A contingent liability is disclosed in the notes to the accounts where there is either a possible obligation as a result of a past event where it is possible that the Council will incur expenditure to settle the obligation; or a present obligation as a result of a past event where it is either not probable that the Council will incur expenditure to settle the obligation, or where a reasonable estimate of the future obligation cannot be made.

A contingent asset is disclosed in the notes to the accounts where a possible asset arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

5.2 Employee benefits

The Council recognises a provision for the entitlement of its employees to benefits within the reported financial year. This provision is estimated based on the entitlement of the Council's employees to leave as at the 1 April for the previous financial year.

Regulations prohibit Council tax payers from being charged for this provision, so any movement in this provision is transferred to the Accumulated Absences Account.

The Council accounts for employee benefits in accordance with the Code which is based on IAS 19. The underlying principle of IAS 19 is that an organisation should account for employment and post-employment benefits when employees earn them and the authority is committed to providing them, even if the actual provision might be many years into the future.

5.3 Reserves

Reserves are divided into usable and unusable reserves. Within the usable reserves there are amounts set aside for earmarked purposes out of the balances on the Council's funds.

6 Balance Sheet - Financial Instruments

6.1 Financial Assets

Financial assets are classified into three types:

- Loans and receivables – assets that have fixed or determinable payments, but are not quoted in an active market
- Available for sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments – the Council does not hold any of these assets
- Fair value through income and expenditure

6.1.1 Loans and Receivables

Loans and Receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that

the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus interest outstanding, and interest credited to the financing and investment income and expenditure section of the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under a contract will not be made, the asset is written down and a charge made to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement.

Any gains or losses that arise on the derecognition of the asset are credited/debited to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement.

6.1.2 Fair value through income and expenditure
Investments where there is an active market (e.g. certificates of deposit or gilts). These are treated in the same manner as Loans and Receivables.

6.2 Premature Redemption of Debt
The practice for the Comprehensive Income and Expenditure Statement is to amortise premia and discounts over a period which reflects the life of the loans with which they are refinanced determined as described below. This will not be followed in the following situations:

- Where it is permissible and advantageous to capitalise premia (in which case the question of amortisation will not arise)
- Where the loans redeemed are not refinanced (when premia and discounts will be taken directly to the Revenue Account)
- Where discounts and premia are amortised over a broadly similar period, for convenience they will be shown as a net figure.

The practice for the HRA is different. In this case, discounts and premia are amortised, individually, over the remaining life of the loan repaid or ten years, whichever is the shorter.

The Council's policy on repayment of debt is as follows:

- For strategic financial reasons, the optimum level of borrowing for a Council in the position of Brent is usually to maintain gross borrowing at the Council's overall Capital Financing Requirement, unless the yield curve indicates very low short term rates. Unless borrowing required to fund the capital programme is less than the Minimum Revenue Provision, this will always involve refinancing debt redeemed prematurely with new borrowing. Borrowing to fund Brent's capital programme is likely to exceed Minimum Revenue Provision by a substantial margin for the foreseeable future. However, at present the yield curve indicates that interest rates are likely to remain low, so that borrowing for shorter periods or at variable rates may be prudent.

- Given the current pattern of rates, there is a significant penalty incurred in redeeming much of the Council's debt prematurely. However, the cost of maintaining a higher borrowing portfolio than is immediately required is particularly high at present, and the current risks to balances on deposit indicate that these should be kept to a minimum prudent level (to cover cash flow). In practice, this suggests a policy of seeking opportunities to redeem individual loans where this is economical.

6.3 Financial Liabilities
Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying

amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure
Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount respectively would be deducted from or added to the amortised cost of the new or modified loan and the write down to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement spread over the life of the loan by an adjustment to the effective interest rate.

Where premia and discounts have been charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain / loss over the term of the replacement loan, at present up to a maximum of thirty years. The reconciliation of amounts charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

7 Capital Financing

7.1 Capital Expenditure
Capital expenditure on building assets is added to the value of the asset and depreciated over the remaining useful life.
Capital expenditure on HRA dwellings is added to the value of fixed assets.
Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions but does not result in the creation of tangible assets owned by the Council. Such revenue expenditure incurred during the year has been written off as expenditure to the relevant service revenue account in the year.

7.2 Capital Government Grants and Contributions
Where the acquisition of a fixed asset is financed either wholly or in part by a government grant or other contribution, the amount of the grant or contribution is recognised as income as soon as the Council has reasonable assurance it will comply with the conditions attached to the grant, and the grants or contributions will be received.

The Greater London Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The income from the levy is accounted with Brent Council as agent under IAS 18 as the council collects these funds on behalf of the Greater London Authority.

7.3 Leasing
The Council has acquired a number of assets, mainly vehicles, plant and computer equipment, by means of leases. The Council assesses whether or not leases have to be disclosed on balance sheet in line with IAS 17, using guidance from the Royal Institute of Chartered Surveyors as directed by the CIPFA. On balance sheet leases are described as finance leases, leases not reported on the balance sheet are known as operating leases.

Finance leases are initially recognised on the balance sheet with assets and liabilities equal to the net present value of the minimum lease payments. Where a contract does not detail an interest rate for a specific asset, or provide sufficient information for its calculation, the interest rate implicit in the lease will in the first

instance be estimated based on interest rates for other assets within the lease. If there is no interest rate detailed in the lease then a suitable interest rate is applied.

Assets financed by finance leases are treated as having an economic life equal to the minimum length of the contract and are depreciated over this period.

Finance lease repayments and interest payments are calculated using the actuarial method (allocating interest to the period it relates to) and assumes that a single payment is made at the end of the contract year. Where a contract starts part way through a single financial year payments will be apportioned to that financial year based on the number of days of the contract year within the reported financial year.

Rentals payable under operating leases are charged to revenue in the year in which they are paid and no provision is made for outstanding lease commitments.

Two interpretations of the International Financial Reporting Standards apply to contracts and series of transactions where the substance of the contract or transactions may be a lease under International Financial Reporting Standards. The Council first assesses whether or not contracts contain a service concession under IFRS Interpretations Committee (IFRIC) 12, and then whether or not there is an embedded lease under IFRIC 4. The disclosure of service concessions is complex and dealt with in further detail below. Embedded leases are disclosed as set out in IFRIC 4, accounting policies for major embedded finance leases are set out below.

7.3.1 Service Concessions and the Private Finance Initiative (PFI)

Contracts and other arrangements that have been determined as "service concessions" are accounted for under IFRIC 12, the Code of Practice and the additional provisions of IPSAS 32 Service Concession Arrangements: Grantor.

Where new assets are identified these assets are recognised at fair value being the relevant elements of the capital cost in the PFI operators' financial model.

Where the PFI operator's right to third party income is recognised in reductions to the unitary payment, a proportion of the finance lease creditor is re-allocated to a deferred income balance based on the proportion of fixed payments (if any) from the Council and expected third party payments. The deferred income balance is amortised to the Comprehensive Income and Expenditure Statement on a straight line basis over the life of the PFI scheme.

The Council's ongoing liabilities for these service concessions are recognised on the balance sheet. This has been done by recognising a finance lease creditor and written down accordingly.

The assets acquired with these service concessions will be depreciated over the useful estimated economic life of the assets; with the exception of the assets generated by a Social Housing PFI. Legal title to the majority of assets from the Social Housing PFI will remain with the PFI operator, so these assets will be depreciated over the life of the contract, not their useful economic life.

Lifecycle costs will be capitalised in line with the directions of the Code of Practice on capitalising expenditure for these service concessions. All lifecycle costs for the Street lighting PFI are treated as revenue maintenance expenditure due to the nature of maintaining street lighting.

7.4 Minimum Revenue Provision

The Minimum Revenue Provision (MRP) included within the 2016/17 Accounts has been calculated on the basis of the 2013/14 outturn position, amended for the inclusion of PFI projects as per the requirements of the introduction of the International Financial Reporting Standards. In accordance with the current regulations for the calculation of MRP the following policy for non-HRA assets has been applied:

For supported borrowing, the Council will use the asset life method (Option 3) and an 'annuity' approach for calculating repayments. Based on the useful economic lives of the council's assets a single annuity has been calculated, which results in the outstanding principal being repaid over the course of one hundred years.

For prudential borrowing, the Council will adopt Option 3, 'the asset life method', and an 'annuity' approach for calculating repayments. This option allows provision for repayment of principal to be made over the estimated life of the asset. The use of the 'annuity' method is akin to a mortgage where the combined sum of principal and interest are equalised over the life of the asset.

The proposed asset lives which will be applied to different classes of assets are as follows:

- *Vehicles and equipment – 5 to 15 years;*
- *Capital repairs to roads and buildings – 15 to 25 years;*
- *Purchase of buildings – 30 to 40 years;*
- *New construction – 40 to 60 years;*
- *Purchase of land – 50 to100 years (unless there is a structure on the land with an asset life of more than 100 years, in which case the land would have the same asset life as the structure).*

These policies do not apply to HRA assets.

The statutory guidance in the Guidance on Minimum Revenue Provision (second edition) from the Department of Communities and Local Government directs local authorities to make an MRP charge equal to the writing down of the finance lease liability upon transition to IFRS, and a charge equal to the writing down of the finance lease liability in subsequent years for operating leases reclassified as finance leases. It states that this is equivalent to one of the other options provided by the guidance for MRP in other circumstances. In order to ensure consistent treatment of all finance leases, an MRP charge equal to the writing down of the finance lease liability will be made for all finance leases.

In line with the statutory guidance on Minimum Revenue Provision (MRP), MRP has been charged for PFIs at a rate equal to the writing down of the finance lease liability. In addition, to ensure that all capital costs are captured by MRP, MRP includes a charge equal to any capital lifecycle additions within the scheme, and a charge equal to the release of any deferred income. Where finance lease liabilities increase in year, this is recognised by a credit to MRP equal to the increase in liability. The net effect of this policy is to maintain revenue balances at the same level under IFRS as under UK GAAP which is considered the prudent course of action within Guidance on Minimum Revenue Provision.

Minimum Revenue Provision is charged against the General Fund in the Movement in Reserves statement.

7.5 Income from the Sale of Fixed Assets

Income from the disposal of fixed assets is known as capital receipts. Such income that is not reserved and has not been used to finance capital expenditure in the period is included in the balance sheet as capital receipts unapplied.

The treatment of HRA capital receipts is determined by the Local Government Act 2003 as amended from 1 April 2012 in order to make new provision for the pooling of housing receipts by

- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (SI 2012/711); and
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012 (SI 2013/1424)

As a result of these amendments, local authorities are able to retain the receipts generated by Right to Buy sales for replacement housing provided they can sign up to an agreement with Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes within a 3 year period from the point of receipt. The London Borough of Brent has elected to enter into agreement with the Government to retain the net receipts from Right to Buy sales.

The regulations provide that receipts from Right to Buy sales will in future be applied as follows:

- the council may deduct certain costs, namely: an amount to cover the housing debt supportable from the income on the additional Right to Buy sales; transaction and administration costs; and an amount which reflects the income the council might reasonably have expected from Right to Buy sales prior to the new scheme;

- The council must also pay the Government an amount which reflects the income which the Treasury expected from Right to Buy sales prior to the new scheme;

- Once these costs are deducted, the remaining net receipts are available to fund (and must be applied to) replacement affordable rented homes.

7.6 Borrowing Costs

The Council may borrow to meet capital costs that are attributable to the acquisition, construction or production of a qualifying asset that has a life of more than one year. It is the Council's policy to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Borrowing costs will be deemed as interest and other costs that the Council incurs in connection with the borrowing of funds, and a qualifying asset will be that which takes in excess of three years to get ready for intended use and has forecast expenditure in excess of £100 million. Cessation of capitalisation will occur when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

8 Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions of the Council, its subsidiary Brent Housing Partnership (BHP) Limited, the Barham Park Trust and LGA Digital Services Limited. BHP is an Arm's Length Management Organisation (ALMO). Barham Park Trust is a charity that is controlled by the council as a result of the council appointing all the trustees. LGA Digital Service Limited is 50% owned by the council and 50% owned by the Local Government Association. The financial statements in the Group Accounts are prepared in accordance with the policies set out above.

Additional Supporting Information and reconciliation disclosures

Key Judgements and Material Estimates.

In preparing the Statement of Accounts, the authority has had to make judgements, estimates and assumptions that affect the application of its policies and reported levels of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience, including the recovery of amounts due to the council, current trends and other relevant factors that are considered to be reasonable. These estimates and assumptions have been used to inform the basis for judgements about the carrying values of assets and liabilities, where these are not readily available from other sources. Future events may result in these estimates and assumptions being revised and could significantly change carrying balances in subsequent years Financial Statements.

Estimates and underlying assumptions are regularly reviewed. Changes in accounting estimates are adjustments of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Changes in accounting estimates result from new information or new developments, and accordingly are not correction of errors. Changes to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements made and key sources of estimation uncertainty which have a significant effect on the financial statements:

. Retirement Benefit Obligations – The authority recognises and discloses its retirement benefit obligation in accordance with the measurement and presentational requirements of IAS 19 "Employee Benefits". The estimation of the net pension liability depends on a number of complex judgements and estimates relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the authority with expert advice about the assumptions to be applied. Changes in these assumptions can have a significant effect on the value of the authority's retirement benefit obligation. The key assumptions made are set out in Note 30 - Defined Benefit Pension Schemes.

. Provisions – The authority is required to exercise judgement in assessing whether a potential liability should be accounted for as a provision or contingent liability in accordance with accounting policies. In calculating the level of provisions the authority also exercises some judgement; they are measured at the authority's best estimate of the costs required to settle the obligation at the Balance Sheet date. The level of the authority's provisions and details of its contingent liabilities are set out in Note 9 – Provisions and Note 18 – Contingent Liabilities respectively.

. Property, Plant and Equipment – Assets are depreciated over useful lives that are dependent on assumptions such as the level of repairs and maintenance that will be incurred in relation to individual type of asset, the expected length of service potential of the asset and the likelihood of the authority's usage of the asset. The authority carries out an annual impairment review of its asset base which takes in to account such factors as the current economic climate.

Future Levels of Government Funding and Levels of Reserves – the future levels of funding for local authorities has a high degree of uncertainty. The authority has set aside amounts in provisions, working balances and reserves which it believes are appropriate based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions and the authority's track record in financial management.

. Classification of Leases – The authority has entered into a number of lease arrangements in respect of property and other assets. The authority has exercised judgement in the classification of leases (i.e. operating or finance lease) using such factors as the length of the lease and rent levels and in reviewing contractual arrangements having the substance of a lease (e.g. contract values and length of contract). Details of the authority's leases and lease type arrangements are set out in the notes.

. Treatment of PFI arrangements – The authority has entered into a number of PFI arrangements in respect of infrastructure. The authority has exercised judgement in the identification of service concessions and embedded leases within PFIs using such as arrangements that allow the council to control residual value of PFI assets without legal title. Initial assets and liabilities for the PFIs are calculated using financial model based upon the contractual terms and conditions and the operator's financial model; subsequent changes in the authority's PFI liabilities are estimated using the same model. Subsequent changes in the authority's PFI funded assets are measured in the same way as other non-current assets. Details of the PFI and service concession type arrangements are set out in notes 8 and 24.

. Deposits with Icelandic banks – The authority originally deposited £15m with the Glitnir and Heritable banks. In 2014/15 the Glitnir deposit was repaid so based on the latest information from the administrators an impairment of £0.6m has been recognised to cover reasonably expected losses relating to Heritable Bank. Further information on deposits with Icelandic Banks is included in Note 27 - Nature and extent of risks arising from Financial Instruments

. The estimate of depreciation chargeable on dwellings within the Housing Revenue Account is based on the Government's Major Repairs Allowance. An external review of this has been undertaken to ensure this does not lead to a material misstatement in the accounts

. Bad Debt Provision – The anticipated recovery of outstanding amounts due to the authority is calculated based on the experience of recovery of debt over the previous twelve months, categorised according to the age profile of that debt

Assumption made about the future and other major sources of estimation uncertainty

The Council includes accounting estimates within the accounts; the significant accounting estimates relate to non-current assets, impairment of financial assets. The Council's accounting policies include details on the calculation of these accounting estimates.

The Council also carries out a review of all debtor balances, and uses past experience of debt collection rates across all categories to establish allowances for non-collection.

The appropriate level of non-earmarked reserves to be held by the Council is based on an assessment of financial risks facing the Council. These risks include future funding levels, delivery of planned savings and future demands on services.

Accounting Standards that have been issued but have not yet been adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code), the Council is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the code.

There are no such standards in the 2017/18 Code which are likely to have a material effect on upon the accounts.

Events after the reporting period

In the financial year to March 31 2017, the Council acquired a number of residential properties on behalf of its wholly owned subsidiary I4B. Though specifically purchased on behalf of the subsidiary, as of 31 March these properties were accounted for on the Council's balance sheet as Assets held for Sale and will be transferred to I4B during 2017/18.

Descriptions of Earmarked Reserves

- **Section 106 and CIL** - Amounts received under Section 106 of the Town and Country Planning Act 1990 which are earmarked for particular purposes arising from the related developments and the Community Infrastructure Levy 2010.
- **Capital Financing** -These are monies identified to smooth the impact of capital financing costs following the completion of the Civic Centre.
- **Revenue Contribution to Capital** – Monies to reduce the costs of the Authority's minimum revenue contribution in future years.
- **Pension Liability –** Monies to mitigate the impact of low interest rates on the measurement of pension fund liabilities at future actuarial valuation

- **Capital Funding** - This represents revenue contributions set aside to meet commitments included in the capital programme. This only relates to the General Fund. There are no contributions from the HRA in this reserve.
- **Transformation** - Reserve is to provide monies for financial, HR and IT transformation as well as for Spend to Save initiatives.
- **Service Pressures** - A centrally held fund created to meet service pressures
- **Future Funding Risks** – Monies set aside to reflect the potential deterioration in 2016/17 central government funding compared to the assumptions in the medium term financial strategy.
- **Council Tax, Business Rates & Local Welfare** - Various reserves relating to the costs of the Council's local taxation and benefits operation
- **Redundancy & Restructuring** - Monies set aside to meet the future costs of restructuring.
- **Welfare Reform –** Monies identified centrally to help with the impact of the welfare reforms
- **Other Central** – Various reserves held centrally less than £1m.
- **JFS School PFI** - Grant relating to the setting up of JFS (a secondary school in the borough). The PFI agreement means that government funding exceeds contract payments in earlier years but tapers off in later years. The reserve was set up to take account of the funding profile.
- **Employment Initiatives** - Monies set aside for employment schemes and initiatives.
- **Insurance** – Monies to meet the unknown insurance liabilities including the historic costs arising from MMI
- **Willesden Sports Centre PFI** - The new Willesden Sports Centre opened during 2006/07 is financed through a 25 year PFI agreement. This involves an arrangement whereby funds received from the Council's own budget and from Government PFI credits are used to cover payments to the contractor. At the start of the project surplus funds are paid into a reserve which will be utilised over the life of the project.
- **Public Health –** Monies set aside to meet public health obligations.
- **South Kilburn –** Monies provided to support meanwhile use projects on vacant sites, independent advice and support for residents and administrative costs associated with delivering the project.
- **HMO Licensing** – Monies set aside to cover the costs of applying for licences to rent out properties As "Houses in Multiple Occupation".
- **Investment Reserve** – A new investment reserve was created in 2015/16 to fund property acquisitions and spend to save projects.
- **Housing Revenue Account** - Monies earmarked to spend on various Housing Revenue Account projects.
- **Brent NHS Trust Joint Venture** - This reserve is used to fund joint initiatives between the Council and Brent NHS that are beneficial to the social care and health needs of the client base and is spent according to decisions by the joint board.

Movement in Reserves Detail

2015/16	Useable Reserves				Unusable Reserves							
	General Fund + HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account	Accumulated Absences Account	Revaluation Reserve	Collection Fund Adjustment Account	Deferred Capital Receipts Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation and impairment of non-current assets and amortisation of intangible assets	(35,089)	0	0	0	32,358	0	0	0	2,730	0	0	0
Revaluation losses on Property Plant and Equipment	(23,294)	0	0	0	23,294	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	(16,660)	0	0	0	16,660	0	0	0	0	0	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(46,011)	0	0	0	48,663	0	0	0	(2,652)	0	0	0
Statutory provision for the financing of capital investment	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure charged against the General Fund and HRA balances	11,284	0	0	0	(11,284)	0	0	0	0	0	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	26,631	0	0	(26,631)	0	0	0	0	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	25,735	(25,735)	0	0	0	0	0	0	0
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	10,131	(10,131)	0	0	0	0	0	0	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	20,869	0	0	(20,869)	0	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	(165)	165	0	0	0	0	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(1,011)	1,011	0	0	0	0	0	0	0	0	0	0
Reversal of Major Repairs Allowance credited to the HRA	10,160	0	(10,160)	0	0	0	0	0	0	0	0	0

2015/16	Useable Reserves				Unusable Reserves							
	General Fund + HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Capital Adjustment Account	Pensions Reserve	Financial Instruments Adjustment Account	Accumulated Absences Account	Revaluation Reserve	Collection Fund Adjustment Account	Deferred Capital Receipts Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	28,116	0	(28,116)	0	0	0	0	0	0	0
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	1,318	0	0	0	0	0	(1,318)	0	0	0	0	0
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(51,679)	0	0	0	0	51,679	0	0	0	0	0	0
Employer's pensions contributions and direct payments to pensioners payable in the year	35,100	0	0	0	0	(35,100)	0	0	0	0	0	0
Amount by which officer remuneration charges to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	345	0	0	0	0	0	0	(345)	0	0	0	0
Amount by which council tax and NNDR income credited to the CIES is different from statutory charge	1,323	0	0	0	0	0	0	0	0	(1,323)	0	0
Revaluation reserve written off to the capital adjustment account	0	0	0	0	0	0	0	0	0	0	0	0
Surplus or (deficit) on the provision of services	40,883	0	0	0	0	0	0	0	0	0	0	40,883
Actuarial gains or losses on pensions assets and liabilities	0	0	0	0	0	(105,615)	0	0	0	0	0	(105,615)
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of service	0	0	0	0	0	0	0	0	(15,465)	0	0	(15,465)
Transfers to earmarked reserves	34,931	0	(7,514)	0	0	0	0	0	0	0	0	27,417
Total Adjustments	(1,803)	11,914	10,442	(896)	34,971	(89,036)	(1,318)	(345)	(15,387)	(1,323)	0	(52,781)
Opening Balance	(16,713)	(52,920)	(21,893)	(77,940)	(682,826)	725,020	17,049	3,862	(193,761)	(7,715)	(1,250)	(309,087)
Closing Balance	(18,516)	(41,006)	(11,451)	(78,836)	(647,855)	635,984	15,731	3,517	(209,148)	(9,038)	(1,250)	(361,868)

2016/17	Useable Reserves					Unusable Reserves							
	General Fund Balance £'000	HRA Balance £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Adjustment Account £'000	Pensions Reserve £'000	Financial Instruments Adjustment Account £'000	Accumulated Absences Account £'000	Revaluation Reserve £'000	Collection Fund Adjustment Account £'000	Deferred Capital Receipts Reserve £'000	Total £'000
Depreciation and impairment of non-current assets and amortisation of intangible assets	(25,067)	(9,863)	0	0	0	30,937	0	0	0	3,992	0	0	(1)
Revaluation losses on Property Plant and Equipment	(30,140)	(55,219)	0	0	0	85,359	0	0	0	0	0	0	0
Movements in the market value of Investment Properties	(10,795)	0	0	0	0	10,795	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute	0	35	0	0	0	(35)	0	0	0	0	0	0	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(22,220)	(3,859)	0	0	0	23,172	0	0	0	2,907	0	0	0
Statutory provision for the financing of capital investment	5,577	0	0	0	0	(5,577)	0	0	0	0	0	0	0
Capital expenditure charged against the General Fund and HRA balances	12,447	2,045	0	0	0	(14,492)	0	0	0	0	0	0	0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	32,853	0	0	0	(32,853)	0	0	0	0	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	0	23,439	(23,439)	0	0	0	0	0	0	0

2016/17	General Fund Balance £'000	HRA Balance £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Adjustment Account £'000	Pensions Reserve £'000	Financial Instruments Adjustment Account £'000	Accumulated Absences Account £'000	Revaluation Reserve £'000	Collection Fund Adjustment Account £'000	Deferred Capital Receipts Reserve £'000	Total £'000
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	16,882	10,273	(27,154)	0	0	0	0	0	0	0	0	0	1
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	32,151	0	0	(32,151)	0	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	(165)	0	165	0	0	0	0	0	0	0	0	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0	(1,322)	1,322	0	0	0	0	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0	0	0	0	0	0	0
Reversal of Major Repairs Allowance credited to the HRA	0	9,863	0	(9,863)	0	0	0	0	0	0	0	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	32,404	0	(32,404)	0	0	0	0	0	0	0
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	610	728	0	0	0	0	0	(1,338)	0	0	0	0	0
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(43,373)	(18)	0	0	0	0	43,391	0	0	0	0	0	0

2016/17	General Fund Balance £'000	HRA Balance £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Adjustment Account £'000	Pensions Reserve £'000	Financial Instruments Adjustment Account £'000	Accumulated Absences Account £'000	Revaluation Reserve £'000	Collection Fund Adjustment Account £'000	Deferred Capital Receipts Reserve £'000	Total £'000
Employer's pensions contributions and direct payments to pensioners payable in the year	33,711	27	0	0	0	0	(33,738)	0	0	0	0	0	0
Amount by which officer remuneration charges to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,613)	(3)	0	0	0	0	0	0	1,616	0	0	0	0
Amount by which council tax and NNDR income credited to the CIES is different from statutory charge	1,429	0	0	0	0	0	0	0	0	0	(1,429)	0	0
Revaluation reserve written off to the capital adjustment account	0	0	0	0	0	0	0	0	0	0	0	0	0
Surplus or (deficit) on the provision of services	13,155	37,670	0	0	0	0	0	0	0	0	0	0	50,825
Actuarial gains or losses on pensions assets and liabilities	0	0	0	0	0	0	172,903	0	0	0	0	0	172,903
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of service	0	0	0	0	0	0	0	0	0	(73,473)	0	0	(73,473)
Transfers to earmarked reserves	16,779	11,089	0	(11,090)	0	0	0	0	0		0	0	16,778
Total Adjustments	**70**	**1,446**	**6,484**	**11,451**	**(9,414)**	**42,165**	**182,556**	**(1,338)**	**1,616**	**(66,574)**	**(1,429)**	**0**	**167,033**
Opening Balance	**(12,323)**	**(6,193)**	**(41,004)**	**(11,451)**	**(78,837)**	**(647,860)**	**635,984**	**15,732**	**3,517**	**(209,149)**	**(9,036)**	**(1,249)**	**(361,869)**
Closing Balance	**(12,253)**	**(4,747)**	**(34,520)**	**0**	**(88,251)**	**(605,695)**	**818,540**	**14,394**	**5,133**	**(275,723)**	**(10,465)**	**(1,249)**	**(194,836)**

Nature of Income and Expenditure – Comprehensive Income and Expenditure Analysis

2015/16 £'000		2016/17 £'000
	Gross Expenditure	
58,443	Depreciation and impairment Losses	120,209
258,506	Employee Expenses	255,072
53,237	Premises Related Expenditure	38,489
161,343	Supplies and Services	133,691
35,229	Support Services	29,422
132,270	Third Party Payments	169,648
376,778	Transfer Payments	355,432
19,218	Transport Related Expenditure	20,670
1,095,024	**Gross Expenditure Total**	**1,122,633**
	Gross Income	
(182,650)	Customer and Client Receipts	(198,085)
(634,965)	Government Grants	(604,289)
(26,614)	Other Grants, Reimbursements & Contributions	(22,162)
(844,229)	**Gross Income Total**	**(824,536)**
250,795	**Cost of Services**	**298,097**
39,428	Other Operating Expenditure	2,728
41,975	Financing and Investment Income and Expenditure	40,433
(291,314)	Taxation and Non-Specific Grant Income	(290,433)
40,884	**(Surplus) / Deficit on Provision of Services**	**50,825**

Pension Fund Accounts as at 31 March 2017

CONTRIBUTIONS AND BENEFITS	Note	2015/16 £'000	2016/17 £'000
Contributions	7	46,387	48,596
Transfers in from other pension funds	8	2,455	2,359
		48,842	**50,955**
Benefits	9	37,918	40,154
Payments to and on account leavers	10	4,221	4,451
Administrative and Management costs	11	7,664	3,823
		49,803	**48,429**
Net Additions (Withdrawals) from dealings		**(961)**	**2,526**
GAINS ON INVESTMENTS			
Investment income	12	2,728	4,706
Taxes on income	13	(686)	(761)
(Profit) and loss on disposal of investments and change in market value of investments	15a	17,806	121,217
Return on investments		**19,848**	**125,162**
Net increase / decrease during the year		**18,887**	**127,688**

Net Assets Statement 31 March

	Note	2015/16 £ 000s	2016/17 £ 000s
INVESTMENT ASSETS	**15**	**674,235**	**802,636**
Current assets	**20**	**1,933**	**2,534**
Non-Current Assets	**21**	**0**	**0**
Current liabilities	**22**	**(231)**	**(1,545)**
Net Assets of the Scheme at 31 March		**675,937**	**803,625**

Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme and is administered by Brent Council. The Council is the reporting entity for this Pension Fund.

The following description of the Fund is a summary only. For more detail, reference should be made to the Brent Pension Fund Annual Report 2016/17 and the underlying statutory powers underpinning the scheme, namely the Public Service Pensions Act 2013 and the Local Government Pension Scheme (LGPS) Regulations.

a) General

The Fund is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- the LGPS (Benefits, Membership and Contributions) Regulations 2013 (as amended)
- the LGPS (Administration) Regulations 2014 (as amended)
- the LGPS (Management and Investment of Funds) Regulations 2009.

It is a contributory defined pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies within the borough area. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The Fund is overseen by the Brent Pension Fund Sub-Committee, which is a committee of Brent Council.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 40 employer organisations with active members within the Brent Pension Fund at 31 March 2017, listed below:

Scheduled bodies
London Borough of Brent
Alperton High School
ARK Academy
ARK Franklin Academy
ARK Elvin Academy
Brent Housing Partnership
Capital City Academy
Claremont High School
College of North West London
Convent of Jesus & Mary Language College
Crest Academy
Furness Primary School
Gladstone Park School
Islamia Primary School
Kingsbury High School
Manor School
Michaela Community School
North West London Jewish day School
Oakington Manor School
Preston Manor High School
Queens Park Community School
St Andrews and St Francis School
St Gregory's RC High School
Sudbury Primary School
Wembley High Technology College
Woodfield School

Admitted bodies
Capita Business Services Limited
Civica
Conway Aecom
Apleona HSG Limited (previously Bilfinger originally Europa Facility (Services Limited)
National Autistic Society
Local Employment Access Project (LEAP)
Sudbury Neighbourhood Centre
Wetton Cleaning Services
Thames Reach
Sanctuary Housing
Veolia
Xerox (UK) Limited
Barnardos
Taylor Shaw

Brent Pension Fund	31 March 2016	31 March 2017
Number of employers with active members	37	71
Number of employees in scheme		
Brent Council	4,236	4,454
Other employers	1,904	2,130
Total	**6,140**	**6,584**
Number of pensioners		
Brent Council	5,414	5,524
Other employers	827	867
Total	**6,241**	**6,391**
Deferred pensioners		
Brent Council	6,603	6,646
Other employers	1,202	1,260
Total	**7,805**	**7,906**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2007 and range from 5.5% to 7.5% of pensionable pay for the financial year ending 31 March 2017. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2013. During 2016/17, the most commonly applied employer contribution rate within the Brent Pension Fund was 30.0% of pensionable pay.

d) Benefits

Pension benefits under the LGPS are based on final pensionable pay and length of pensionable service, summarised below:

	Service pre 1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. For more details, please refer to the Brent Pension Fund's website:
https://www.mylgpspension.co.uk/

Benefits are index-linked in order to keep pace with inflation. In June 2010, the Government announced that the method of indexation would change from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI). This change took effect from 1 April 2011.

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2016/17 financial year and its position at year-end as at 31 March 2017. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2015/16* which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section n below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income
Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income
Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds
Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments
Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Administration expenses

All administration expenses are accounted for on an accruals basis. All staff costs of the pensions' administration team are charged direct to the Fund. Management, accommodation and other overheads are apportioned to the Fund in accordance with Council policy.

g) Investment management expenses

All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

The cost of obtaining investment advice from external consultants is included in investment

management charges.

Net Assets Statement

h) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) Market-quoted investments
The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities
Fixed interest securities are recorded at net market value based on their current yields.

iii) Unquoted investments
The fair value of investments for which market quotations are not readily available is determined as follows:

- Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
- Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.

- Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
- Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
- Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association.

iv) Limited partnerships
Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

v) Pooled investment vehicles
Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

i) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

j) Derivatives

The Fund does not use derivative financial instruments to manage its exposure to specific risks arising from its investment activities in its own name. Neither does it hold derivatives for speculative purposes.

k) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

l) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

m) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with section 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (SI 2009/3093) but are disclosed as a note only (Note 23).

4. Critical judgements in applying accounting policies

Unquoted private equity/infrastructure investments

It is important to recognise the highly subjective nature of determining the fair value of private equity investments. They are inherently based on forward-looking estimates and judgements involving many factors. Unquoted private equities and infrastructure investments are valued by the investment managers using guidelines set out by the British Venture Capital Association. The value of unquoted private equities and infrastructure investments at 31 March 2017 was £130m (£129m at 31 March 2016).

Pension fund liability

The pension fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 19. This estimate is subject to significant variances based on changes to the underlying assumptions.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Net Assets Statement at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of approximately £89m. A 0.25% increase in assumed earnings inflation would increase the value of liabilities by approximately £12m, and a one-year increase in assumed life expectancy would increase the liability by approximately £30m.
Private equity/infrastructure	Private equity/infrastructure investments are valued at fair value in accordance with British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure investments in the financial statements are £129m. There is a risk that this investment may be under- or overstated in the accounts.

7. Contributions

	2015/16	2016/17
By Category	**£'000**	**£'000**
Employees' Contributions	8,317	8,308
Employers' Contributions:		
Normal contributions	35,047	37,234
Deficit recovery contributions	1,662	1,662
Augmentation contributions	1,252	1,392
Total Employers contributions	37,961	40,288
	46,278	**48,596**
By Authority		
Administering Authority	35,540	36,257
Scheduled bodies	8,924	9,896
Admitted bodies	1,814	2,444
	46,278	**48,596**

8. Transfers in from other pension funds

	2015/16 £'000	2016/17 £'000
Individual transfer values in from other schemes	2,455	2,359
	2,455	**2,359**

9. Benefits

	2015/16 £'000	2016/17 £'000
Pensions	32,037	32,954
Commutation and lump sum and retirement benefits	5,293	6,975
Lump sum death benefits	589	226
	37,919	**40,154**
By Authority		
Administering Authority& Scheduled	36,365	38,674
Admitted bodies	1,554	1,480
	37,919	**40,154**

10. Payments to and on account of leavers

	2015/16 £'000	2016/17 £'000
Individual transfers to other schemes	4,221	4,451
	4,221	**4,451**

11. Administration & Management costs

	2015/16 £'000	2016/17 £'000
Administration costs	643	678
Investment management expenses	6,903	2,982
Oversight and governance costs	118	163
	7,664	**3,823**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £21k (21k 2015/16)

12. Investment income

	2015/16 £'000	2016/17 £'000
Dividend income private equities/infrastructure	300	1,183
Income from property unit trusts	2,069	3,382
Income from private equities/infrastructure	297	251
Interest on cash deposits	62	(110)
Miscellaneous income		
Total Investment Income	**2,728**	**4,706**

13. Taxes on income

	2015/16 £'000	2016/17 £'000
Withholding tax	(686)	(761)

14. Investments

	Market value 31 March 2016 £'000	Market value 31 March 2017 £'000
Investment assets		
Pooled investments	469,432	620,271
Pooled property investments	39,269	3,592
Private equity/infrastructure	129,350	130,314
Total investments	638,051	754,177

a) Investments 16/17

	Market value 1 April 2016	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2017
	£'000	£'000	£'000	£'000	£'000
Pooled investments	469,432	50,000	703	101,542	620,271
Pooled property investments	39,269	0	33,539	(2,138)	3,592
Private equity/infrastructure	129,350	9,539	31,201	21,813	130,314
Net investment assets	**638,051**	**59,539**	**65,443**	**121,217**	**754,177**
Other Investment balances:					
Cash Deposit	**36,184**				**47,495**
Investment Income due	**0**				**964**
	674,235				**802,636**

Investments 15/16	Market value 1 April 2015	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2016
	£'000	£'000	£'000	£'000	£'000
Pooled investments	476,369	34,150	34,779	(6,308)	469,432
Pooled property investments	37,006	0	0	2,263	39,269
Private equity/infrastructure	126,112	10,628	27,817	21,851	129,350
Net investment assets	**639,487**	**44,778**	**62,596**	**17,806**	**638,051**
Other Investment balances:					
Cash Deposit	**17,080**				**36,184**
Investment Income due	**0**				**0**
	656,567				**674,235**

Transaction costs are included in the cost of purchases and in sale proceeds. These include costs charged directly to the Fund, such as commissions, stamp duty and other fees.

b) (i) Analysis of investments

	31 March 2016 £'000	31 March 2017 £'000
Pooled funds – additional analysis		
UK		
Fixed income unit trust	86,592	91,282
Unit trusts	113,700	136,100
Diversified growth funds	68,793	125,280
Overseas		
Unit trusts	200,347	267,609
	469,432	**620,271**
Pooled property investments	39,269	3,592
Private equity/infrastructure	129,350	130,314
	168,619	**133,906**
	638,051	**754,177**

b) (ii) Investments analysed by fund manager

Market value

31 March 2016			31 March 2017	
£'000	**%**		**£'000**	**%**
287,596	45.1	Legal & General	374,398	49.6
150	0	London CIV	150	0.0
112,893	17.7	Henderson	120,443	16.0
96,199	15.1	Capital Dynamics	91,674	12.2
645	0.1	Yorkshire Fund Managers	583	0.1
68,793	10.8	LCIV - Baillie Gifford	68,793	10.1
0	0.0	LCIV - Ruffer	49,378	6.5
39,269	6.2	Aviva	3,592	0.5
32,506	5.1	Alinda	38,057	5.0
638,051	**100.0**		**754,177**	**100.0**

All the above companies are registered in the United Kingdom. As at 31 March 2017 the Investment managed by seven external managers.

c) Stock lending

The Brent Pension Fund does not operate a Stock Lending programme.

15. Analysis of Derivatives

a) Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2016				31 March 2017		
Fair value through profit and loss	**Loans and receivables**	**Financial liabilities at amortised cost**		**Fair value through profit and loss**	**Loans and receivables**	**Financial liabilities at amortised cost**
£000	**£000**	**£000**		**£000**	**£000**	**£000**
			Financial assets			
469,432	0	0	Pooled investments	620,271	0	0
39,269	0	0	Pooled property investments	3,592	0	0
129,350	0	**0**	Private equity/infrastructure	130,314	0	**0**
0	36,184	0	Cash	0	47,495	0
0	1,933	**0**	Debtors	0	2,534	**0**
638,051	**38,117**	**0**		**754,177**	**48,459**	**0**
			Financial Liabilities			
0	**0**	(231)	Creditors	0	**0**	(1,545)
638,051	**38,117**	**(231)**	**Totals**	**754,177**	**48,459**	**(1,545)**

16. Net gains and losses on financial instruments

31 March 2016		31 March 2017
£'000		**£'000**
	Financial assets	
17,806	Fair value through profit and loss	120,997
17,806	**Total**	**120,997**

b) Fair value of financial instruments and liabilities

The following table summarises the carrying values of the financial assets and financial liabilities by class of instrument compared with their fair values.

31 March 2016			31 March 2017	
Carrying value	Fair value		Carrying value	Fair value
£'000	£'000		£'000	£'000
		Financial assets		
638,051	638,051	Fair value through profit and loss	754,177	754,177
38,117	38,117	Loans and receivables	48,459	48,459
676,168	**676,168**	**Total financial assets**	**802,636**	**802,636**
		Financial liabilities		
(231)	(231)	Financial liabilities at amortised cost	(1,545)	(1,545)
(231)	**(231)**	**Total financial liabilities**	**(1,545)**	**(1,545)**

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

17. Valuation of financial instruments carried at fair value

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining

appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

The values of the investment in hedge funds are based on the net asset value provided by the fund manager. Assurances over the valuation are gained from the independent audit of the value.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2017	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit and loss		623,863	130,314	754,177
Loans and receivables	48,459			48,459
Total financial assets	**48,459**	**623,863**	**130,314**	**802,636**
Financial liabilities				
Financial liabilities at amortised cost	(1,545)			(1,545)
Total financial liabilities	**(1,545)**	**0**	**0**	**(1,545)**
Net financial assets	**46,914**	**623,863**	**130,314**	**801,091**

Values at 31 March 2016	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets				
Financial assets at fair value through profit and loss		508,701	129,350	638,051
Loans and receivables	38,117			38,117
Total financial assets	**38,117**	**508,701**	**129,350**	**676,168**
Financial liabilities				
Financial liabilities at amortised cost	(231)			(231)
Total financial liabilities	**(231)**	**0**	**0**	**(231)**
Net financial assets	**37,886**	**508,701**	**129,350**	**675,937**

18. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks in two ways:

- the exposure of the Fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
- specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within limits specified in the Fund investment strategy.

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2016 and 31 March 2017 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	31 March 2016 £'000	31 March 2017 £'000
Cash balances	36,184	47,495
Fixed interest securities	86,592	91,282
Total	**122,776**	**138,777**

Asset type	Carrying amount as at 31 March 2017	Change in year in the net assets available to pay benefits	
		+100 BPS	-100 BPS
	£'000	£'000	£'000
Cash balances	47,495	474	-474
Fixed interest securities	91,282	912	-912
Total change in assets available	**138,777**	**1,245**	**-1,245**

Asset type	Carrying amount as at 31 March 2016	Change in year in the net assets available to pay benefits	
		+100 BPS	-100 BPS
	£'000	£'000	£'000
Cash balances	36,184	381	-381
Fixed interest securities	86,592	865	-865
Total change in assets available	**122,776**	**1,245**	**-1,245**

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2017 and as at the previous period end:

Currency exposure – asset type	Asset value at 31 March 2016 £'000	Asset value at 31 March 2017 £'000
Overseas unit trusts	200,347	267,609
Overseas pooled property investments	3,748	3,592
Overseas private equity/infrastructure	129,350	130,314
Total overseas assets	**333,445**	**401,515**

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

	Asset value as at 31 March 2017	Change to net assets available to pay benefits	
		Impact of 1%	Impact of -1%
	£'000	£'000	£'000
Overseas unit trusts	267,609	270,285	264,933
Overseas pooled property investments	3,592	3,628	3,556
Overseas private equity/infrastructure	130,314	131,617	129,011
Total change in assets available	**401,515**	**405,530**	**397,500**

	Asset value as at 31 March 2016	Change to net assets available to pay benefits	
		Impact of +1%	Impact of -1%
	£'000	£'000	£'000
Overseas unit trusts	200,347	202,350	198,344
Overseas pooled property investments	3,748	3,785	3,711
Overseas private equity/infrastructure	129,350	130,644	128,057
Total change in assets available	**333,445**	**336,779**	**330,111**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria. Given the relatively low level of cash held by the Pension Fund at any one time, it is not considered necessary to place deposits with other banks and financial institutions to provide diversification.

The Pension Fund believes it has managed its exposure to credit risk, and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2017 was £47.4m (31 March 2016: £36.1m). This was held with the following institutions:

	Rating	Balances as at 31 March 2016	Balances as at 31 March 2017
		£'000	£'000
Bank deposit accounts			
NatWest	A-	36,184	4,422
Northern Trust		-	5,373
Money Market deposits		-	37,700
Total		**36,184**	**47,495**

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. At 31 March 2017 the value of illiquid assets was £133.9, which represented 18% (31 March 2016: £168.6m, which represented 26%) of the total fund assets.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2017 are due within one year.

Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS (Administration) Regulations 2008, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2016.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 19 years from 1 April 2016 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2016 actuarial valuation, the Fund was assessed as 56% funded (56% at the March 2013 valuation). This corresponded to a deficit of £535m (2013 valuation: £442m) at that time.

Contribution increases were phased in over the three-year period ending 31 March 2017 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2017/18	32.5%
2018/19	33.8%
2019/20	35.0%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2016 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The principal assumptions were:

The main actuarial assumptions used for the March 2016 actuarial valuation were as follows:

Discount rate	3.8% p.a.
Pay increases	2.4% p.a.
Pension increases	2.1% p.a.

Mortality assumptions

Future life expectancy based on the Actuary's fund-specific mortality review was:

Mortality assumption at age 65	Male	Female
Current pensioners	22.3 years	24.5 years

Commutation assumption

It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits for service to 1 April 2008 and 75% for service from 1 April 2008.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

The actuarial present value of promised retirement benefits at 31 March 2017 was £1,635m (31 March 2016: £1,307m). The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future.

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2016 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	2.4%
Salary increase rate	2.7%
Discount rate	2.5%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	**Females**
Current pensioners	22.3 years	24.5 years
Future pensioners*	24.1 years	26.4 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

21. Current assets

Debtors	2015/16 £'000	2016/17 £'000
Contributions Due		
Contributions due - Employees	330	383
Contributions due - Employers	1,342	1,809
Sundry debtors	260	342
Additional voluntary contributions	1	1
Total	**1,933**	**2,534**

Analysis of debtors

	2015/16 £'000	2016/17 £'000
Central government bodies	0	0
Other local authorities	1,932	2,534
Other entities and individuals	1	1
Total	**1,933**	**2,534**

21. Non-current assets	0	0

Non- current assets comprises of contributions due from employers, repayable later than a year of the Balance Sheet date.

22. Current liabilities

	2015/16 £'000	2016/17 £'000
Sundry creditors	(231)	(1,545)
Total	**(231)**	**(1,545)**

Analysis of Short-Term Creditors

	2015/16 £'000	2016/17 £'000
Central government bodies	(67)	(76)
Other entities and individuals	(164)	(1,469)
	(231)	**(1,545)**

23. Additional Voluntary Contributions	2015/16 £'000	2016/17 £'000
Clerical Medical	1,221	1,221
Equitable Life	167	167
Prudential	15	128
Total	**1,403**	**1,516**

24. Agency Services

25. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.673m (2015/16: £0.652m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £31.4m to the Fund in 2016/17(2015/16: £31.1m). All monies owing to and due from the Fund were paid in year.

Governance

There are no members of the Pension Fund Sub-Committee who are either in receipt of pension benefits from or active members of the Brent Pension Fund.

Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting.

Key management personnel

Paragraph of the *Code of Practice on Local Authority Accounting in the United Kingdom 2013/14* (the Code) exempts local authorities from the key management personnel disclosure requirements of IAS 24, on the basis that the disclosure requirements for officer remuneration and members' allowances detailed in section 3.4 of the Code (which are derived from the requirements of Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations 2011) satisfy the key management personnel disclosure requirements of paragraph 16 of IAS 24. This applies in equal measure to the accounts of the Brent Pension Fund.

The disclosures required by Regulation 7(2)-(4) of the Accounts and Audit (England) Regulations can be found in the main accounts of Brent Council.

26. Contingent liabilities

The Fund had no contingent liabilities at 31 March 2017.

26. Contractual commitments

Outstanding capital commitments (investments) at 31 March 2017 totalled £41.6m (31 March 2016: £44.9m).

	31 March 2016 £'000	31 March 2017 £'000
Capital Dynamics	23,260	20,773
Alinda Fund I	3,062	3,548
Alinda Fund II	18,579	17,285
Total	**44,901**	**41,606**

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

27. Contingent assets

Seven non-associated admitted body employers in the Brent Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default.

	31 March 2016 £'000	31 March 2017 £'000
Bilfinger (previously Europa)	136	136
Capita Business Services Limited	123	123
Conway Aecom	111	111
Xerox (UK) Limited	29	29
Sanctuary	8	8
ThamesReach	5	5
Total	**412**	412

28. Impairment losses

The Fund had no impairment losses at 31 March 2017.

Glossary

ACCRUALS

Amounts charged to the accounts for goods and services received during the year for which payments have not been made.

CAPITAL EXPENDITURE

Expenditure on the acquisition of assets to be of value to the Council beyond the end of the financial year, e.g. purchase of land and buildings, construction of roads etc or revenue expenditure which the Government may exceptionally permit the Council to capitalise e.g. redundancy payments.

CAPITAL RECEIPTS

Money received from the sale of land, buildings and plant. A prescribed portion of receipts received for HRA dwellings must be *"pooled"* and paid to central government.

COMMUNITY ASSETS

A classification of fixed assets that the Council intends to hold in perpetuity that may have restrictions on their disposal. Examples of such assets are parks, historic buildings and works of art.

CONSISTENCY

The principle that the accounting treatment of like items should be treated the same from one period to the next.

CORPORATE AND DEMOCRATIC CORE

This comprises all activities which local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a single purpose body managing the same service. There is no logical basis for apportioning these costs to services. It comprises of Democratic Representation and Management and Corporate Management.

COLLECTION FUND ADJUSTMENT ACCOUNT

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

CREDITORS

Amounts owed by the Council at 31 March for goods received or services rendered but not yet paid for.

DEBTORS

Amounts owed to the Council which are collectable or outstanding at 31 March.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of an asset to the lessee (the Council) and at the end of the lease term substantially all the asset value and interest payments have been made.

FIXED ASSETS

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

GOING CONCERN

The concept that the Council will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS - SPECIFIC

Assistance by Government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the Council in return for past or future compliance with certain conditions relating to the activities of the Council.

INFRASTRUCTURE ASSETS

A classification of fixed assets, whose life is of indefinite length and which are not usually capable of being sold, e g highways, street lighting and footpaths.

LONG TERM INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments which do not meet the above criteria should be classified as current assets.

LEVIES

These are payments to London-wide bodies whose costs are borne by local authorities in the area concerned.

LONG-TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION

The minimum amount the Council must charge to the revenue accounts each year to repay loans as defined by Government regulation.

NATIONAL NON DOMESTIC RATE (NNDR)

A flat rate in the pound set by the Central Government and levied on all non-residential premises according to their rateable value collected by the Council.

OPERATING LEASES

The lessor is paid rental for the hire of an asset for a period, which is substantially less than the useful economic life of an asset. The lessor is taking a risk on the residual value at the end of the lease.

OPERATIONAL ASSETS/NON OPERATIONAL ASSETS

- Fixed assets held and occupied, used or consumed by the Council in the direct delivery of services for which it has either a statutory or discretionary responsibility.
- Non-operational assets, not directly occupied or surplus to requirements pending sale or development.

PRECEPTS

A charge made by another authority on the Council to finance its net expenditure. This Council has a charge on the collection fund by the Greater London Authority.

PRIOR YEAR ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PRUDENCE

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

REVENUE SUPPORT GRANT

A general grant paid to local councils from national taxation.

ABBREVIATIONS

ALMO	Arm's Length Management Organisation
AVC	Additional Voluntary Contribution
BHP	Brent Housing Partnership
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance and Accountancy / Code of Practice on Local Authority Accounting in the United Kingdom
DCLG	Department for Communities and Local Government
CIES	Comprehensive Income and Expenditure Statement
DfE	Department for Education
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles./ Practice
GF	General Fund
GLA	Greater London Authority
HRA	Housing Revenue Account
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LGPS	Local Government Pension Scheme
MRA	Major Repairs Allowance
MRP	Minimum Revenue Provision
NNDR	National Non Domestic Rates (also called Business Rates)
PFI	Private Finance Initiative
PWLB	Public Works Loans Board

LONDON BOROUGH OF BRENT
AUDIT OF ACCOUNTS – YEAR ENDED 31 MARCH 2017
NOTICE OF PUBLIC RIGHTS

ACCOUNTS & AUDIT REGULATIONS 2015
LOCAL AUDIT AND ACCOUNTABILITY ACT 2014

Notice is given that the unaudited statement of accounts for the year ended 31 March 2017 has been published on the Council's website at www.brent.gov.uk/your-council/transparency-in-brent/performance-and-spending/budgets-and-finance/how-we-spend-your-money. The Council's accounts are unaudited and may be subject to change by the external auditor, KPMG LLP, 15 Canada Square, London, E14 5GL. Members of the public and local government electors have certain rights in the audit process:

From 27 June 2017 to 7 August 2017 between 9.30 a.m. and 4.30 p.m. Monday to Fridays, any person interested may on reasonable notice inspect and make copies of the accounts of the Council for the year ended 31 March 2017 and certain related documents (comprising books, deeds, contracts, bills, vouchers and receipts) at the address given below. Prior to any inspection please contact Ben Ainsworth, email address ben.ainsworth@brent.gov.uk Tel 020 8937 1731.

From 27 June 2017 to 7 August 2017 a local government elector for the area of the Council, or his/her representative, may ask the auditor, Andrew Sayers, questions about the accounts. Please contact the auditor at the address given above to make arrangements to ask any questions.

From 27 June 2017 to 7 August 2017 a local government elector for the area of the Council, or his/her representative, may object to the Council's accounts asking that the auditor issue a report in the public interest (under section 24 of the Local Audit & Accountability Act 2014) and/or apply to the court for a declaration that an item in the accounts is contrary to law (under section 28 of the Local Audit & Accountability Act 2014). Written notice of a proposed objection and the grounds on which it is made must be sent to the auditor at the address given above and copied to me at the address given below.

Conrad Hall, Chief Finance Officer
London Borough of Brent
Brent Civic Centre, Engineers Way, Wembley, Middlesex HA9 0FJ

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Brent	**Cabinet** 24 July 2017 **Report from the Chief Finance Officer**
	Wards affected: All

2016/17 Treasury Management Outturn Report

1. Introduction

1.1 This report updates members on Treasury Management activity and confirms that the Council has complied with its Prudential Indicators for 2016/17.

2. Recommendation

2.1 Cabinet is asked to consider the 2016/17 Treasury Management outturn report, and ask that it be forwarded to Council, in compliance with CIPFA's Code of Practice on Treasury Management (the Code).

3. Background

3.1 The Council's treasury management activity is underpinned by the Code, which requires authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year.

3.2 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Investment Guidance.

3.3 The Council has borrowed money over the long term to support investment in the Council's infrastructure and also invests balances held for short periods. It

is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are central to the Council's treasury management strategy.

Economic background

3.4 The recovery in the UK continued with steady, though slowing, economic activity and growth. Q1 2017 GDP showed year-on-year growth of 2% but quarterly growth of 0.2%. The only positive light in Q1 was solid manufacturing growth. Consumer Price Index (CPI) has increased to 2.9% since then, and is expected to grow due to the weakness of the pound. This imported inflation is part of the reason why the economy's inflation rate is expected to exceed the Bank of England's target for the coming year. While employment is currently at a record level of 74.8% of the working age population, pay is stagnant and there are widespread political unease around inequality and the low productivity of the UK.

3.5 Recent political events have given rise to a very uncertain environment, and it is very difficult to forecast what effect this will have on the way the UK economy develops. Much will depend on the actions and reactions of a wide range of individuals and organisations which are impossible to foresee at present.

Gilt Yields and Money Market Rates

3.6 Gilt yields (the rate of interest on UK government borrowing) rose in the first quarter of 2016/17 and then fell in over the rest of the year. 10 year yields ended the year at 1.3% and 20 years at 1.95%, both slightly lower than the at the start of the year.

3.7 Interest rates on short term inter-bank lending remained below 1% through the year.

The Borrowing Requirement and Debt Management

3.8 The table on the following page summarises the Council's borrowing activity during 2016/17. The Council's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31/03/2017 was estimated to be £580m.

	Balance 01/04/2016 (£m)	New Borrowing (£m)	Borrowing Repaid (£m)	Balance 31/03/2017 (£m)	Average Rate (%)	Average Life (Years)
CFR	584			580		
Short Term Borrowing	0	0	0	0	0	0
Long Term Borrowing	419	0	4	415	4.79	35.2

3.9 At 1 April 2016 the Council had £419 million of long-term borrowing, to finance its previous years' capital programmes. With short-term interest rates being much lower than long-term rates, it was more cost effective in the short-term to use internal resources rather than undertake further long-term borrowing. By doing so, the Council has been able to reduce net borrowing costs and reduced overall treasury risk, because overall borrowing has been reduced slightly. No temporary borrowing was required during the year. The average rate of 4.79% was higher than last year's rate of 4.76% and this was due to the redemption of £4m of PWLB loans that are paid back steadily over their lifetime.To repay the Council's loans would involve paying a premium to compensate PWLB for their inability to relend the money at the rate at which they have financed the loan. For example, the Council's most expensive loan is £3.05m at a rate of 8.875%, to repay it would cost £0.935m, a 30% premium on the value of the loan before the cost of re-financing. In short, the cost of re-financing our loans under the Government's punitive approach means is not economical. This analysis might change if interest rates returned to historically normal levels.

3.10 The Treasury Management Strategy approved by the Council in February 2016 states that the Council will maintain borrowing at the lowest level consistent with prudent management of the Council's finances. This implies that, at present discount rates, we will not undertake premature repayment of debt but that, in conjunction with our Treasury Management advisers, Arlingclose, we will remain abreast of developments and be prepared to borrow up to the level of CFR if a significant permanent rate rise appears likely. These circumstances did not arise during the year.

3.11 The Authority has £80.5m exposure to LOBO loans (Lender's Option Borrower's Option) of which £40.0m of these can be "called" within 2017/18. £15m of these were transformed into regular fixed rate loans in 2016/17.

3.12 LOBOs are so-called because lenders can exercise their rights at set times to amend the interest rate on the loan. At that point, the Borrower can accept the revised terms or reject them and repay the loan without penalty. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion, which was intended to be

compensated for by a lower interest rate being paid in exchange for which the interest rate is lower than would be paid to the PWLB. This risk is mitigated by the fact that the Council's current cash holdings mean that any repayment could be accommodated by reducing deposits in a relatively short time and that it would financially advantageous to do so at current interest rates.

3.13 Any LOBOs called will be discussed with Arlingclose prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted. It is considered a significant possibility that some LOBOs may be called over the next few years due to the need for the commercial banks to comply with Basle III regulations for banks in 2019.

3.14. There are complex arguments made about LOBOs, by their supporters and by their detractors. The Council's position is simply that the LOBOs are part of its portfolio, and must therefore be managed as effectively as possible. There are no plans to enter into further LOBO contracts. However, it should be noted that the average rate of interest being paid on LOBOs is little different to that on PWLB debt (4.75% compared to 4.71% at 31 March) and the range of rates lower. The most expensive LOBO was at 6.234% on 31 March, compared with the most expensive PWLB at 8.875%.

3.15 HM Treasury (HMT) consulted on its proposal to subsume the functions of the PWLB into the Treasury during the year and published its response to comments. HMT feel that its proposals take into account the comments made and intend to proceed to seek legislation to implement them. Brent is unlikely to be adversely affected by the proposals as they involve little practical change to present arrangements

Investment Activity

3.16 Both CIPFA and the CLG Investment Guidance require the Council to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield. The table on the following page summarises investment activity during 2016/17.

Investments	Balance on 01/04/2016 (£m)	Investments made (£m)	Investments repaid (£m)	Balance on 31/03/2017 (£m)	Average Rate on 31/03/2017 (%)
Fixed Term Deposits	91	582	522	151	0.4
Marketable instruments	50	103	153	0	
Money Market Funds and notice deposits	23	601	608	16	0.3
TOTAL INVESTMENTS	164	1286	1283	167	0.4

3.17 Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17 which defined "high credit quality organisations" as those having a long-term credit rating of A- or higher that are domiciled in the UK or overseas where the sovereign rating is AA+ or higher.

3.18 The growth of bail-in risk gave rise to the decision to restrict the maximum maturity with market financial institutions to three months and use only marketable instruments issued by them. Bail-in means that long-term loans in financial institutions are converted into equity (shares) that are not easily convertible for many years, preventing Brent from accessing the resources, and potentially giving them a hefty cut in their value.

3.19 New investments with banks and Building Societies have been undertaken by means of marketable instruments and the Treasury bill market has also been used. Treasury bills have largely replaced the use of the UK Debt Management Office (the Bank of England's temporary borrowing team, who are effectively a deposit taker of last resort, borrowing at 0.1%) which has been used on rare occasions to invest large receipts at short notice. The risk of bail in has recently declined for many UK institutions, but investment decisions still need to be made on a case by case basis.

Credit developments and credit risk management

3.20 The Council assessed and monitored counterparty credit quality with reference to credit ratings, credit default swaps (a means of insuring loans), perceived

credit-worthiness of the country in which the institution is registered and its share price. The minimum long-term counterparty credit rating determined by the Council for the 2016/17 treasury strategy was A- across rating agencies Fitch, S&P and Moody's. The mechanism for dealing with a failed bank, which was brought into effect through the Financial Services (Banking Reform) Act 2013, is now in operation. The Council continues to monitor risks, with advice from Arlingclose. The Council did not make any deposits with institutions in the Eurozone during the year.

Liquidity Management

3.21 Combining changes to the regulatory environment and our adoption of a mainly three month lending limit, investments with financial institutions are now normally by means of purchasing 3 month Certificates of Deposit (CDs). Longer maturities with less unattractive rates can be obtained from Local Authorities, though these will depend on being able to satisfy demand when it arises. At peak periods, mindful of the primacy of security as a criterion for decision making, substantial balances may be held in short term investments, particularly Money Market Funds. The use of short term borrowing at times of lower cash balances is judged to maintain a prudent balance between maintaining security and liquidity and achieving a reasonable yield on investments, though this was only required for one week in 2016-17.

Yield

3.22 The UK Bank Rate dropped to 0.25% during the year. Short term money market rates also remained at low levels which continued to have a significant impact on investment income. The average 3-month LIBID rate during 2016/17 was 0.47%, the 6-month LIBID rate averaged 0.60% and the 1-year LIBID rate averaged 0.79%. The low rates of return on the Council's short-dated money market investments reflect prevailing market conditions and the Council's objective of optimising returns commensurate with the principles of security and liquidity.

3.23 The Council's budgeted investment income for the year had been estimated at £0.7m. The average cash balance during the year was £199m during the period and interest earned was £1.0m, an average return of .52%. The interest earned in 2015/16 was £0.9m on an average cash balance of £186m or 0.45%.

Update on Investments with Icelandic Banks

3.24 The Council has now recovered 98% of its £10 million deposit with Heritable Bank. The administrators have not made any further estimate of final recoveries yet, though a further distribution is expected, subject to the outcome of a legal case.

Compliance

3.25 The Council confirms that it has complied with its Prudential Indicators for 2016/17, which were approved by the Council on 22 February 2016 as part of the Council's Treasury Management Strategy Statement.

3.26 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2016/17. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. Further information is set out in Appendix 2.

Investment Training

3.27 The needs of the Council's treasury management staff for training in investment management are kept under review and considered as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

3.28 During 2016/17 staff attended training courses, seminars and conferences provided by Arlingclose and CIPFA and opportunities which may arise with other organisations are considered.

4. Financial Implications

4.1 Already noted within the report as this is the Treasury Management Outturn Report.

5. Legal Implications

5.1 None identified.

6. Diversity Implications

6.1 None identified.

7. Staffing Implications

7.1 None identified.

8. Background Information

Treasury Management Strategy Report to Council – 22 February 2016
2016/17 Mid-Year Treasury Report to Council – 21 November 2016

9. Contact Officers

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CONRAD HALL
Chief Finance Officer

Appendix 1 - Debt and Investment Portfolio Position 31/3/2017

	31/3/2017 Actual Portfolio £m	Average Rate as at 31/3/2017 %
External Borrowing:		
PWLB – Maturity	288	5.0
PWLB – Equal Instalments of Premium	32	2.6
Fixed Rate Market Loans	15	4.3
LOBO Loans	80	5.1
Total External Borrowing	**415**	**4.8**
Other Long Term Liabilities:		
PFI	30	9.5
Total Gross External Debt	**445**	**5.0**
Investments:		
Deposits	151	0.4
Money Market Funds	16	0.3
Total Investments	**167**	**0.4**
Net Debt	**278**	**7.9**

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Appendix 2 – Prudential Indicators

(a) Capital Financing Requirement (CFR)

The Council's cumulative maximum external borrowing requirement for 2016/17 is shown in the table below:

Capital Financing Requirement	31/03/2017 Estimate £m	31/03/2017 Actual* £m
General Fund	459	439
HRA	137	141
Total CFR	**596**	**580**

*Uses provisional estimates from Draft Statement of Accounts

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31/03/2017 Estimate £m	31/03/2017 Actual £m
Borrowing	415	415
PFI liabilities	30	30
Total Debt	**445**	**445**
Borrowing in excess of CFR?	**No**	**No**

(b) Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the

Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

The Director of Finance confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2016/17.

	Operational Boundary (Approved)	Authorised Limit (Approved)	**Actual External Debt 31/03/2017**
Borrowing			415
Other Long-term Liabilities			30
Total	**750**	**850**	**445**

(c) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed.

	Approved Limits for 2016/17 Proportion %	Maximum during 2016/17 Proportion %
Upper Limit for Fixed Rate Exposure	100	100
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure	40	0
Compliance with Limits:	Yes	Yes

(d) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing at 31/03/2017 £m	% Fixed Rate Borrowing at 31/03/2017	Compliance with Set Limits?
under 12 months	40	0	39	9	Yes
12 months and within 24 months	20	0	4	1	Yes
24 months and within 5 years	20	0	65	16	Yes
5 years and within 10 years	60	0	5	1	Yes
10 years and within 20 years	100	0	25	6	Yes
20 years and within 30 years	100	0	1	0	Yes
30 years and within 40 years	100	0	235	57	Yes
40 years and within 50 years	100	0	36	9	Yes
50 years and above	100	0	5	1	Yes

(e) Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council tax and in the case of the HRA, housing rent levels.

Capital Expenditure	31/03/2017 Estimate £m	31/03/2017 Actual £m
Non-HRA	162.4	46.7
HRA	60.7	54.0
Total	**223.1**	**100.7**

(f) Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31/03/2017 Estimate %	31/03/2017 Actual %
Non-HRA	7.97	7.16
HRA*	12.80	12.16
Total	8.76	8.04

*Provisional Based on Draft Accounts

(g) Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Council adopted the principles of best practice.

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in February 2013

(h) Upper Limit for Total Principal Sums Invested Over 364 Days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

	31/03/2017 Approved £m	31/03/2017 Actual £m
	20	0

(i) HRA Limit on Indebtedness

HRA Debt Cap (as prescribed by CLG)	£199m	
	31/03/2017 Estimate £m	31/03/2017 Actual £m
HRA CFR	137	141*

*Provisional Based on Draft Accounts

Brent	**Cabinet** 24 July 2017 **Report from the Chief Finance Officer**
	Wards affected: All
July Finance Review	

1.0 Introduction

1.1. Since 2010 the council has delivered against a series of challenging financial targets, through a combination of effective financial management and cost control and more innovative approaches to investment and demand management. This approach has been very effective, and Brent's financial planning, management and culture of financial accountability were identified as strengths in the recent LGA peer review. The pace of responding to these changes has at times, and of necessity, been rapid and whilst this has generated a valuable source of momentum and creative ideas in the organisation it has at times made it difficult to pause and reflect.

1.2. This report has therefore deliberately been planned to create that space for reflection on Brent's future financial strategy. It comes at a carefully considered time. The budget for 2017/18 was set in February 2017, and on another report on this agenda the first forecasts against that budget are reported. In February 2017 Council also agreed the business plans for 2018/19. In February 2018 it would be open to Council, subject to all the usual planning uncertainties and caveats, simply to re-confirm the proposals set out a year earlier, which would result in a balanced budget for the 2018/19 year. For the avoidance of doubt, achieving this would mean continuing with the previously planned 3.99% increase to council tax for 2018/19.

1.3. Brent therefore, by design, has time to work out how it should approach its budgeting for the 2019/20 year and beyond. This will need to take into account the ongoing need to find efficiencies and cost savings in service delivery that any well managed organisation would want to deliver year on year. This report does not set out the detailed process or timetable for this; rather it introduces the considerations that will need to be taken into account in that process, in order to ensure that there is some space to take views into account before

starting to identify detailed new proposals. Of course, the benefit of the council being ahead of the curve in its financial planning is that there will be more opportunity to assess the financial opportunities and efficiencies from its creative strategies – such as the outcome based reviews and recently approved digital strategy – before having to consider possibly more problematic decisions about the level of services to be provided.

1.4 However, this report goes beyond the simple estimation of the pressures that would need to be managed in that process. It sets out the changes to the local authority finance regime in its various components – business rates devolution, schools, integration with health services and finance and so on – and the strategic consequences of these for Brent, linked to the local factors that will influence decisions on those. It must be stressed at this stage that there is a relatively high degree of political uncertainty following the recent General Election, and so forecasting the timing of funding and policy decisions that will affect local government is difficult; and forecasting their impact much more so.

1.5. This report is structured as follows:

- Recommendations for cabinet to approve;
- Overview of the financial and macro-economic climate following the general election;
- Issues arising from review of the 2017/18 budgets as at May 2017;
- Implications of business rates devolution;
- Consequences of national school funding reforms in Brent;
- Effects of further financial integration with NHS services;
- Effects of the Homelessness Reduction Act and the Flexible Homelessness Support; and
- Revised forecast saving targets for 2018/19 to 2021/22.

2. Recommendations

2.1. That Cabinet note the report.

2.2. That Cabinet agree the budget adjustments set out in Appendix A for service areas to enable spend to be contained within agreed budgets for 2017/18.

2.3. That Cabinet note the Capital budgets and delegate authority to the Chief Finance Officer to re-profile 2016/17 carry-forward budgets as required.

2.4. That Cabinet note the recent developments for Business Rates devolution from 2019/20 and that further updates will be brought to Cabinet as the legislative position becomes clearer.

2.5. That Cabinet delegates to the Chief Finance Officer, in consultation with the Leader of the Council, authority to enter into negotiations in respect of participating in a pilot business rates pool for London in 2018/19, and to report back to Cabinet in autumn 2017 as the position becomes clearer.

2.6. That Cabinet note the position on the School funding reform proposals.

2.7. That Cabinet note the effects of further integration with NHS services and agree to use the Improved Better Care Fund to increase the Adult Social Care base budget.

2.8. That Cabinet note the financial implications of the Homelessness Reduction Act and approve the use of the new Flexible Homelessness Support Grant to increase the Community Wellbeing base budget.

2.9. That Cabinet confirm their intention, as previously announced and subject to consultation and any other material changes to circumstances, to increase council tax by 3.99% in 2018/19, on the basis that this means that no new savings proposals need to be developed.

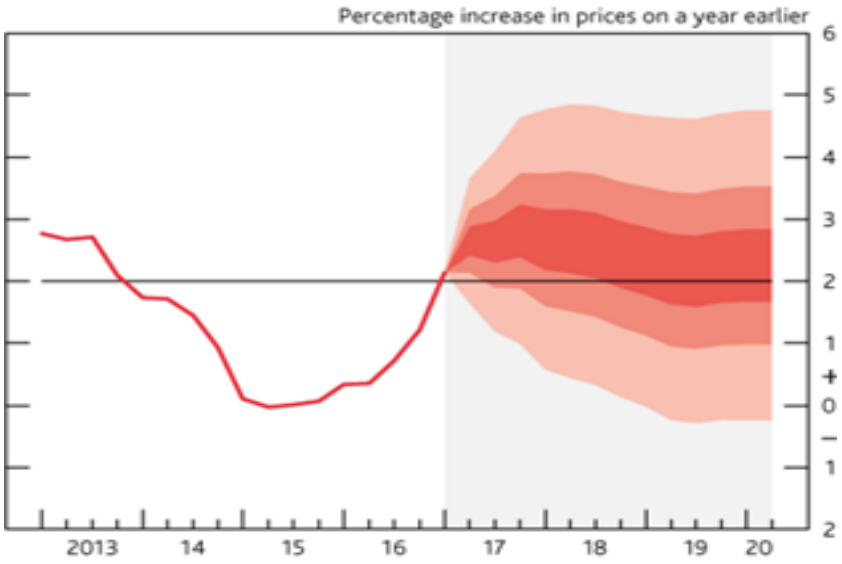
3. Policy, financial and macro-economic climate

3.1. Local government is now facing a greater period of uncertainty after the inconclusive result of the general election on 8 June 2017. Wider issues of the overall approach to the Brexit negotiations and indeed whether the current government can retain its position in Parliament are of course very much to the fore in the national debate. However, more locally the uncertainty has a significant impact on local government. Business rates devolution had the potential to be one of the most significant changes to the local government finance system for a generation, but the Queen's Speech on 21 June 2017 did not include a Local Government Finance Bill which would have been an essential step in taking this forward. It remains to be seen how the legislative process will develop, as DCLG have not yet given any clear indication or steer, and the original planned implementation date of 1 April 2019, which was always ambitious, is now surely impractical, if the policy is taken forward at all. Other key policies affecting local government, such as on school funding, adult social care or housing must similarly be viewed as uncertain.

3.2. At the national level the debate over Brexit is likely to dominate political proceedings. Whilst there is much informed, and ill-informed, speculation about what sort of deal might be negotiated and what its national and local consequences might be the reality is that it is too soon to be able to make any sort of reliable estimate of the consequences for local government. What is reasonably certain is that the Brexit negotiations will surely take up a significant proportion of government resources, such that other legislative programmes may be subject to delay or other lack of certainty. This is perhaps particularly likely to be true of local government related legislation which is rarely a high political priority. That said, one could reasonably argue that social care funding is now receiving more political attention at the national level than for many years, and so those changes discussed later in this report are perhaps more likely to be incorporated into the overall local government finance system than other aspects.

3.3. For now, it is too early to predict how the government will respond on these issues and on the wider issue of austerity more generally. It is worth remembering that whilst the emphasis seems to be less on austerity than previously, local government appears to remain relatively far down the list of spending priorities, compared with say the NHS, Education and many other areas of public policy. There is certainly no indication of additional general funding for existing services coming to local government, although measures in some areas like social care may yet be brought forward.

3.4. The rate of inflation rose to 2.9% in May up from 2.7% in April, according to the latest Office for National Statistics figures. Inflation is now at its highest since June 2013 and remains above the Bank of England's target of 2%. The uncertain political environment, coupled with upcoming Brexit negotiations, is already having an impact on sterling and could create further inflationary pressures in the near future. This impacts people on low incomes as the cost of essentials such as food, energy and clothing rise faster than growth in wages. In addition, these inflationary pressures will mean that the Council will pay more for good and services, including contracts that are subject to contractual uplifts. The Council allocated a budget of £3m in 2017/18 for contractual inflation based on an estimate of 2% growth in inflation on existing contracts. Therefore, in theory, should the 2.9% inflation rate be sustained, the additional cost would be about £1.5m above that already budgeted for 2018/19 (i.e. the total inflationary cost would increase to approximately £4.5m. In the fan chart below, the bank of England maps out its inflation forecast, where it expects the consumer prices index to rise to 3% by the autumn. The lighter the colour the less likely the outcome, so this shows the current modal forecast slightly above the council's budgeted 2%.



3.5. The Bank of England has kept interest rates low at 0.25% since August 2016, which of course has followed the longest sustained period of low interest rates since the nineteenth century. This impacts the council's income levels as our interest on earnings and investments are lower. The normalising of monetary policy will take account of the emergence of inflationary pressures but is

complicated by uncertainties in economic growth created as a result of Brexit and other macro-economic factors. Our treasury advisors ArlingClose recently commented that *'the rise in inflation is unlikely to prompt monetary tightening by the Bank of England'*, indicating that in the we can expect interest rates to continue to remain at low level in the near future. Any increases are likely to be slight and gradual.

4. The Council's current year revenue budget and forecasts

4.1. The table below show the council's current revenue budget and forecasts for 2017/18. Overall, the general fund and housing revenue account are on target and the dedicated schools grant is forecast to underspend.

Department	**Budget as per July Finance Review**	**Forecast spend**	**Variance**
	£m	**£m**	**£m**
Children & Young People	40.6	40.6	0
Community Wellbeing	123.8	123.8	0
Regeneration & Environment	30.4	30.9	0.5
Resources	29.9	29.9	0
PPP	10.1	10.1	0
Central Items	(234.8)	(234.3)	(0.5)
Total (General fund)	**0**	**0**	**0**
DSG funded activity	0	(0.4)	(0.4)
HRA funded activity	4.0	4.0	0
Overall position	**4.0**	**4.0**	**(0.4)**

4.2. These forecast results are subject to various risks and uncertainties as set out more fully in the Financial Forecast report on the same agenda. This shows that budgets, expenditure and income are being properly managed. These forecasts have been developed on the basis that a series of budget virements, as set out in the table below, will be agreed (as they are recommended to be agreed by way of this report).

4.3 Elected councillors and other interested parties will recall that during 2016/17 the budget was managed successfully at the council-wide level, but that there were a number of substantial over and under spends within individual departments. These proposed virements address the structural causes of those results, and can be afforded within the overall contingencies allocated in the budget.

4.4 Of the amendments proposed, most, as set out in Appendix A, are either one-off funding, which can be met through the use of contingencies established for such purposes, or reflect changes to government financing discussed throughout this report, or else are integral to development of the growing capital programme, and will be financed accordingly. The sums proposed to be

allocated to meet the identified shortfalls in the CYP and Legal budgets can be met from the general budget contingency, as well as the additional money being allocated to finance LLW being paid by the council's contractors. The proposals are therefore best seen as reallocations of existing budgets, and do not impact on the council's ability to deliver other policy priorities.

4.5 The proposed amendments are described in greater detail in Appendix A and are summarised in the table below:

	COMMUNITY WELLBEING	CHILDREN & YOUNG PEOPLE	RESOURCES DEPARTMENT	PERFORMANCE POLICY & PARTNERSHIPS
	£m	£m	£m	£m
Budget adjustments	0	1.0	1.7	0.3
Government funding	8.1	0	0	0
Procurement savings	(1.0)	(0.9)	(0.6)	(0.2)
Civic Enterprise savings	0	0	(0.1)	(0.2)
Total Budget Adjustments	7.1	0.1	1.0	(0.1)

4.6 These budget adjustments will enable services to manage to realistic budgets in 2017/18 and will therefore enhance financial management and control. This is an essential part of planning for the further savings that we know we still need to identify in 2019/20. That said, there are still challenging savings to be delivered in 2018/19, particularly in relation to procurement savings. Further scrutiny will need to be placed on every procurement decision to ensure the required savings are delivered. Focus will also need to be placed on fees and changes and NAIL savings, where the targets are demanding but not unrealistic.

5. The Council's current year capital budget

5.1. While 2016/17 was taken up with the development and planning of its Investment strategy, 2017/8 will be focused on its delivery.

5.2. The Capital programme as a whole has a 2017/18 budget of £228.4m, £218m of which was approved at full Council in March, two-thirds of which relates to Housing. The Forecast Outturn is currently £199.2m or 87% of the target. It is forecast to underspend by £29m. This is summarised in the following table and further details are contained within the Financial Forecast report on the same agenda.

	Budget	B/fwd* + Additions	Revised Budget	Forecast Outturn	Variance
	£m	£m	£m	£m	£m
Corporate Landlord	1.6	0.6	2.2	2.2	0.0
Housing Care Investment Board	153.8	(1.1)	152.7	126.8	(25.9)
Public Realm Board	14.0	8.7	22.7	20.8	(1.9)
Regeneration Board	7.1	1.6	8.7	7.4	(1.3)
Schools Programme Board	30.6	(0.1)	30.5	30.5	0.0
South Kilburn	11.2	0.3	11.5	11.5	0.0
Grand Total	**218.3**	**10.0**	**228.3**	**199.2**	**(29.1)**

*as per draft accounts

5.3. At the end of 2016/17 £12.9m of the capital budget was required to be brought forward (reflected in the table above) and it is proposed to be re-profiled into 2018/19, except for when 2017/18 is the last year of a particular capital scheme.

6. Business rates devolution

6.1. Prior to the general election the legislative timetable would have seen business rates devolution come into law for 1 April 2019. This would have been by way of the enactment of the Local Government Finance Bill which was instead deferred with the rising of Parliament. Following the election, the Queen's speech did not include a revived Local Government Finance Bill, however DCLG are seeking Ministers' views on the priority and direction of travel for broader funding reforms, and on business rate retention in particular. DCLG have not indicated that the policy is not being taken forward, and appear still to be encouraging authorities to pilot pools (which is discussed in paragraphs 6.6 to 6.10). Arguably then, the policy is delayed not abandoned, although of course there is no certainty. This section of the report has therefore been written on the assumption that business rates will still be devolved, and hence explains how officers anticipate how the new system will work and sets out key next steps. An update will be brought forward if appropriate, once the position is clearer.

6.2. A fundamental principle of the new system is that on the first day of operation no authority should be better or worse off than it was under the old system. This is achieved because individual authorities will not retain their own business rates – which would clearly be unsustainable given the enormous disparity in business rates base between, say, Westminster and Harrow.

6.3. Instead, on implementation, each authority will continue to pay some business rates into a national pool, and either receive a grant from that pool sufficient to meet its assessed spending needs (for top up authorities like Brent, where spending need exceeds the local tax take) or make a further payment into the pool (for tariff authorities like Westminster where the reverse is true). As part of that process the main revenue support grant (RSG) will be removed, and local authorities will acquire responsibility for the delivery of some services that

are currently funded centrally. This is necessary, because the national tax take from business rates exceeds – by around £14bn – the total cost of the main RSG to local authorities.

6.4. In principle this should be fiscally neutral. Local authorities will acquire responsibility for financing – and running – more services than they do now, but they will also receive additional funding through business rates equal to the current cost of delivering those services. Of course, there are considerable technical difficulties to be worked through to ensure that this principle of fiscal neutrality is maintained, and Brent will work with the LGA and London Councils to manage these risks. In terms of the narrow point of the calculation of the required savings target, this should therefore not be affected by whether business rates devolution proceeds according to schedule or not. However, for planning purposes a contingency sum of £2m has been added to the 2020/21 budget requirement at this stage, against the risk that the technical details are not worked through satisfactorily. Any pressures arising in 2019/20 will be managed through reserves.

6.5. It is only *after* the implementation of business rates devolution that local authorities begin to retain the benefits of additional business rates generated in their local area. Similarly, they are exposed to the risk of reduced tax income if business rates fall. Increases are subject to a levy, which is used to fund at a national level a safety net, so that no local authority can see its business rates income reduced by too much in any given year. Also, for the avoidance of doubt, the power to increase the tax rate is not being devolved, although local authorities are free to set a lower rate if they so choose, which would of course result in reduced tax income to fund services unless additional business were attracted to the area to overcome this initial loss.

6.6. Further updates will be brought to Cabinet as appropriate as the legislative position becomes clearer. However, there is one further issue that needs some consideration at this stage. DCLG have previously indicated quite strongly that they would like to see all 32 London boroughs plus the City of London participate in a pilot of a 'business rate pool' for 2018/19. This would only proceed on a voluntary basis, and would require the unanimous agreement of all 33 authorities for it to proceed, which will clearly not be straightforward. However, as discussions at London-wide level are underway on the desirability, or otherwise, of such a pool then it is appropriate to set out the issue here, together with appropriate delegations of authority.

6.7. Given the technical complexities of the subject matter, a relatively plain English Q&A document produced by London Councils is attached as Appendix C. Further briefings for elected councillors will be produced as detail of the London-wide proposals emerges. For the purposes of this report at this time, it is important to understand that if business rates are pooled across London the essential features of the system are still similar. Business rates growth will be retained by the local authorities, and the cost of a fall in total business rates will be suffered by those authorities. These are exactly the same opportunities and risks as exist under devolution without a pool, except that they apply at a London-wide level rather than at the individual borough level.

6.8. A pool would need to agree a mechanism to share the benefits of any growth, which would need to be agreed unanimously. The two reasonably quantifiable benefits of joining a pilot pool in 2018/19 would be access to 100% of business rates a year early (with no immediate increase in the services to be funded, which would instead follow on 1 April 2019 or whenever the new system was implemented) and an exemption from the levy payment which would otherwise fund the safety net. If growth in 2018/19 followed the latest estimates for 2017/18 it has been estimated that this would therefore generate a one-off £234m benefit across London for joining a pilot pool, or around an average of £7m per borough (although the growth in business rates that has generated this is distributed very unevenly). Of course, a lower figure is entirely possible, but the example serves to illustrate the potential direct financial benefit of joining a pool on the pilot basis being offered.

6.9. Participating in a pilot pool would not bind the council to joining a pool once the full system comes into effect, so it might also be viewed as a relatively low risk way of testing the new system, especially as DCLG have promised a 'no detriment' guarantee to authorities so doing.

6.10. The matter is due to be discussed at the London Councils Leaders' Committee on 11 July 2017. Provided that this results in a sufficiently broad consensus to pursue the policy a formal agreement would need to be drafted and consulted upon, leading to an agreement in principle by around October and then signed off by each authority as part of its formal budget setting process. At this stage, therefore, Cabinet does not need to agree whether or not to participate in a pool, or under what terms, but it is recommended that it delegates to the Chief Finance Officer, in consultation with the Leader of the Council, authority to enter into negotiations in respect of participating in a pilot business rates pool for London in 2018/19, and to report back to Cabinet in autumn 2017 as the position becomes clearer.

7. School funding reforms

7.1. The consultation period on the school funding reform proposals closed in March 2017, and it was expected that the results of the consultation and the Department for Education's response would be released in the summer or autumn. Following the general election, and the manifesto pledges of the main parties, it is uncertain how the new government will proceed.

7.2. The proposals for a national funding formula would redistribute funds across the country to address perceived inequities, and indicated that Brent primary schools would lose funding on a cash per pupil basis of 1.5%, and that special or high needs funding would be cash flat (and therefore a considerable real terms reduction). The picture for Brent secondary schools was more mixed with some receiving increased allocations.

7.3. The proposals would not have distributed funding to address specific cost pressures that schools are experiencing, these are; the national living wage, higher employee contributions to national insurance and the teachers' pension scheme, and the apprenticeship levy. Of course, these pressures are not

fundamentally different to those faced by all other local authority services. The National Audit Office report 'Financial sustainability of schools' estimated that these cost pressures amount to an 8% real terms reduction per pupil between 2016/17 and 2019/20. For most Brent schools this would be in addition to a loss of formula funding, and would equate to a reduction in spending power of 10% or more by 2020.

7.4. The Conservative manifesto did however pledge to allocate more funding to the formula, '*we will make sure no school has its budget cut as a result of the new formula*'. If this is enacted Brent primary schools would likely be better protected but only on a cash rather than real terms basis. The Queen's speech at the opening of parliament made clear the government's intention to pursue what is described as a fairer funding formula, and also included a commitment to increasing the overall school budget as well as continuing the Pupil Premium. It remains to be seen whether this will be sufficient to protect schools from the spending power reductions referenced above.

7.5. In 2016/17 overall school balances decreased by £2million to £20million, though this was not consistent across all schools with half increasing their balances. Whilst the average balance for a Brent school is a reasonable 12% of income, there are a number that hold under 5%. Although schools are adjusting and have set budgets that avoid a year end deficit for 2017/18, it is clear that cost pressures are starting to be felt, and declining balances are expected. If current spending patterns continue and funding is cut by 1.5% it is estimated that 13 primary and nursery schools could have deficit balances by the end of 2018/19.

7.6. The Dedicated Schools Grant underspent by a total of £5million in 2016/17, this is 2.5% of the £195 million allocated to Brent. The underspend was principally caused by lower expenditure on school growth and support for rising rolls as the pace of expansion slowed down. There was also an underspend in the inclusion service which makes up the main body of the high needs block, with lower spend on out of borough Special Educational Need (SEN) placements than anticipated.

7.7 The expansion budget of £3.5 million and rising rolls budget of £1.1 million have underspent by a total of £2.1 million, as the borough did not see the same rapid growth and need for school expansions as in recent years. Both of these budgets are designed to allocate funding to help schools meet the in-year revenue costs of increased pupil numbers, and use criteria and thresholds to calculate individual school allocations. Fewer additional forms of entry and bulge classes were required than in previous years, so expansion allocations totalled only £1.9 million. Similarly, only £0.6 million had to be allocated to schools with rising overall pupil numbers. Growth budgets were reduced by £1million and funds reallocated in setting the 2017/18 DSG budget.

7.8 There was a further significant underspend on SEN placements of £1.9 million. This is consistent with fewer external placements for school age children being made, and the borough being able to accommodate more of its High Need placements.

7.9 Total DSG income also exceeded that budgeted for in 2016/17. The final DSG allocations were confirmed after the budget was set and reflected the increase in pupil numbers to October 2015 and early years' numbers to January 2016. The DSG income and expenditure budgets were updated for 2017/18 to allow for pupil growth.

7.10 Schools Forum, which acts as a consultative body, will consider how best to use this underspend of £5million, and is expected to make recommendations to the Council as part of the budget setting process for 2018/19, which Cabinet can then consider. The recommendations will be in accordance with DSG regulations and guidance, and could include setting budgets towards collective priorities, in addition to being used to boost funding to mainstream and special schools. Whilst any increase in allocations will help the financial position of schools, it would not be a sustainable answer to the inflationary pressures they now face.

7.11. School leaders face a challenging financial landscape of inflationary pressures and uncertainty over future funding. Budgets will need to be carefully monitored and reviewed as funding announcements are made.

8. Adult social care and NHS integration

8.1. At the Spending Review 2015, the Government announced its ambition to integrate health and social care by 2020 so that it feels like one service to service users. The ways local areas integrate will be different and Government recognises the integration efforts that are already happening, including through the Better Care Fund (BCF), Sustainability and Transformation plans (STP) and local devolution. There will be no separate process for integration plans. Instead, all local areas will be required to set out how they expect to progress to further integration by 2020 in their BCF 2017-19 returns.

8.2. The BCF is the national programme, through which local areas agree how to spend a local pooled budget in accordance with the programme's national requirements. The pooled budget is made up of CCG funding as well as local government grants, of which one is the improved Better Care Find (iBCF). The iBCF was first announced in the 2015 Spending Review, and was increased in the 2017 Spring Budget. The key figures are set out in the table below.

	2017/18 £m	2018/19 £m	2019/20 £m
iBCF National	1,115	1,499	1,837
iBCF Brent allocation	6.9	9.3*	11.4*

*Brent's Allocation's for 18/19 and 19/20 are indicative estimations.

8.3. Brent's allocation of iBCF funding is £6.9m for 2017/18 and estimated as £9.3m for 2018/19 and £11.4m for 2019/20. These grants represent substantial

investment in social care in the short term, but when they were announced government explicitly did not build them into the long-term funding baseline. In theory, then, Brent's allocation in 2020/21 is nil, like all other local authorities. One could reasonably argue that whatever view a government at that time takes it would be most unlikely to go to this extreme, but that is the current formal position based on what government has definitely announced. Given this substantial uncertainty the council therefore has a difficult balancing act. If this leaves a gap in 2020/21 (i.e. if the funding is withdrawn entirely in that year) then that will have to be addressed at that time, but this is considered unlikely for the reasons set out, despite the political uncertainty.

8.4 To put the requirement of this funding in context, demand for Adult Social Care increased significantly in 2016/17, and the implication of which can be linked to the eventual outturn for the department. This is not unlike the rest of London where the average overspend was approx. £3.7m

8.5. The iBCF grant conditions state that the grant can be spent on three purposes:

- Meeting Adult Social Care need
- Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready
- Ensuring that the local social care provider market is supported.

There is no requirement to spend across all three purposes, or to spend a set proportion on each.

8.6. The confirmation of the iBCF funding was made after the council had set the 2017/18 budget, so this paper recommends that cabinet approve an appropriate increase to the Adult Social Care budget for 2017/18.

8.7 Demand and price led pressures of at least £1.8m have already been identified by the department for 2017/18. The grant will be used to fund these pressures and maintain Adult Social Care services, including increased NAIL provision, which could not otherwise be maintained, as well as investing in new services, such as those which support best practice in managing transfers of care and have long term financial benefit to the council.

9. The Homelessness Reduction Act and the Flexible Homelessness support grant

9.1. The Homelessness Reduction Bill was passed by the House of Lords in March 2017 and received Royal assent in April 2017. The Homelessness Reduction will require earlier intervention by councils to prevent homelessness. The Act also requires councils to provide advice and help to all affected, not just those protected under existing laws.

9.2 The Department for Communities & Local Government also announced the arrangements for the administration of the Flexible Homelessness Support Grant (FHSG) in March 2017.The FHSG is designed to transform the way councils fund homelessness services to give them greater flexibility to prioritise the prevention of homelessness.

9.3. It was announced at the Autumn Statement 2015 that the Department for Work and Pensions' temporary accommodation management fee would be replaced by a Department for Communities and Local Government grant from April 2017.

9.4. Under the old 'Temporary Accommodation Management Fee', funding can only be used for expensive intervention when a household is already homeless, rather than on preventing this happening in the first place.

9.5. The FHSG is ring-fenced for two years but the government has not stated whether it will continue after 2018/19 or if it will continue to be ring-fenced.

9.6. No local authority will receive less annual funding under the grant than the government estimates they would have received under the Department for Work and Pensions fee. First year allocations also include an additional amount to authorities with high temporary accommodation commitments.

9.7. The funding has been allocated according to a formula which reflects relative homeless pressures, while at the same time aiming to protect local authorities which currently have high levels of Temporary Accommodation.

Funding that government expects would have been provided in 2017/18 under DWP TAMF £m's	2017/18 FHSG Standard Allocation £m's	One year additional 2017/18 FHSG funding for current high TAMF LA's £m's	2017/18 FHSG Total Allocation £m's	2018/19 FHSG Total Allocation £m's
6.931	6.931	1.168	8.098	7.762

9.8 Combined with the expected new duties on local authorities to prevent and relieve homelessness in the Homelessness Reduction Act, councils are now being encouraged to do far more to prevent people falling into homelessness and have been given this flexible funding that is designed to allow them to do so.

9.9. The confirmation of the FHSG funding was made after the council had set the 2017/18 budget, so this paper recommends that cabinet approve an increase to the Community Wellbeing budget by £1.168m for 2017/18 (the one year additional funding) to enable it to spend on Homelessness prevention. This budget adjustment has been included in the schedule of virements in section four of the report and set out in further detail in Appendix A.

9.10 The additional funding will allow the council to increase investment in a full range of homelessness services that will be needed to avoid future costs of homelessness.

10. 2018/19 budget and beyond

10.1. The budget agreed by Cabinet in February 2017, set a balanced budget for both 2017/18 and 2018/19. This included agreeing that the budget should be constructed on the basis of a council tax increase of 3.99% in each of the next three years (2017/18 to 2019/20). In addition, a range of savings proposals were agreed of £19.8m in 2017/18 and £14.1m in 2018/19 meaning that, subject to consultation and any other material changes to circumstances, no new savings proposals need to be developed to achieve a balanced budget in 2018/19.

10.2 If the virements proposed in Appendix A are approved, the budget proposed for 2018/19 is realistic and affordable. Whilst it will be challenging to manage within this budget the Financial Forecasts report on this agenda demonstrates that income and expenditure are on track and so that the financial position is soundly based. The increases in council tax set out will generate significant additional revenue over time, minimising the number of difficult new decisions about funding for specific services to be proposed.

10.3 That said, a substantial gap remains in 2019/20. The exact gap is inherently uncertain, simply because of the number of variables to be estimated and the difficulty of doing so over longer periods of time. In the current circumstances, with a lack of a clear national policy direction on many aspects of local government finance (as set out above) it is even more than usually difficult to do so.

10.4 In February 2017 officers' best estimate of the gap was £12.7m. This estimate will be revised and updated over the summer to take account of the factors set out below.

- **Demography.** The extent to which changing demographic trends will vary from those previously assumed, and so increase or decrease the assumed cost of providing services.
- **Macro-economic conditions.** The effect of changes to forecast rates on inflation, interest rates and economic growth, as a longitudinal proxy measure of earnings and employment and hence a determinant of deprivation and need for services.
- **Local (and local government) specific factors.** The cost of providing pensions will feature significantly, which in turn will be affected by discount rates, investment performance and longer-term actuarial assumptions. Furthermore, the Trade Union side has submitted a 5% pay claim for 2018/19, substantially above the 1% awarded in each of the last two years – for Brent each 1% costs around £1m.
- **National policy.** The key issues and developments in national policy (so far as the impact on local government finance can be discussed with any reasonable certainty) have been set out in this report. On the face of it additional funding for adult social care and homelessness prevention has been allocated, but the lack of longer-term commitments to this by

government make planning at the local level difficult, and it is as yet too early to forecast accurately how service interventions and innovations funded from these will impact on the council's cost base.

- **Local policy.** Local choices to prioritise some services or policies over others is at the core of local government democracy and accountability, and the impact of possible policy initiatives will need to be factored into the planning process

10.5 Once the work to quantify these is complete – scheduled over the summer so far as it is reasonably possible – and once at least some more clarity emerges on the development of national policy under the new government it will be possible to bring an updated report to Cabinet on the longer-term financial position. At that stage officers will also have been able to model some of the likely financial consequences of previously agreed strategies. For example, no impact on the revenue budget has yet been formally assumed for the impact of the digital strategy, although it is known that, implemented successfully, this has the potential to reshape the cost base of some services substantially. Similarly, the outcome based reviews were successful in generating new service models but have not yet been built into the financial plans. The potential costs saved from, for example, homelessness prevention and improved integration of hospital discharge services, which were just two aspects considered by the OBRs, are substantial, and more work will be done over the coming months to see how these can be delivered in the budgeting process. The third key policy for these purposes – the investment strategy – has already generated substantial financial returns, largely through delivery of the temporary accommodation reform plan, but other actions underway (such as enhanced delivery of the NAIL programme and others) could have further significant revenue impacts by 2019/20.

10.6 Regardless, it is important to recognise that, on current information, there is no realistically plausible combination of circumstances that would mean that there was no financial gap to be bridged in 2019/20. This is, of course, hardly surprising, and it is worth re-emphasising that many local authorities are still trying to identify options for savings and difficult cuts to services in order to balance their 2018/19 budgets. Brent is well placed to begin the process of planning how to approach its budgeting for 2019/20, and even on a relatively pessimistic set of assumptions about the impact of the issues discussed in this report on the gap to be bridged for that year it is also worth pointing out that the gap is likely to be less than that found successfully in previous years.

10.7 Nonetheless, a process and timetable will need to be agreed for the 2019/20 budget round and beyond. Technically this could be deferred and approached in a traditional way with the intention of agreeing the budget in full at the February 2019 council meeting. However, there may also be advantages in commencing aspects of this process sooner, to provide greater certainty and clarity.

10.8 Preparatory work is underway to manage these emerging issues, with the primary focus being activities and projects other than service reductions, for example Outcome Based Reviews and the Digital Strategy. This report also

enables elected councillors to begin to form a view as to the most effective way of approaching the 2019/20 budgeting process, especially given the unusually high level of inherent risks and uncertainties.

11. Savings update for 18/19 onwards for the HRA

11.1 The 2017/18 HRA budget was set in consideration of the significant effect the government's Housing and Planning Act (2016) and other measures will have on the Council's housing stock including on its future size, financial performance and management over coming years. The prescribed reduction in rents between 2016 and 2020 will significantly reduce rental income to fund services and the government's other reforms are likely to reduce the size of the Council's stock and further reduce income and undermine economies of scale.

11.2 In setting the 2017/18 budget it was estimated that the HRA would need to find savings of £3.6m by 2019/20. This has been profiled as £1.2m per year from 2017/18.

11.3 Following the general election, there is increasing uncertainty on the future direction of some of the Housing related policy decisions the government had made early in 2016/17. The most significant of which was High-Value Council Housing Disposal.

11.4 The policy would require councils to dispose of void higher value properties and, from the year of implementation, pay a levy to government calculated on the receipts it is estimated that could be raised from the market disposal of these units.

11.5 The implications of further the delay or even the abandonment of this policy will need to be assessed when considering what if any savings would need to be made in the short term to the HRA over and above the general efficiencies required for a HRA business plan.

11.6 The setting of the Council's annual general fund budget and HRA have to date been separate processes and it is planned to align these into a single process going forward.

12. Financial Implications

12.1. The financial implications are set out throughout the report.

12.2 The virements in 2017/18 (set out in Appendix A) will ensure spend is contained within existing budgets, thus enhancing financial control, as part of the planning for the further savings required in 2019/20.

12.3 The budget agreed by Cabinet in February 2017 presented a balanced budget for the financial year 2018/19 and therefore no new budget proposals are

proposed. Therefore there are no direct costs associated with agreeing the recommendations in this report.

13. Legal Implications

13.1 The Chief Finance Officer may agree any general fund virement to keep function and finance together or to increase the budget of a unit that is overspending by reducing that of a unit that is underspending provided this does not result in an increased overspend or to unfunded future expenditure or conflict with a prior Cabinet decision, or policy or plan adopted by the Cabinet.

13.2 Standing Order 24 sets out the process that applies within the council for developing budget and capital proposals for 2018/19. There is a duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans before each annual budget under Section 65 of the Local Government Finance Act 1992. The council also has a general duty to consult representatives of council tax payers, service users and others under Section 3 (2) Local Government Act 1999.

13.3 Other Legal Implications are set out in the body of the report. Detailed advice will be provided as required in respect of the existing and anticipated legislation referred to.

14. Contact Officer

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Appendix A

Update on the 2017/18 financial position and proposed budget adjustments

1. The overall revenue position for Brent Council in 2016/17 was that net expenditure was contained within the agreed budget. However, as the final year-end outturn report shows, this was achieved through a relatively unusual combination of circumstances, where the underspend on central items matched the net overspend within service departments.

Department	**Full year Budget (£m)**	**Actual Outturn (£m)**	**Variance (£m)**
Community Wellbeing	122.9	126.1	3.2
Performance Policy & Partnerships	10.5	10.5	0.0
Resources Department	31.8	33.9	2.1
Regeneration & Environment	33.5	29.5	(4.0)
Children And Young People	40.8	43.1	2.3
Net Service Total (General Fund)	**239.5**	**243.1**	**3.6**
Central Items	(239.5)	(243.1)	(3.6)
Total (General Fund)	**0.0**	**0.0**	**0.0**
Housing Revenue Account	4.0	1.4	(2.6)

2. As it to be expected in a large and complex organisation spending over £1bn per year there were multiple factors affecting the final results. However, the key issues were:

    - An overspend of £2.0m within adult social care, primarily caused by the delay in bringing new NAIL units on-stream against the budgeted targets.
    - An overspend of £2.4m within legal services, where safe ways to reduce staffing to the budgeted amount could not be identified
    - An overspend of £2.3m within children's social care, where the cost of rising demand over the last two or three years had not been matched by budgetary allocations

- An underspend of £4.0m within Regeneration and Environment, where a review of budgets identified ways to ensure that the 2017/18 savings could be delivered early, creating an in-year and one-off underspend and other efficiencies
- An underspend of £3.0m on capital financing costs, where delays in delivering the capital programme, including the impact on the NAIL programme highlighted above, created a one-off underspend in capital financing costs.

3. These issues were highlighted in monitoring returns to Cabinet throughout the year. At the council wide level the budget for 2016/17 was therefore controlled effectively, and the LGA peer review (published in March 2016) confirmed that this operated in a mature fashion and as intended. Emergency cost control measures did not need to be implemented, despite the substantial overspends in some service areas, as total expenditure was known to be contained at the council-wide level.

4. Throughout the year in reports to Cabinet the underlying issues behind the over and underspends were set out, differentiating between those that were the result of one-off factors and those that were potentially structural. The difference is critical for sound long-term financial management, as structural issues will at some stage require additional funding to avoid permanently setting unrealistic budgets for services.

5. This last point is important to stress. There was nothing wrong with a budget process that set, for example, challenging targets for savings in legal services. Indeed, these targets were proportionate to targets set for other back office services. Nor is there necessarily anything amiss, in principle, in Brent's financial management arrangements in recognising now, as this report proposes, that those targets should be acknowledged as largely unachievable, and that the budget for 2017/18 should be adjusted accordingly.

6. Council sensibly agreed overall contingency sums to be built into the budget for 2017/18 to enable adjustments to be made to service budgets. This enables Cabinet to agree virements, where it is satisfied that all reasonable steps have been taken to attempt to achieve the savings originally envisaged, and this report sets out those steps. Agreeing the adjustments now will enable services to manage to realistic budgets thus enhancing financial management and control.

7. The following table summarises the proposed budget virements. These proposals have been arrived at through extensive work at CMT level, including a series of high level meetings between the chief executive/chief finance officer and relevant strategic directors, and underpinned by significant analysis of the relevant budgets. Senior officers are confident that all reasonable steps have been taken to manage expenditure within previously agreed departmental budgets, and that the alternative to the virements now proposed would be unnecessary and damaging reductions to services. Furthermore, agreeing to these virements now will allow the council to manage to realistic budgets in

2017/18 as part of the planning for the further savings that we know we still need to identify for 2019/20.

	COMMUNITY WELLBEING	CHILDREN & YOUNG PEOPLE	RESOURCES DEPARTMENT	PERFORMANCE POLICY & PARTNERSHIPS
	£m	£m	£m	£m
Budget Adjustments 2017/18				
NAIL adjustment (one off)	6.90			
Flexible Homelessness Support Grant	1.17			
CYP budget		1.00		
Capital/Commercial			0.35	
Legal budget deficit			1.00	
Legal virtual budget			0.10	
London Boroughs Grant Unit				0.28
Housing Scrutiny committee				0.05
LLW funding for Bilfinger			0.23	
Total Budget Adjustments 2017/18	**8.07**	**1.00**	**1.68**	**0.33**
Procurement savings				
Procurement savings achieved		(0.70)	(0.34)	
Additional savings to contribute to procurement shortfall	(1.00)	(0.20)	(0.30)	(0.20)
Procurement savings total	**(1.00)**	**(0.90)**	**(0.64)**	**(0.20)**
Civic Enterprise savings	**0.00**	**0.00**	**(0.10)**	**(0.15)**
Total Virements	**7.07**	**0.10**	**0.94**	**(0.02)**

a. **Legal Services.** An increase to the budget of £1.0m is proposed. Legal Services overspent by £2.4m last year, largely due to increased demand for key services which meant that staffing costs could not be safely reduced in order to deliver on previously planned savings between 2015/16 and 2016/17.

The growth has been driven by the following items: Children Social Care cases, support for Capital works in Regeneration and Property and debt. In addition, there have been substantial increases in court fees over recent years as the government has sought to shift the cost of running the courts to those who use them.

While the savings were previously predicated on a revised operating model for legal services intended to achieve savings in line with other back office departments (approximately 40%), reducing in-house capacity without a reduction in demand for legal support has the effect of pushing more work out to counsel and to private sector firms. The overall cost to the council as a result increases rather than reducing.

That said a number of reviews (both internal and external) have taken place through the year, which have helped to benchmark the service versus other authorities, review external spending unit costs, implement a flatter structure with fewer senior posts in a safe and planned way as well as a range of gatekeeping measures designed to manage demand and costs.

Whilst reductions in staffing and demand management measures are starting to have an impact there remains a structural budget shortfall of £1.0m, even after further proposed control measures are taken into account. The consequences of making further reductions in staffing, over and above those already agreed will mean a significantly reduced service offer, more expenditure on external legal fees, potentially pushing costs to other parts of the Council notwithstanding potential reputational damage of not meeting the Council's statutory obligations. If approved, the budget adjustment should enable planned spend to be contained and therefore enhance financial management and control within the service.

In addition, £0.1m of additional funding is proposed to specifically fund a senior contract lawyer to support capital programme.

b. **Capital programme and commercial**. £0.35m additional funding for commercial accountants to support the delivery of the expanding capital programme.

c. **Performance Policy & Partnerships**. £0.275m additional funding to compensate for unachievable savings in relation to the London boroughs Grants Unit, where it was not possible to achieve the necessary two-thirds majority to agree the savings, and £0.05m additional funding for Members' allowances for housing scrutiny roles.

d. **Children & Young People**. An increase to the budget of £1.0m is proposed. The CYP department overspent by £2.3m in 2016/17. The main reasons for the overspend were; the use of agency social workers to fill vacancies in front line services, increased spend on supporting intentionally homeless families, a rise in the number of unaccompanied asylum seeking children (UASC) being placed and supported, and an increase compared to the previous year, of placements for older children with complex needs. There has therefore been specific increased demand on placements for UASC and older children compared to 2015/16 when savings targets were set, when looked after children numbers were at lower levels and the financial impact of accommodating intentionally homeless families was unknown. Following an internal review which identified cost saving measures, it is estimated that £1.0m is needed to address the structural deficit, and this will provide the CYP department with a realistic budget to manage to in 2017/18.

e. **Community Wellbeing**.

An increase to the budget of £6.9m is proposed to reflect the iBCF to be received in 2017/18.

Demand and price led pressures of at least £1.8m have already been identified by the department for 2017/18. The grant will be used to fund these pressures and maintain Adult Social Care services, including increased NAIL provision, which could not otherwise be maintained, as well as investing in new services, such as those which support best practice in managing transfers of care and have long term financial benefit to the council.

However, it should be noted that there is no certainty that this funding will continue post 2019/20, thereby offsetting this pressure until 2020/21. Section 8 of the main report describes this in further detail.

An increase to the budget of £1.168m is proposed to reflect the Flexible Homelessness Support Grant to be received in 2017/18. This was announced after the budget was agreed and this virement will allow Community Wellbeing to fund Homelessness prevention.

f. **Property.** A budget increase of £0.3m (profiled £0.225m in 2017/18 and £0.075m in 2018/19) is proposed to fund London Living Wage for staff working under the Bilfinger contract.

8. The Council set challenging procurement savings between 2017/18 and 2018/19 of £3.5m and £4.5m respectively, predicated on saving 10% on a range of existing contracts. Realising these savings in 2017/18 has been challenging and has got off to a slow start where £1.5m or 44% of planned savings have been achieved so far. This shortfall is largely due to the re-letting of contracts where no savings were able to be negotiated and where contracts have yet to be re-let.

Consequently, further savings are proposed in some service areas to compensate for the shortfall in 2017/18. Additional savings are proposed within Resources (£0.5m) and Performance, Policy and Partnerships (£0.2m). Further savings of £1m are proposed in recognition of additional income that can be raised through the Gordon Brown Education Centre (£0.2m), increased charges in relation to HMO Licenses (£0.25m) and additional housing benefit income from temporary accommodation clients (£0.5m). Savings of £0.25m are proposed in relation to the Occupation Therapy budget where costs previously funded from the revenue budget will be charged to the capital programme. Overall, these compensating savings (total £1.9m or 56%), if agreed, will offset the shortfall in procurement savings in 2017/18. This will still leave a demanding target of £4.5m to be met in 2018/19. However, as £2m of this was intended to be met from the savings that naturally arise from the expiry of the street lighting PFI contract during the year, the target, whilst still demanding, is not unrealistic.

9. The Civic Enterprise savings of £5.6m were agreed between 2017/18 and 2018/19. Within this £2.5m relates to fees and charges underpinned by comparing Brent to neighbouring authorities in order to bring charges in line including for services that were previously free. So far this year 50% or £0.6m has been achieved with £0.3m proposed in this report. This refers to £0.1m to recognise additional income in relation wireless concessions and £0.2m of additional income to be achieved within Communications. There remains a gap of £0.6m from the original target with further proposals being developed by service areas that will be reported to the Civic Enterprise Board and when appropriate bring to Cabinet to agree.

10. Overall, it is recognised that the Council has got off to a slow start in 2017/18 in the delivery of Procurement and Civic Enterprise savings. Nonetheless, in relation to procurement, the additional savings proposed will compensate for the shortfall to the extent that central contingencies will not need to be drawn upon. However, it should be noted that despite implementing reasonable contingency plans in 2017/18, there are still savings for 2018/19 that need to be delivered and therefore given the experience of 2017/18 further scrutiny will need placed on each procurement decision.

11. The adjustments proposed within this report can be managed within the overall contingency sums set aside for these purposes.

Savings agreed in Feb 15 and Feb 16

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
Pre 15/16 Budget Agreed Savings					
ASC002	Residential & Nursing	Reduce residential care to necessary minimum and increase extra care/supported living housing	Transform the accommodation based care market in line with the Council's Market Position Statement. Reducing to a minimum the focus on residential and nursing care and developing Extra Care Sheltered/Supported Living Accommodation to give the vast majority of people who need accommodation based care greater independence and improved quality of life. Savings of £370k included in 2015/16	1,400	1,400
R&G001	Regeneration & Growth	Updated TA forecast based on 13/14 performance	Further planned reductions in temporary accomodation costs reflecting improved management and reductions in numbers.	500	0
R&G011	Regeneration & Growth	Investment Team	Full year effect of funding changes for development fund and information manager.	20	0
R&G012	Regeneration & Growth	Planning & Building Control	Increase income through generating more trading business. Prioritise resources on non-ringfenced income generation work – particularly targeting and securing work through cross-boundary working via partnership schemes. Savings of £50k included in 2015/16.	25	0
R&G017	Regeneration & Growth	Facilities Management & Civic Centre	To be read in conjunction with R&G26. This proposal assumes further letting of space in the Civic Centre to a third party with a resulting service charge for the cost of FM. The saving assumes a further floor of the Civic Centre can be made available and let by 2016.	124	0
R&G018	Regeneration & Growth	Housing Needs	Shared service arrangements for housing register and allocated scheme - £100k to £200k. Initial work being undertaken with neighbouring borough where the use of common approaches and systems has been identified. This may offer potential for shared service savings and the spreading of back office/overhead costs. Initial arrangements to be in place during 15/16 (part-year saving). Savings of £20k included in 2015/16.	40	0

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
R&G025a	Regeneration & Growth	Income Generation through gaining "Approved Inspection" status	Enabling Brent to undertake Building Regulation work throughout England. Explore the potential for increasing the level of income generated by Building Control through gaining “Approved Inspector” status. This would enable Brent to undertake Building Regulation work throughout England without need to obtain the host local authority’s agreement to work within their area. This ability will allow Brent to market the services in the same way as the private sector company and compete with Private Sector AI’s. In taking forward this model we will review our charges to reflect market rates but ensure they remain competitive and need to develop mechanisms whereby inspection of works can be effectively resourced / undertaken.	35	0
R&G025f	Regeneration & Growth	Letting Agency	Establishing a lettings agency which will generate increased income from the provision of property and tenancy management services to private sector properties.	175	175
R&G025g	Regeneration & Growth	Increased Income and Efficiencies from Disabled Facilities Work	Efficiencies in relation to the administration and supervision of Disabled Facilities Grant in areas such as services to self funders / partnership working better integration with BHP.	40	0
R&G026	Regeneration & Growth	Income from the Civic Centre	Proposals will be developed for increased income from the Civic Centre. The additional income assumed from 16/17 onwards assumes that an additional floor being made available and a tenant found to occupy the space on a commercial basis from 2016. To be read in conjunction with R&G17 which represents the service charge that could be achieved and the FM costs that could then be offset.	150	0
R&G029	Regeneration & Growth	Regeneration Investment Service	Reduction in base budget for special adhoc projects within Regeneration	100	0
R&G035	Regeneration & Growth	Housing Needs Service Redesign and Efficiencies	Reduce the number of Housing Options Officer posts by 4, over a two year period from 2016/17. Current approaches can be streamlined and operational efficiencies gained.	100	0
ENS015	Community Services	Parking Service	Full year effect of previously agreed proposals.	134	0
ENS016	Community Services	Street Lighting	Replace existing street lighting with LED lighting and a central management system. Capital investment of £7m has been approved to finance this.	750	0

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
ENS020	Community Services	Libraries, Art and Heritage – grants	Full year effect of previously agreed proposals which will leave an ongoing budget of £50k	155	0
ACE002	Strategic Commissioning	Review of grant funding to London Councils	Previously agreed proposal, which requied a two thirds majority approval in London Councils. This was not secured and work is underway to identify an alternative approach.	340	0
R&G005	Community Services	Capita Savings	The Capita contract for Revenues & Benefits provides for 3% savings to be delivered year on year. The proposal here represents the full outcome of the renegotiation of the Capita contract price undertaken as part of the decision to extend the current contract for a further 3 years from 1st May 2016 to 30th April 2019. Savings of £321k included in 2015/16.	207	0
Driving Organisational Efficiency					
DOE001	Support Planning, Reablement & Mental Health	Increase Direct Payments	This will mean that people pay for their home care/community support through independent Personal Assistants or direct purchasing of support from providers. A market for Independent Personal Assistants will continue to be developed in the local area to maximise the benefit.	50	50
DOE002a	Early Help	Transformation of the design and delivery of early help	Effective and co-ordinated early intervention will build resilience and independence which will in turn move cases out of high risk and high cost services. As far as possible there will be a one worker to one family approach. Savings will be achieved through three main workstreams: 1. More effective co-ordination and signposting and to early intervention services delivered by partners including schools and the voluntary sector; 2. Improved use of research to ensure a greater strategic focus on high impact interventions and more effective assessment of individual need. Savings will be achieved by reducing delivery of low impact or repeat interventions; 3. Planned structural change across CYP. In the first instance this will enable the delivery of a more coherent offer which is expected to reduce demand for high cost services. Any reduction in demand will then enable a further reduction in headcount.	350	550

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
DOE002b	Children's Social Care	Signs of Safety and Social worker recrui	Increased efficiencies of £200k driven by the Signs of Safety programme and a linked, but separate, reduction in the reliance on agency staff across the division. There are approximately 70 agency social workers, deputy and team managers in children's social care currently. Over the two year period the plan is to reduced this by 40, this would realise a saving of approximately £300k.	300	200
DOE002c	Children's Social Care	Regionalising Adoption	Government has indicated its intention to regionalise some or all of local authority adoption services by 2017. In London the preparatory work is being led by the London Adoption Consortium which is currently conducting a scoping exercise on the model that this regionalisation could take and the scale and type of services that could be regionalised. This piece of work is due to conclude in March 2016 with a view to delivering from April 2017. Local Authorities will not be able to stop providing adoption services but they will be delivered differently; whether through a collection of Local Authorities or commissioned with a single provider. This will lead to some efficiencies – particularly in the area of the recruitment and assessment of adopters as well as the provision of post-permanency support. Current estimates are that it will be 15% of the budget £100k.	100	0
DOE003	Community Services	To review staffing structures and spans of control across the eight services divisions	Savings of £2.25m would come from a 20% reduction in FTE across all eight services. The review would particularly include contract management and strategy development arrangements so that these can be standardised and rationalised across all large operational contracts in a way that creates consistency of approach and improved service outputs. The services referred to are those that were located in what was at that time called the Community Services division of the Cheif Operating Officer's department.	1,125	1,125
DOE004	Corporate Business Support	Review support service costs	The proposal is to review the level of support services provided within the council in the future to create a leaner more efficient service to users. The options for achieving the saving are: restructuring, merging, outsourcing, shared services, and driving greater efficiency through technology and self-service.	500	500

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
Civic Enterprise					
CE001	Support Planning & Reablement	Additional Continuing Health Care (CHC) Funding	The saving comes from the CCG funding care packages rather than the council. It should mean a better service for users with complex needs. The CCG should fund this care as they have the necessary skills to meet these needs. Previously a move to CHC funding has meant a loss of choice and control for the user that they had with a social care package, but this is no longer the case as they can now have a Personal Health Budget.	400	400
CE002	Cross Department	Income Generation	The generation of advertising and sponsorship income of £300k from increasing the number of on street (large and small format) billboards, lamppost banner, advertising on the council's website/intranet and roundabout sponsorship. Put in place concession contracts for the installation of wireless equipment on lampposts and review current position on rooftops and small spaces/buildings generating £210k. Carry out a review of fees and charges comparing Brent to neighbouring authorities in order to bring our charges in line including for services that were previously free with a view to raising £1.99m of additional revenue.	1,250	1,250
CE003	Digital Services	IT Sales	Following the successful provision of ICT services to the LGA and the establishment of the shared service with Lewisham. The Lewisham service will start in April 2016 covering infrastructure support and in 2017/18 will be extended to other applications. Digital services would be looking to offer ICT services on a commercial basis to other organisations. The service is already in discussion with a number of London boroughs that have expressed interest in what we can do for them and are looking to develop this so that we can have something in place for April 2018.	375	375

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
CE004	Parking & Lighting/Parking	Eliminate the additional overhead costs of the Serco parking contract	It was originally intended that the cost of the overheads for the Serco parking contract would be apportioned on a 60:38:2 ratio between the three participating boroughs: LB Brent; LB Hounslow; and LB Ealing; respectively. The ratio was calculated in proportion to the value of the overhead costs being transferred to Serco at the commencement of the contract. Immediately prior to the letting of the contract, LB Hounslow identified a shortfall on the savings target required by their administration. It was agreed between the boroughs that, on a temporary basis, the ratio would be amended to 80:18:2 (Brent: Hounslow: Ealing), with a review in January of each year to assess whether the additional contribution from Brent to Hounslow could still be justified. Brent's additional contribution is £347k p.a. and this will be reviewed.	300	47
CE005	Finance	Better collection of debts and arrears	To generate at least £1m per annum from better collection of debts and arrears across the range of council paid for services and taxes. A review of the balance sheet and underlying processes has indicated that this is a realistic but stretching target at this stage. Following a detailed review by the One Council programme office and consultation with managers across the council officers have identified opportunities to improve debt collection, including through more efficient processing, better management of arrears, improved cross-council working through a newly established debt board and better management of clients with multiple debts. This work follows the successful pilot in adult social care debt that demonstrated the potential is one service area, and this model is now proposed to be extended across the council.	1,000	0
CE006	Regeneration and Growth	Civic Centre - Rental Income	Additional income could come from additional lets eg Library café space, increased income from the basement car park or from further release of office space	125	125

Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
Making Our Money Go Further					
MGF001	Procurement	Contract Renewal Savings	There are 161 contracts due for renewal over the next three years (2016/17 - 2018/19). This includes 63 contracts above £500k and 98 contracts below £500k. The aim will be to approach the market with a target of 10% savings against current contract prices. In addition savings to be achieved on the end of the Streetlight PFI contract by replacing the current contract requirements by a repairs only contract.	3,500	4,500
MGF003	Regeneration and Growth	FM Contract	Savings in FM contract. This could flow from a further reduction in buildings within the contract or from a revision to the contract. The alternative option which is unlikely to be acceptable to CMT, is to negotiate a reduction in the contract in return for triggering the additional period which is available at the end of the current contract period.	100	100
				13,770	10,797

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Ref No	Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
1718BUD1	Public Health	Sexual health transformation	Through participation in the London Sexual Health Transformation Programme including the London wide procurement of a 'front door' to sexual health services and a joint procurement with Ealing and Harrow of an integrated local sexual health service savings are anticipated through a diversion of activity to lower cost settings	250	350
1718BUD2	Adult Social Care	Client Contributions	The introduction of a provisional charge for Community Care and Accommodation based care will generate revenue earlier in the process and avoid people not contributing to service due to non-compliance with the financial assessment process. This provisional charge removes the inherent delay in assessing a client after the actual care package has commenced.	250	0
1718BUD3	Direct Services	Day Services	John Billam and New Millennium to become more inclusive services which bring in the community and additional income to make effective and efficient use of key assets.	300	0
1718BUD4	Residential & Nursing	Extending NAIL provision	An extension to the New Accomodation for Independent Living programme. Proposal to move the lowest needs Nursing care clients to appropriate Supported Living schemes.	100	200
1718BUD5	Mental Health	Mental Health recovery pathway	Savings would be realised through negotiation with providers on the highest cost Supported Living placements. It is estimated that this would release £0.5m	500	0
1718BUD6	Environmental Improvement	Bulky Waste Collection	Charging for bulky waste services, as most other councils do, in order to generate a circa £250k annual operating surplus. The service is currently free of charge to residents, offering 3 collections of up to 5 items per year.	250	0
1718BUD7	Regeneration	Special Projects	Special Projects budget will be reviewed and efficiencies of £0.1m found. All future projects would need to secure funding via alternative routes based on specific project requirements.	100	0
1718BUD8	Regeneration and Environment	Service efficiency	Review of current staffing strucuture to deliver efficiency savings in the regulatory services structure	100	0
1718BUD9	Parking	Parking Charges	To conduct a review of the charging structure for residents' permits and pay and display parking. The additional income is based on a presumption that the additional income generated would be approximately equal to four years' inflation	0	1000
1718BUD10	Environmental Improvement	Public Realm contract	The Public Realm Contract with Veolia includes a schedule of potential savings that can be exercised at any time during the course of the contract.	450	450
1718BUD11	Parking & Lighting	Street Lighting	It is considered that an additional £100k p.a. could be saved through a rigorous review of lighting levels at a highly localised level across the borough, utilising new technology purchased for this purpose.	0	100
				2300	2100

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Unit /Service	Description:	Item	2017/18 (£'000)	2018/19 (£'000)
Central	MRP revenue impact	The MRP charge in 2017/18 can be reduced by £3m from that currently built into the budget plans. This amount then declines gradually year-on-year, as the change in MRP policy itself does not change the total amount of council borrowing. In other words, the impact of the policy is to change the timing of debt repayments, not the total amount, and over the very long term (more than 50 years) the total impact is therefore necessarily nil.	3000	-300
Community Services	Temporary Accomodation	The council also has an agreed investment strategy, the initial focus of which is to deliver the temporary accommodation reform plan. These plans were agreed by Cabinet in April and March 2016 respectively. Their purpose, as with all council plans, is ultimately to improve outcomes for residents. In this case, by reducing the demand for expensive temporary accommodation in the private sector the council can, through investing in its own provision, improve outcomes at the same time as reducing costs. Financial modelling shows that the dividend on the council's investment, after new borrowing costs are met, will be £0.7m each year.	500	200
Adult Social Care	Supported living clients	Agreed revisions to the current approach to Supported Living to challenge and renegotiate the current highest costing Supported Living places, using new procurement models are projected to save £0.5m.	200	300
Regeneration and Environment	Demand for services	Assumptions about how quickly changes in population growth would increase income by increasing demand for chargeable services, such as parking permits.	0	1000
			3700	1200

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London Business Rates 100% Retention Pilot 2018

Some Questions and Answers

London Councils and the GLA have been working with the government to explore a potential pilot for 100% business rate retention from April 2018. Such a pilot could be a step towards London Government's joint ambitions for greater fiscal devolution. It would start from the principle – underpinned by a "no detriment" guarantee proposed by the government – that every borough (and the GLA) would receive at least as much funding as it would receive under the current system, and could gain a share of significant additional financial benefits, even from a single year of operation. Collective participation could also help influence government policy and build the credibility of London's government to manage further devolved powers. However, commitment to a pilot would not necessarily commit boroughs or the Mayor to longer-term pooling when the full national system of 100% retention is introduced.

This document provides answers to common questions in order to help anybody with an interest to understand how a pilot would work, and the benefits it might bring.

Questions:

1 How do business rates work now?
2 What is a business rates pool?
3 What would be different in a 100% pilot pool?
4 Isn't there a London pilot already?
5 Would London keep 100% of the business rates it collects?
6 What is the relationship between the pilot and the needs review?
7 Would a pilot meet the ambitions of London Government?
8 What are the benefits?
9 What are the risks of the pilot?
10 What happens if my borough's rates fall?
11 What happens if my borough's rates grow?
12 What happens if my borough's rates grow more than others? Does pooling mean we have to share some of that growth?
13 Is my borough a "top-up" or a "tariff"?
14 Does a pilot pool have to cover the whole of London?
15 There's an Enterprise Zone in my borough. How will that be affected?
16 We've had a lot of appeals in the past. Don't appeals make pooling too risky?
17 How would the benefits be shared?
18 What can we spend the money on?
19 Who would govern a London pilot pool?
20 How long would the pilot last?

1 How do business rates work now?

Business rates are a tax on commercial property. Each property's "Rateable Value" is periodically assessed by the national Valuation Office Agency. The government sets a "multiplier" – a rate in the pound that, multiplied by the Rateable Value, gives the rates bill for each property. The government also sets a range of mandatory rate reliefs, such as those for small businesses, charities and empty properties.

Local authorities raise bills and collect the rates. Until April 2013, these revenues were all transferred to central government for redistribution back to local government as grants. From 2013/14 onwards, local government has collectively retained 50% of the rates (in London this was split 30:20 between the boroughs and the Greater London Authority (GLA); the other 50% funds government grants to local government, such as Revenue Support Grant (RSG).

However, INDIVIDUAL councils do NOT keep 50% of all the rates they collect. Instead, the government compares the rate income it expects each council to collect (the "business rates baseline") with the level of funding it assesses each council needs (the "funding baseline"). Where a council's rates baseline exceeds its funding needs, it pays a ***"tariff"*** into a national pool; where a council's rates are less than its assessed needs, it receives a ***"top-up"***.

When a council's business rate tax base grows by more than inflation, it retains 50% of that growth to spend locally; if it is a tariff council, it also pays a ***"levy"*** on that growth into the national pot.

If a council's tax base falls, it bears the loss. However, the ***"safety net"*** – funded by the levy nationally – guarantees that each council will receive at least 92.5% of its baseline funding.

Rates for some properties – mostly utilities and transport infrastructure – are paid over to central government and remain outside the retention system. These properties are collectively known as the ***"Central List"***.

When the 50% retention system was set up in 2013, it was envisaged that the baselines would be ***"reset"*** in 2020. This would have redistributed the additional resources being retained by those councils with growing tax bases in line with a new assessment of need. Since then, the government announced that it intended to reform the system so that local government – collectively – retains 100% of business rates. The additional resources retained would replace many of the grants councils currently receive, and would fund additional devolved service responsibilities currently paid for by other parts of government, so that the overall result is "fiscally neutral" – i.e. there would be no increase in either taxation or spending at the national level.

2 What is a business rates pool?

In a pool, a group of authorities are treated as a single entity for the purposes of calculating tariffs, top-ups, levies and safety net. There are currently 29 pools covering 207 authorities (including 2 pools which cover 3 London boroughs and their neighbouring counties/districts). Pools are currently voluntary and self-selecting, but a given authority can only belong to one pool. The main reason to pool currently is to make a collective saving on the levy that would otherwise be paid by tariff authorities that grow, by balancing aggregate top-ups and tariffs within the pool. Each pool has its own governance arrangements, and each has negotiated its own mechanism for redistributing the levy savings and for compensating authorities that would otherwise be in the safety net.

3 What would be different in a London 100% pilot pool?

Under the proposals for 100% retention, local government would swap mainstream grants – e.g. Revenue Support Grant, Public Health Grant and Improved Better Care Fund – for a greater share of business rates, just as the GLA has already done for some of its grants (see Q4). In a London pilot, this swap would happen from April 2018. It is also possible that rates could fund additional devolved services in London.

Business rate and funding baselines would then be aggregated for the whole of London. This provides the starting point against which any growth in business rate income would be measured.

The government has indicated that a London pilot pool – despite having an aggregate tariff (Q5) – would pay no levy, and would keep 100% of any ***growth*** in business rates. This provides a potentially significant financial benefit. If the projected rate of business rate growth for the current year were repeated in 2018/19, the overall direct benefit for London would be more than £200 million (see Q8).

4 Isn't there a London pilot already?

Yes. From April 2017, the GLA swapped RSG and capital grants for Transport for London (TfL) for a higher share of retained rates (37% rather than 20%). This did not affect the funding for boroughs. The current split is therefore:

- Boroughs – 30%
- GLA – 37%
- Government – 33%

5 Would a London pilot pool keep 100% of the business rates it collects?

No. London would still pay an aggregate tariff. The 2017 revaluation led to a significant increase in London's Rateable Values compared to the rest of the country. If London swapped RSG, Public Health Grant and Improved Better Care Fund grants for retained rates – and without the transfer of significant additional service responsibilities – we anticipate that about £2 billion p.a. would flow out of London to fund services in the rest of the country based on existing funding baselines.

6 What is the relationship between the pilot and the needs review?

The government previously announced that the national implementation of 100% retention will be underpinned by a "Fair Funding" review of needs, which will recalculate councils' "funding baselines". This is a detailed and complex task. Before the General Election, the government intended to consult on detailed proposals during Summer 2018, for implementation in April 2019. Even if the work goes ahead, it is now unlikely that it could be completed before April 2020.

London Councils and the GLA have been fully involved in the joint CLG/LGA working groups supporting the business rates retention and fair funding policy developments, and will continue to seek to ensure that London's interests are reflected in the proposals that emerge.

In the meantime, any pilot pool would be based on existing business rates and funding baselines. As a result, the vast bulk of borough/GLA funding would be unaffected. No authority could be worse off than it would otherwise be next year (or in future years, if the pilot continues) simply as a result of participating in the pool (see Q9) and could receive additional funding; the distribution of any additional resources arising from the pilot would be a matter for London Government to decide (see Q17).

Participation in a pilot pool would not affect the way that new funding baselines arising from a future needs assessment would be applied to London Boroughs.

7 How would a pilot match London's previous "asks" for business rate devolution?

In response to the government's initial consultation on 100% retention, London Boroughs and the Mayor of London submitted a joint response setting out fourteen "asks" of government that constituted an ambitious proposal for full devolution of the setting, collection and distribution of business rates in London. This proposal was made in the context of the broader arguments for fiscal

devolution in the capital made by the London Finance Commission in 2013, and subsequently re-affirmed in 'Devolution - a capital idea' in January 2017.

The government responded (most recently in the Spring Budget 2017) by committing to explore options for devolving greater powers and flexibilities to London – for which it regards pooling as a necessary precondition. Nonetheless, the potential gains from a pilot pool, while substantial, do not constitute real devolution of business rates.

8 What are the benefits of a 100% pilot pool?

Primarily: cash. A pilot pool would not pay a levy and would retain 100% of growth from April 2018. (If business rates fall, the potential impact is limited by the safety net and "no detriment" guarantees proposed – see Q9.) If the projected rate of business rate growth for the current year were repeated in 2018/19, the overall direct benefit for London would be more than £200 million. We are seeking boroughs' latest estimates of future rate income to refine that figure.

Negotiating a pilot may also bring additional benefits and flexibilities. For example, we are currently exploring the potential transfer of some Central List properties to a "regional" list (to be managed by a lead authority on behalf of the London pool) and working with CLG to define the parameters for agreeing "Local Growth Zones" – areas where business rate growth would be retained for an extended period in order to fund investment that drives greater economic development.

More strategically, successfully operating a collective pilot would demonstrate London's capacity to manage greater responsibilities, and could be the key to unlocking broader devolution opportunities.

9 What are the risks of the pilot?

Business rates can go down as well as up. However, CLG has indicated that it is willing – as with other pilots – to offer two important measures to limit the impact of that risk:

- a ***higher safety net threshold of 97%*** (i.e. the pool's retained funding could only fall by 3% before the government intervened to provide support, rather than the current 7.5% fall for individual councils); and
- a ***"no detriment guarantee"*** by which the pool as a whole could not be worse off than the participating authorities would have been in aggregate if they had not entered the pool.

It is not possible to guarantee that business rates will not go down – but that is just as true of the current system. It is however possible to guarantee that no

council will be any worse off in 2018/19 (or future years, if the pilot continued) simply as a result of agreeing to participate in a pool. ***Each borough (and the GLA) will receive at least as much as it would under the current system and may, in addition, receive a share of the levy savings and additional retained growth across London.***

10 What happens if my borough's rates fall?

Under the current system, boroughs retain 30% of the rate income: the other 70% goes to the government and the GLA. If an individual borough's rates fall by, say £10m, its retained income declines by £3m.

Under the pilot, if rates in some boroughs fall while those in London as a whole grow, the pool will use a proportion of that growth to ensure that each borough is at least no worse off than it would have been under the current arrangements. So a borough whose rates fell by £10m could be better off than at present because the £3m reduction in income would be offset by a share of growth and levy savings elsewhere in London.

If rates in London as a whole decline, the safety net and "no detriment guarantee" will still ensure that each borough is at least no worse off than it would have been under the current arrangements (see Q9).

11 What happens if my borough's rates grow?

Under the current system, if a borough's rates grow by, say £10m, a "top-up" borough retains 30%, or £3m; £3.7m goes to the GLA, and £3.3m to the government. A "tariff" borough (see Q13) pays a levy of up to 50% on its growth. It therefore keeps at least £1.5m.

In a pilot pool, there would be no levy and 100% of the growth would be retained. None of the growth goes to the government.

A *top-up borough* whose rates grew by £10m would keep £3m, plus its share of the levy savings and additional retained growth across London.

A *tariff borough* would keep at least £1.5m, plus its share of the levy savings and additional retained growth across London.

The size of those shares would depend on the options for sharing the benefits decided by London Government (see Q17).

If a borough's rates grow while London's overall rates decline, the "no detriment" guarantee would ensure that that borough would still receive the increase it would expect under the current system.

12 What happens if my borough's rates grow more than others? Does pooling mean we have to share some of that growth?

Under the current arrangements, growth is already shared (see Q11).
In a pilot pool, whether a borough grows more or less than its neighbours, it will receive at least as much as it would from growing under the current system. But it could also receive a share of the money that would currently go to the government. The size of that share would depend on the options for sharing the benefits decided by London Government (see Q17).

13 Is my borough a "top-up" or a "tariff"?

In 2017/18 there are ten "tariff" boroughs (plus the GLA):

Camden	Hillingdon	Kingston upon Thames	Westminster
City of London	Hounslow	Richmond upon Thames	
Hammersmith & Fulham	Kensington & Chelsea	Tower Hamlets	

All other boroughs are currently "top-up" authorities.

14 Does a pilot pool have to cover the whole of London?

Before the General Election was announced, the government indicated its support for developing a pan-London pilot. Commitment to such a pilot on the part of the boroughs and Mayor will be voluntary and will have to be unanimous (see Q19).

In the absence of such a pilot, boroughs could continue their existing pool arrangements or set up new ones within the 50% retention scheme, although it is unlikely that these could achieve the same level of financial benefit. The government also indicated that authorities would be invited to apply to pilot 100% pools. However, it is unlikely that smaller groups of authorities would receive the same degree of support from government as a London-wide pool. No authority can belong to more than one pool.

Within a London-wide pool, there would be nothing to prevent groups of boroughs or sub-regions agreeing to share and jointly decide how to use the additional resources they receive (see Q17).

15 There's an Enterprise Zone in my borough. How will that be affected?

It won't. Existing Enterprise Zones and "designated areas" – along with other special arrangements, such as the statutory provision to reflect the unique circumstances of the City of London – would be honoured in any pilot. Pooling may also unlock the possibility of agreeing new "Local Growth Zones."

16 We've had a lot of valuation appeals in the past. Don't appeals make pooling too risky?

Since 2013 the scale of appeals against the valuation of business properties – particularly in London – has had a significant impact on councils' ability to project and grow their business rate income. The Government has introduced a new "Check, Challenge, Appeal" process in an attempt to simplify and limit the impact of appeals. However, it is not yet possible to judge the effectiveness of this measure; in the meantime, the 2017 revaluation is likely to lead to a new wave of appeals, particularly in London, where rateable values have risen much faster than the rest of the country.

This will be true whether or not London agrees to pool: entering a pool will not increase the risk, as no council will be worse off than it would otherwise have been (see Q9).

Under the existing system, many boroughs have had to set aside substantial ***provisions*** against successful appeals. Should those appeals not succeed, the boroughs would be able to release those provisions. If that occurred during the lifetime of the pool, we would need to work from the starting principle that the boroughs concerned should not lose out as a result. Provisions established during the lifetime of the pool would need to be accounted for within the pool.

17 How would the benefits be shared?

As with existing pools, this would be a matter for the members to agree.

In the joint London proposals we noted the need for an incentive system that recognises the complexity of maintaining sustainable growth in the London economy, where jobs and business rates are highly concentrated (half of London's rates are collected by four boroughs) but the developments needed to sustain that economy – such as housing, skills training, leisure and transport facilities – are more widely distributed.

Three broad options reflect the principles of incentivising growth, recognising need and facilitating collective investment:

a. Retention by the boroughs where the additional growth and/or levy savings arise – which would keep and increase the incentive for growth
b. Broader distribution to all pool members, in proportion to baselines or by some other measure – which would recognise the indirect contribution to growth and related demands for services in all boroughs
c. Retaining resources for collective action - for investment in projects to deliver future economic growth

These options are not mutually exclusive. As a simple example, a net gain of £150 million might be split three ways between £50m of locally retained (additional) growth, £50m distributed in proportion to baseline funding or population and a £50m investment pot. The key issue for London's government will be achieving a workable balance between individual benefits and collective opportunities to drive further growth.

18 What can we spend the money on?

Boroughs (or groups of boroughs) and the GLA would be free to decide how to spend any additional money distributed to them by the pool.

19 Who would govern a London pilot pool?

London Government – the boroughs and the Mayor.

Setting up a 100% retention pilot pool would require unanimous agreement. Subsequent decisions – for example, the use of any strategic investment pot – could be taken by voting arrangements devised to reflect the principles developed by the London Finance Commission and endorsed by Leaders and the Mayor in the joint consultation response in September 2016.

In order to manage the pool, a lead authority would be required to act as the accountable body to government. The same authority – or another – could hold any properties transferred to London from the Central List, as there is currently no legislative provision for a "regional list".

The role of the lead authority/authorities could receive political oversight from the Leaders and Mayor of London; London Councils and the GLA could provide technical support.

20 How long would the pilot last?

The duration of both the pool and the pilot will be for London (and the government) to decide. The pilot might last until a new national system is fully implemented: pooling might last longer. Equally, both might last a single year.

Participation in a pool in 2018/19 would not bind boroughs indefinitely. As with existing pool arrangements, the founding agreement would need to include notice provisions for authorities to withdraw in subsequent years.

Brent	**Cabinet** 24 July 2017 **Report from the Chief Finance Officer**
	Wards affected: ALL
Financial Forecast 2017/18	

1 Summary

1.1 This report sets out the current forecasts of income and expenditure against the revenue budget for 2017/18 and other key financial data.

1.2 Local government as whole faces significant financial challenges for the foreseeable future as a result of reductions in central government funding and demographic changes, such as an aging population. The recent general election result, and its likely policy consequences (discussed in greater detail on the other report on this agenda) adds to the level of financial uncertainty, and it is therefore essential that the council is able to enter this potentially turbulent period on a sound financial footing; and the data in this report demonstrates that this is the case.

1.3 In order to be able to deliver a balanced budget, and spend within its means, the council has put considerable effort into developing a realistic budget that addresses these challenges, and developing a culture of strong financial control, so that areas at risk of overspend are addressed and solutions put in place. As a result of this work, the current forecast is that the 2017/18 general fund net revenue budget is on target, as is the Housing Revenue Account (HRA). The Dedicated Schools Grant (DSG) is forecast to underspend due to factors explained below.

1.4 This balanced outturn forecast does not mean that the council can afford to be complacent, there are still notable risks, which are discussed below, and there is extensive work necessary to deliver the savings on procurement and income generation through the civic enterprise strategy.

1.5 The forecasts in this report are predicated on the assumption that the various adjustments within the budget proposed by way of the 'July Finance Review'

report are agreed. This includes plans to adjust budgets where structural overspends occurred in 2016/17, meaning that these overspends should not recur in 2017/18, as departments will have credible and realistic budgets to deliver their service with.

1.6 Table one summarises the overall position. The report then sets out more detail on a department by department basis.

Table One: Overall revenue financial position 2017/18
Net revenue spend is forecast to be contained within the agreed budget

Department	Budget as per July Finance Review	Forecast spend	Variance
	£m	**£m**	**£m**
Children & Young People	40.6	40.6	0
Community Wellbeing	123.8	123.8	0
Regeneration & Environment	30.4	30.9	0.5
Resources	29.9	29.9	0
PPP	10.1	10.1	0
Central Items	(234.8)	(234.3)	(0.5)
Total (General fund)	**0**	**0**	**0**
DSG funded activity	0	(0.4)	(0.4)
HRA funded activity	4.0	4.0	0
Overall position	**4.0**	**4.0**	**(0.4)**

1.7 The Capital Programme is currently forecast to underspend by £29.1m, principally on projects reporting to the Housing Care Investment Board, but with underspends also on Public Realm Board and the Regeneration Board as shown in table two, below. There are a variety of reasons for these underspends, which are detailed in section three, below.

Table Two: Overall capital programme position 2017/18
Net revenue spend is forecast to be contained within the agreed budget

	Budget	B/fwd* + Additions	Revised Budget	Forecast Outturn	Variance
	£m	**£m**	**£m**	**£m**	**£m**
Corporate Landlord	1.6	0.6	2.2	2.2	0.0
Housing Care Investment Board	153.8	(1.1)	152.7	126.8	(25.9)
Public Realm Board	14.0	8.7	22.7	20.8	(1.9)
Regeneration Board	7.1	1.6	8.7	7.4	(1.3)
Schools Programme Board	30.6	(0.1)	30.5	30.5	0.0
South Kilburn	11.2	0.3	11.5	11.5	0.0
Grand Total	**218.3**	**10.0**	**228.3**	**199.2**	**(29.1)**

*as per draft statement of accounts

2 Recommendation

2.1 To note the overall financial position and the actions being taken to manage the issues arising.

3 Detail

Children and Young People (General Fund)

3.1 The Children and Young People department forecasts spending within its agreed budget. This compares to a £2.3m overspend in 2016/17. In 2017/18, structural budget issues have been addressed and management have committed to a series of actions in order to limit expenditure to the budget.

3.2 The General Fund forecast of a zero variance is reliant upon the Looked After Children (LAC) and Care Leavers placement mix and overall numbers remaining relatively constant, and the delivery of agreed savings and budget control actions within the year.

3.3 Despite low LAC numbers at the outset of the year of 313, compared to an average of 344 in 2016/17, numbers have now risen slightly to 319 in May, which is within the outlined strategy for 2017/18. The cohort continues to include a high proportion of older children with 131 aged 16 and over, and 24% are unaccompanied asylum seekers. The placements budget does however remain challenging as it also includes the cost of supporting a proportion of the increased number of care leavers. Currently there are 68 care leavers in financially supported placements. This could become a growing pressure due to the older age profile of LAC and legislative changes.

3.4 The overall caseload figures for social care include, for example, care leavers and those children on child protection plans, and were reported at 2,150 at the start of the year. A zero variance is forecast as increased resources have been made available compared to last year, and officers continue with the budget control actions committed to. These include improving the balance of in-house to external foster care placements during the year, which currently remains at 50:50. A target has been set to increase in-house carers by 5 during the year. Recent recruitment initiatives coincided with foster care fortnight, and increased foster carer approvals are expected.

3.5 The other main budget risk here is the delivery of the social work staffing restructure. Managers are seeking to optimise the social work staffing model within this and the Looked after children and permanency service, without compromising social work caseloads. The restructure is planned for mid-year 2017/18.

3.6 There is also the challenge of continuing to reduce the reliance on agency social workers throughout 2017/18. In 2016/17 35% of social workers were agency, and the target during 2017/18 was get this down to 20%. The IR35

legislation and the targeted recruitment and retention strategy has had some early impact, reducing the percentage to 29%, and this progress needs to be sustained throughout 2017/18.

3.7 Elsewhere in the CYP General Fund the committed procurement savings and income targets must be met to avoid an adverse impact on the budget.

Community Well-Being (General Fund)

3.8 The Community Wellbeing department is forecasting to spend within the proposed budget as at the end of May 2017.

3.9 Demand for community based services has been static for the first 2 months the financial year at 1,790 Homecare service users and 700 Direct Payment service users. Residential placement and Supported Living placements have also remained largely static at 430 and 320 service users respectively.

3.10 The one area of concern relates to Nursing care placements. Nursing Care numbers have tended to fluctuate dramatically over the last six months fluctuating by +/- 10 placements per month. Early trends show a 4.7% increase in placement numbers from 1st April 2017 (338) to the 1st June 2017 (354). It is too early to tell if this a true indication of a long-term trend for increased demand or just represents a more than typical fluctuation at a point in time seen. Contextually, budgeted growth for Adult Social Care assumed a 2.6% increase over the entire year.

3.11 The NAIL programme remains the most challenging savings target. A one off increase to the budget of £2.4m is proposed in 2017/18 due to delays in the private market delivering the New Accommodation for Independent Living (NAIL). The overall NAIL savings will still be delivered, but later in the programme life. The NAIL programme is due to deliver 251 new NAIL units throughout 2017/18. The current forecast shows that this revised plan is on track and 130 of these units will be delivered by the end of September 2017.

3.12 There are emerging risk associated to the continuation of the Housing Association Lease Scheme (HALS) for Temporary Accommodation (TA). HALS are seen to be a one of the cheaper TA schemes and currently make up 51% of TA usage (1370 families of the 2687). On average HALS schemes cost £12 per week compared to an average of £60 per week across the other types of TA scheme, so any changes will have a significant impact on the budget and planned savings in this area. No exits from the market have been confirmed, but a number of providers have informed the council that they are reviewing their HALS schemes as they are no longer financially viable.

Regeneration & Environment

3.13 Taking into account the proposed budget virements, Regeneration and Environment is forecasting a budget overspend of £0.5m. The department's current budget pressures/risks are as set out below.

3.14 The contract to implement LED Lanterns in street lights was delayed last financial year due to technical procurement problems and legal challenges from unsuccessful bidders. This has created a budget pressure of approximately £0.5m in the service area against agreed savings of £0.75m from street lights being more energy efficient.

3.15 Veolia seeks relief from a contract target to reduce waste disposal levels to within a stated contractual level. The legal position is complex and appropriate discussions are ongoing. In essence the council's position is that approximately £1.4m of the annual waste treatment bill is properly due to the contractor under the terms of the contract, as some performance targets have not been met. The contractor has sought relief from this, and legal discussions are ongoing under the contract's agreed dispute resolution terms.

3.16 The Brent Transport Service 3 year joint passenger transport inter-authority agreement (IAA) model with Harrow went live September 2016. While operationally the merged service has so far proved capable of delivering a collective transport solution, rising costs during the first 10 months have become an area of growing concern. The latest forecast presented to Brent is a net overspend of £0.43m driven by increase demand and minimum wage increase.

3.17 At this stage, excluding the street lighting pressure, the department is confident that risks can be managed by generating one-off underspends in other service areas to remain within the overall budget. A plan will need to be developed to address this remaining pressure over the summer.

Resources & PPP

3.18 Resources and PPP are forecasting a breakeven position against their 2017/18 budgets. However, there are known risks within the Customer Services budget in relation to the timing of the planned restructure and income generation within the Registrars and Nationality service.

3.19 Further work is being done to develop proposals designed to achieve £1m (10% of the current net budget) of agreed savings between 2017/18 and 2018/19, including running a number of pilot schemes and other digital initiatives designed to reduce staffing costs. The timing and phasing of the restructure, including allowing for the necessary consultation period, may put pressure on the budget to deliver its planned savings in 2017/18.

3.20 Registrars and Nationality had their income target set when it was at a relatively high level, but this year actual income generated has reduced as a result of recent changes in government policy. In order to mitigate this shortfall a number of new initiatives are planned to significantly increase income from a

number of discretionary services. While it is currently forecast that the additional income raised should bridge the current income gap, there is a risk that should this income not be as expected the budget may overspend if costs cannot be reduced quickly enough to balance the overall budget.

Central items - Collection Fund

3.21 Even if planned devolution of business rates does not proceed as previously envisaged the declining share of total council income made up by central government grants makes it increasingly important that the council monitors and maximises available income. The first key source of income is Council tax. In order to deliver the plans set out in the budget, the total council tax payable needs to grow to £136.2m in 2017/18. As at 31 May 2017 this amount (technically, the gross debit) is £133m. Given the continued rapid growth of residential property in the borough it is expected this target will be met, but if this growth slows appreciably, and by the time of the quarter two report, the amount payable is not close to £136.2m, the council will need to adjust its budget for future years and may face an in year shortfall.

3.22 The council does not collect 100% of its council tax, so the other key element is the collection rate. The budget set a cumulative target collection rate for May of 21.3%, and 21.7% had been collected, so this is ahead of target for the year.

3.23 The other key source of income in the collection fund is business rates. The council budgeted for total business rates payable of £133.2m. This figure is currently £133m, and is expected to grow slightly in year, so the council is on target. This income is vulnerable to economic conditions, and would be at risk if the economic climate were to worsen. If income were significantly below budget the council would need to change its financial plans for future years.

3.24 As with council tax, the actual collection rate is important in determining how much money the council ultimately collects, at the end of May, the council's target was to have collected 19.2% of business rates, and only 18.9% was collected. The underperformance shown is thought to be due to timing differences in payments made by major ratepayers, and in recognising some of the income. Therefore at this point there it is forecast that the council's collection rate will return to target, but this needs to be monitored throughout the year.

Central items - Corporate Savings targets

3.25 The Council set challenging procurement savings between 2017/18 and 2018/19 of £3.5m and £4.5m respectively, predicated on saving 10% on a range of existing contracts. Realising these savings in 2017/18 has been challenging and has got off to a slow start where £1.5m or 44% of planned savings have been achieved so far. This shortfall is largely due to the re-letting of contracts where no savings were able to be negotiated and where contracts have yet to be re-let.

3.26 In order to address this risk, compensating savings of £1.9m have been identified to offset the shortfall in procurement savings in 2017/18. These savings are factored into the above forecasts. However, delivering these savings will require extensive effort across the council to identify how costs can be cut, and failure to deliver these savings will put the balanced budget at risk.

3.27 The Civic Enterprise savings of £5.6m were agreed between 2017/18 and 2018/19. Within this £2.5m relates to fees and charges underpinned by comparing Brent to neighbouring authorities in order to bring charges in line including for services that were previously free, with £1.25m in each year. So far this year 50% or £0.6m has been achieved. There remains a gap of £0.6m from the original target with further proposals being developed by service areas that will be reported to the Civic Enterprise Board and when appropriate bring to Cabinet to agree. Developing and delivering these proposals will need imagination to identify new opportunities for the council and drive to realise the income, which is why this is an area being prioritised as part of Brent 2020.

3.28 Overall, it is recognised that the Council has got off to a slow start in 2017/18 in the delivery of Procurement and Civic Enterprise savings. Nonetheless, in relation to procurement, the additional savings proposed will compensate for the shortfall to the extent that central contingencies will not need to be drawn upon. However, it should be noted that despite implementing reasonable contingency plans in 2017/18, there are still savings for 2018/19 that need to be delivered and therefore given the experience of 2017/18 further scrutiny will need placed on each procurement decision.

Central items - Capital financing and other central items

3.29 Historically, Capital financing has underspent due to delayed delivery of the capital programme. At the moment, this budget is forecast to underspend by £0.5m, reflecting the small underspend in the capital programme referred to above. In addition, corporate debt collection targets are forecasts to be exceeded, offsetting the departmental overspend referred to above.

3.30 Other areas of central items are expected to be on budget in 2017/18

Dedicated Schools Grant

3.31 The Dedicated Schools Grant (DSG) expenditure and income budgets for Brent total £313m before recoupment of funds by the Department for Education to fund the borough's Academies. This figure therefore represents the total cost of funding education to early years and school age pupils in the borough.

3.32 There are known DSG underspends on the school budget share budget and school growth allocation forecasts. The Floreat free school was included in the mainstream funding formula budget, but the opening of this school has been delayed until September 2019, causing an underspend of £0.1m. The rate of growth in Primary school numbers has slowed, and an underspend against the rising rolls contingency budget of £0.3m is anticipated.

3.33 The Early Years block of the DSG was rebalanced for 2017/18 and is forecast to break even. However in September providers will start to provide 30 rather than 15 hours of free childcare to working parents, so the impact of this against the planned budget will be updated once participation rates are known. Increases in SEN provision are expected to increase spend in the High Needs block compared to last year and no underspend is forecast at this stage.

Housing Revenue Account

3.34 Overall the HRA is forecasting to spend within the proposed budget as at the end of May 2017.

3.35 A number of small variances have been identified as would be expected against a budget with gross expenditure of £53m. These relate to repair led pressures due to increased demand for both Gas and Lift servicing and repair, and the additional cost of recruiting two fire safety officers. It is envisaged that these costs would be offset against other underspends within the HRA.

Capital - Overall

3.36 While 2016/17 was taken up with the development and planning of its Investment strategy, 2017/8 will be focused on its delivery.

3.37 The Investment strategy linking capital spend to corporate objectives around affordable housing and social care accommodation was signed off in April 2016. A wholly owned investment vehicle – I4B Holdings Ltd – was established late in 2016, which was another key milestone in turning the investment strategy into reality. The council is involved in negotiations over joint venture arrangements in Wembley and South Kilburn and it is actively exploring other opportunities.

3.38 The first two tranches of Private Rented Sector (PRS) spend, totaling £50m, have been approved towards purchasing 150 properties and it is anticipated that this should be delivered by the end of Quarter 3 2017. The overall agreed in principle is for £100m for 300 properties but by splitting it into tranches, Cabinet is able to review progress and performance. The next planned request for £50m is expected to go to August Cabinet.

3.39 Over £100m has already been approved in relation to NAIL (New Accommodation for Independent Living) but these are approved on a scheme by scheme basis. These 351 units (out of a planned 415 units) should contribute to the Council's existing savings targets (£6.1m out of £7.2m required savings over the next three years, with more to come by this and other means).

3.40 The Capital programme as a whole has a 2017/18 budget of £228m, £218m of which was approved at full Council in March, two-thirds of which relates to Housing. The Forecast Outturn is currently £199m or 87% of target. It is forecast to underspend by £29m.

Capital - Housing Care Investment Board

3.41 Overall, the largest Board expects to deliver £127m out of £153m with PRS (I4B Holdings Ltd), HRA Acquisitions and NAIL refurbishment schemes are on track to deliver to budget. Originally, the purchasing cycle took up-to 6 months to purchase properties. However, improved processes have reduced this to 4 months with a target of 3 months (with the exception of existing tenanted properties). Recent improvements have included weekly buying reports, performance management reports on the purchasing cycle, Right to Buy tracker and streamlining of conveyancing and purchase approvals.

3.42 Development schemes are currently predicted to underspend by £11m. Infill schemes tend to be challenging due to their small sizes and complexity and are expected to deliver £12m out of £23m. There was a loss of units due to the scale of some schemes being reduced through the planning process, and there were also delays through planning processes, leading to the construction stage now expected to straddle 2017/18 and 2018/19. The Infill programme is now being reviewed to see by how much the budget needs to be reduced. In-house Property-delivered schemes (Church End, Knowles House, London Road) are forecast to only deliver £6m out of £21m, due to over-programming.

3.43 It is expected that some of this underspend will be counter-balanced by PRS, which appears set to over-deliver based on current progress. However, it is too early to forecast this at present.

Capital - Other Boards

3.44 There are risks in two of the school builds (Uxendon and Stonebridge). This is relation to a delay in award of the stage 2 contract by 1 month while these costs are reviewed by the programme team and a value engineering exercise undertaken. This is being closely monitored but so far the project managers feel that the budget can be delivered.

3.45 There is an 18 month delay on Street-lighting. Delivery was originally optimistically expected to be completed within 2016/17 but due to procurement delays, it will only start on site in August 2017. The contracted price is also expected to cost less than the budget, generating an in-year underspend of £1.9m. Options are being examined to speed up delivery as there is a £0.7m 2-year total revenue knock-on impact from savings non-delivery. Other than Street-lighting, Public Realm Board is expected to spend to budget.

Conclusion

3.46 Currently, the forecast shows that the financial position for the council in 2017/18 is on target, with underspends on DSG and capital, and no structural issues causing forecast overspends in 2017/18. There are some risks identified that could develop into structural issues if the council is unsuccessful at addressing them. In particular, changes in the temporary accommodation market could significantly increase costs, and action needs to be taken now to ensure that the Procurement and Civic Enterprise savings for 2018/19 are delivered. Subject to these plans being delivered, no new major cost pressures emerging, and the savings agreed by full council being delivered, the council should spend within its budget in 2017/18.

4 Financial Implications

4.1 This report is about the council's financial position in 2017/18, but there are no direct financial implications in agreeing the report.

5 Legal Implications

5.1 Managing public money responsibly is a key legal duty, but there are no direct legal implications in agreeing the report.

6 Equality Implications

6.1 There are no direct equality implications in agreeing the report.

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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director of Resources**
	Wards Affected: All
The Council's Policy and Procedures on RIPA	

1.0 Summary

1.1 This report informs Cabinet of the Council's use and conduct of covert surveillance techniques when investigating serious criminal offences relying on the powers made available to local authorities in Part II of the Regulation of Investigatory Powers Act 2000 (RIPA).

2.0 Recommendation(s)

2.1 That Cabinet approves the Council's policy and procedures on RIPA, as appended to this report, and notes that the document is kept under review and updated by the Monitoring Officer as and when necessary.

2.2 That Cabinet notes the oversight role of the Monitoring Officer and the Audit Advisory Committee.

3.0 Detail

Background

3.1 Appended to this report is the Council's Policy and Procedures on RIPA (excluding the separate appendices referred to in that document). The document explains the Council's use and conduct of covert surveillance techniques when investigating serious criminal offences relying on the powers made available to local authorities in Part II of RIPA. RIPA makes surveillance authorised in accordance with the statutory framework it establishes lawful and thereby protects the Council from legal claims and complaints and ensures that the evidence it relies upon in prosecutions is admissible.

3.2 Covert surveillance techniques include static surveillance (e.g. taking up an

observer post to monitor the activities and movements of those suspected of having committed criminal offences); mobile surveillance (e.g. following someone to see where they are going without their knowledge); using hidden CCTV at a crime hotspot. RIPA refers to these techniques as 'directed surveillance'. It also extends to the use of undercover officers and informants. RIPA refers to these as 'covert human intelligence sources' and also known as a CHIS.

3.3 The document also refers to accessing communications data such as out-going phone calls and websites visited held by telephone and internet service providers. However, only limited information about who sent the communication, when and how can be accessed but not the content i.e. what was said or written. This form of surveillance is regulated by a different part of RIPA and different procedures apply i.e. authorisations are granted by a national body which acts on behalf of local authorities.

3.4 As well as the current legislation, the Council's policies and procedures are informed by statutory codes of practice issued by the Home Office in December 2014. Namely, the Covert Surveillance etc. Code of Practice and Covert Human Intelligence Sources Code of Practice.

3.5 The use of RIPA powers by local authorities is tightly controlled. Initially, directed surveillance or the use of a CHIS has to be authorised internally by a senior officer and must be necessary and proportionate. Subsequently, it has to be approved by a magistrate before the authorisation takes effect.

The Council's use of its RIPA powers

3.6 The Council's use of its RIPA powers has been diminishing in recent years. In the financial years 2007/08 and 2008/09 54 and 56 authorisations respectively were granted. In 2013/14 and 2014/15 only 4 and 9 authorisations respectively were granted. More recently, in 2015/16 no authorisations were granted and last year a single authorisation was granted. RIPA powers are now predominantly used to enforce trading standards controls and, in particular, to conduct test purchases of age restricted products such as alcohol. It is also occasionally used in the context of serious fraud investigations.

Oversight

3.7 The Council's use and conduct of covert surveillance techniques is overseen internally by the Council's Monitoring Officer, who also acts as the Council's Senior Responsible Officer (SRO) for the purposes of the Home Office codes of practice. The Monitoring Officer also keeps the Council's RIPA policy and procedures document under review and updates it as and when necessary. This ensures compliance with the most current legislation, statutory codes of practice, OSC technical guidance and best practice. It is also necessary to keep the list of authorising officers up to date and for administrative, technical and presentational changes to be made from time to time to ensure the document acts as a helpful source of instruction and guidance to all officers of the Council.

3.8 The Council's use of its RIPA powers is also overseen externally by the Office of Surveillance Commissioners (OSC). The OSC is a non departmental public body which was established to oversee the authorisation and use of covert tactics by public authorities. The work of the OSC is led by the Chief Surveillance Commissioner. He reports directly to the Prime Minister and Scottish Ministers.

3.9 The OSC inspect public authorities periodically and review their RIPA policies, procedures and practices. The Council's most recent inspection was on 8 November 2016 and was positive.

3.10 Following the inspection, the Chief Surveillance Commissioner wrote to the Council's Chief Executive acknowledging that the inspector considered the Council's policy and procedure document to be "excellent". Describing the Council's standards as "impressive" and noting that "the attitude of the Council to the need for training and awareness is sensible and far sighted". No formal recommendations were made but "some suggestions were offered for 'fine tuning'".

3.11 Two other main issues were raised. First, the need for the Council to review its CCTV protocol so that before the police and other law enforcement bodies are allowed to use its public CCTV systems for directed surveillance purposes, the Council is reassured that a RIPA authorisation has been obtained. Second, the Council was advised to raise Council-wide awareness about the use of social media and the internet to obtain information about others and the likely privacy and RIPA implications. Both of these suggestions have been implemented and will be kept under review.

3.12 According to the Home Office codes of practice, members should also review the Council's use of its RIPA powers. Hereon in therefore the Council's use of RIPA will be reported to the Audit Advisory Committee for members of that committee to conduct a high level annual review. Any significant policy changes recommended by the Audit Advisory Committee arising from its review will be reported to Cabinet for decision.

4.0 Financial Implications

4.1 None.

5.0 Legal Implications

5.1 These are contained in the report.

6.0 Equality Implications

6.1 Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations

between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

6.2 Due regard is the regard that is appropriate in all the circumstances. There are no equalities implications arising from this report.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None.

Background Papers

1. Letter from the OSC to the Council dated 6 December 2016.
2. OSC inspection report dated 21 November 2016.

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BRENT COUNCIL'S RIPA POLICY AND PROCEDURES

July 2017

BRENT COUNCIL'S RIPA POLICY AND PROCEDURES

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1. Introduction

1.1 This document explains the Council's use and conduct of covert surveillance techniques when investigating serious criminal offences relying on the powers made available to local authorities in Part II of the Regulation of Investigatory Powers Act 2000 (RIPA). RIPA makes surveillance authorised in accordance with the statutory framework it establishes lawful and thereby protects the Council from legal claims and complaints and ensures that the evidence it relies upon in prosecutions is admissible.

1.2 Covert surveillance techniques include static surveillance (e.g. taking up an observer post to monitor the activities and movements of those suspected of having committed criminal offences); mobile surveillance (e.g. following someone to see where they are going without their knowledge); using hidden CCTV at a crime hotspot and the use of undercover officers and informants.

1.3 This document also contains some information about accessing communications data such as out-going phone calls and websites visited held by telephone and internet service providers. However, only limited information about who sent the communication, when and how can be accessed but not the content i.e. what was said and written. This form of surveillance is regulated by a different part of RIPA and different procedures apply i.e. authorisations are granted by a national body which acts on behalf of local authorities.

1.4 As well as the current legislation, the Council's policies and procedures are informed by statutory codes of practice issued by the Home Office in December 2014. Namely, the Covert Surveillance etc. Code of Practice and Covert Human Intelligence Sources Code of Practice.

1.5 The Council's use and conduct of covert surveillance techniques is overseen internally by the Council's Monitoring Officer, who also acts as the Council's Senior Responsible Officer (SRO) for the purposes of the Home Office Codes of Practice, and externally by the Office of Surveillance Commissioners (OSC). The OSC conduct periodic inspections of public authorities entitled to exercise RIPA powers in order to fulfil their oversight role. The OSC also issue technical Guidance to public authorities and this document is informed by its current Guidance issued in July 2016.

1.6 The Council's policies and procedures have been approved by Cabinet. In addition, the Audit Advisory Committee will carry out a high level annual review of any authorisations granted or renewed, initially by an Authorising Officer of the Council and subsequently by a magistrate, in accordance with the requirements of RIPA.

1.7 Compliance with the policies and procedures agreed in this document is mandatory for all relevant Council services and officers. RIPA powers are now predominantly used to enforce trading standards controls and, in particular, to conduct test purchases of age restricted products such as alcohol. It is also occasionally used in the context of serious fraud investigations. It remains essential, however, that all

potential users are fully aware of the contents of this document.

2. Definition of Surveillance

Surveillance for the purpose of RIPA includes: “monitoring, observing or listening to persons, their movements, conversations or other activities and communications”. It may be conducted with (or without) the assistance of a surveillance device, and includes the recording of any information obtained. Surveillance can be undertaken whilst on foot, mobile or static.

3. Covert Surveillance

3.1 Surveillance is **covert if** and only if, it is carried out in a manner that is calculated to ensure that **persons who are subject to the surveillance are unaware** that it is (or may be) taking place [Section 26(9)(a)].

3.2 It must be likely to result in the obtaining of “private information” about the person observed. “**Private Information**” covers any aspect of a person’s private or family life, including their family, professional and business relationships. Obviously it covers personal data like names, address and telephone numbers [Section 26 (10)], which are also covered by the Data Protection Act 1998.

3.3 This may happen in a public place where the person has a reasonable expectation of privacy whilst there, especially where:

- a) the public authority concerned records the information gained, or
- b) several records are to be analysed together to show a pattern of behaviour.

4. Types of Covert Surveillance

4.1 Covert surveillance may be: “Intrusive” or “Directed”.

Intrusive Surveillance

4.2 Local Authorities are NOT permitted to conduct Intrusive Surveillance at all. This covers anything taking place on/in any residential premises or a private vehicle, involving either a person on the premises/in the vehicle or a surveillance device even if it is not on the premises or in the vehicle if it provides information of the same quality as if it was. Surveillance of premises used for the purpose of legal consultations is also regarded as Intrusive Surveillance.

Directed Surveillance – with new limitations

4.3 Directed Surveillance must be:

- for the purpose of a specific operation or investigation (relating to a statutory enforcement function);

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- its target must be unaware that it is or could be taking place;
- it must be done in a way likely to obtain private information about the target;
- it must not be an immediate response to events.

4.4 Local Authorities can now **ONLY** conduct Directed Surveillance for the **Prevention or detection of crime**. There is a minimum crime threshold so that offences must be punishable (whether on indictment or summary conviction) by a maximum term of 6 months imprisonment, or be related to the underage sale/supply of alcohol or tobacco/nicotine.

4.5 Note the minimum crime threshold does **not** apply to the use of a **CHIS**.

5. Basis for Lawful Surveillance Activity

5.1 The Human Rights Act 1998 (HRA) gave effect in UK law, to the rights of individuals enshrined in the European Convention on Human Rights 1950 [ECHR]. Some of the rights are absolute, whilst others are qualified, meaning that it is permissible for the state to interfere with those rights provided certain conditions are satisfied. One of the qualified rights is the Right to respect for one's private and family life, home and correspondence [Article 8 ECHR].

5.2 In limited circumstances Local Authorities are permitted to conduct covert surveillance, namely Directed Surveillance, and to use Covert Human Intelligence Sources [CHIS], both of which would result in the subject's Article 8 Rights being infringed or interfered with by a public authority.

5.3 RIPA Part II (as amended by Regulations and the Protection of Freedoms Act 2012) provides the statutory framework to enable covert surveillance to be lawfully authorised and conducted - so as to ensure it is does not infringe the Article 8 rights, except as may be permitted by Article 8 (2), and to ensure the Council as a public authority is acting in a way compatible with the ECHR, as required by HRA section 6.

5.4 Since RIPA 2000 was passed, and particularly since 2010, local authorities' powers have been increasingly curtailed. The additional purposes of protection of public health or in the interests of public safety, and the prevention of public disorder were removed.

5.5 To be sure a matter is RIPA controlled, officers must identify from the outset whether:
a) s/he is investigating a criminal offence - and if so,
b) whether it passes the minimum crime threshold.

5.6 From 1st October 2015 the 2010 Regulations were amended further - to add that the potential offence/s may relate to the purchase of alcohol on behalf of those under 18 (proxy purchases), or the sale of nicotine products to those under 18.

5.7 If an officer is unsure what specific criminal offence[s] are being investigated, or the penalties for them, legal advice should be taken from a Prosecution Lawyer, (see Appendix 3) who will identify any criminal offences arising out of the facts of the investigation at that stage. If no offence is identified, Directed Surveillance will not be permitted, but see also below.

5.8 Before proceeding with an application for the authorisation of Directed Surveillance, an applicant officer must also consider whether the proposed action is proportionate (as well as necessary) to prevent or detect crime above the threshold. Proportionality is discussed in paragraph 13 below, as it applies also to any proposal to use a CHIS.

5.9 Directed Surveillance cannot be used by local authorities to investigate low level offences such as littering, dog fouling and fly-posting, but there may be cases where the offence causing concern fails to pass the minimum RIPA crime threshold, but officers wish to take action to carry out their duties and protect local residents from harm to their social, economic or environmental well-being.

5.10 To avoid exposing the Council to the risk of reputational harm, or damages or costs, officers should seek advice as to whether it may be possible to satisfy the requirements of ECHR Article 8 (2) by alternative means.

5.11 The effect of RIPA section 80 is to make authorised surveillance lawful, but it does not make unauthorised surveillance unlawful. The Council reserves its right to exercise individual discretion, if presented with facts that justify an alternative view or approach, where a case lies outside the ambit of the RIPA regime and controls.

5.12 In such cases, the Council will work in line with its policy and procedures on non-RIPA surveillance, and keep appropriate written logs of activity open to scrutiny by the SRO as recommended in Note 80 in OSC 2016 Guidance and Procedures.

6. Directed Surveillance Example

6.1 An example of Directed Surveillance is a covert static post e.g. an officer in car outside an address with a camera, to take pictures and/or follow of the target who has claimed Direct Payment, on the basis that s/he is severely disabled to the extent that s/he cannot walk unaided and/or drive - but where it is alleged that the disabilities are invented and/or exaggerated.

6.2 The surveillance scenario would be covert, being used for a specific investigation and conducted in a manner likely to result in the obtaining of private information about a person (namely their movements/mobility in and around their home address and their daily activities), by video and/or photographic evidence. This operation is a clear example of Directed Surveillance.

7. Communications Data

7.1 As a matter of policy and practice, the Council's Communications Data activities have been outsourced to the National Anti-Fraud Network ("NAFN") after a recommendation on a previous inspection. This is accessed via the Council's Designated Person whose details appear in Appendix 4.

7.2 The Council's SRO for these purposes is the Deputy Chief Legal Officer and his contact details also appear in Appendix 4.

7.3 The Designated Person maintains a separate electronic register from the Council's Centrally Retrievable Records, subject to inspection and procedures in the Communications Data Code of Practice and related legislation.

7.4 Any staff considering the use of communications interception or other activity should refer initially to the Trading Standard's Work Instruction October 2013 [NAFN and

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Judicial Approval] which is set out in Appendix 5.

8. Covert Human Intelligence Sources [CHIS]

8.1 A CHIS is perhaps more commonly called an "informant". A person is a CHIS if s/he:-

(a) Establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paras (b) or (c);
(b) Covertly uses such a relationship to obtain information or provide access to any information to another person; or
(c) Covertly discloses information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship

8.2 The key difference between Directed Surveillance and use of a CHIS is that the first involves the obtaining of private information through covert means, whereas the second involves the manipulation of a relationship to obtain information. As an obvious breach of trust fundamental to personal relationships, this can pose serious danger to the CHIS if it is discovered.

8.3 In order to grant an authorisation for using a CHIS, the AO, and subsequently a Magistrate, must believe that in addition to the operation being necessary, and proportionate, that:

"arrangements exist for the source's case that satisfy the requirements of subsection (5) and such other requirements as may be imposed by order of the Secretary of State," [RIPA 2000, S29(2)(c)]

8.4 "Control" of a CHIS. Subsection (5) requires the CHIS to have:-

(a) A "handler" of the specified rank with the relevant investigating authority, with day to day responsibility for the source

(b) A "controller" of the specified rank with the relevant investigating authority with the general oversight of the use made of the source

(c) That the records maintained that disclose the identity of the source will not be available to persons except to the extent that there is a need for access to them to be made available to those persons

(d) "Relevant investigating authority," means the public authority for whose benefit the activities of that individual as such a source are to be undertaken. (NB: The Council occasionally undertakes joint operations.)

9. Becoming a CHIS and 'status drift'

9.1 A CHIS may be a member of the public or an officer acting with authority to do so. Common uses of CHIS are the infiltration of a gang e.g. football gangs or an undercover police officer being recruited into a drugs operation/conspiracy.

9.2 Please note that there may be circumstances where a less obvious CHIS exists. Care must be taken to identify that this person is a CHIS, and thereafter follow the correct procedure. An example is where a member of the public has given information, albeit not tasked to do anything with it. Such a person may be a CHIS if the information that s/he has covertly passed to LBB has been obtained in the course

of (or as a consequence of the existence of) a personal or other relationship.

9.3 Although not specifically recruited to be a CHIS, such a person may become one. This situation is referred to by the OSC Procedures & Guidance 2016 as the risk of "status drift." Therefore, when an informant gives repeat information about a suspect or about a family, and it becomes apparent that the informant may be obtaining that information in the course of a family or neighbourhood relationship, it is a strong indication that the informant is in reality a CHIS - to whom a duty of care is owed - if the information is then used. Legal advice must always be taken before using or acting on information received in these circumstances.

9.4 Becoming a CHIS gives rise to a duty of care owed to that person by the Council who seeks to benefit from their activity, as set out in paragraphs 8.2 and 8.3 above.

9.5 Trading Standards regularly undertake covert test purchasing, and task children to request a one-off sale. The Council, in accordance with OSC Guidance, takes the view that such conduct does not constitute a CHIS, as the child does not form any relationship with the target in a one-off sale. However you must consider whether covert test purchasing requires a Directed Surveillance authorisation.

9.6 Please note all authorisations for a juvenile CHIS or where confidential information may be obtained MUST be approved by the Chief Executive as Head of Paid Service.

9.7 Trading Standards operate policy and procedures based on guidance from their national body.

9.8 The use and wearing of recording devices is done in accordance with the College of Policing Body Worn Video Guidance 2014.

10. Requirement to obtain a URN from Legal Services

10.1 For Directed Surveillance which satisfies the Crime Threshold Test or for a CHIS, the officer **must** first obtain a Unique Reference Number [URN] for the operation from a Prosecution Lawyer, prior to the completion and/or submission of an Application for Directed Surveillance and/or CHIS to an AO.

10.2 In view of current requirements, the applicant must now answer the following 6 questions within the RIPA Request Form:-

i) Is DS/CHIS for the Prevention or Detection of Crime?

ii) Specify the criminal offence[s] being investigated and the statute[s]

iii) For Directed Surveillance only, does the criminal offence[s] meet the Crime Threshold Test (at least the 6 months maximum sentence); **or**

iv) Is the offence[s] for underage sale/supply of alcohol or tobacco/nicotine?

v) (For DS and CHIS) Is the action proposed both necessary and proportionate?

vi) Have you considered alternatives, who else could be subject to any collateral intrusion and how this could be minimised?

10.3 On receipt of the RIPA URN Request Form, the Prosecution Lawyer will consider the contents; allocate an URN from the electronic Central Retrievable Record of

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Authorisations kept and maintained by him; input the data from the RIPA Request Form into the said register; complete the RIPA URN Request Form and email it back to the applicant and AO named on the form.

11. Role of Authorising Officers [AOs] and the special role of the Chief Executive

11.1 A designated person called the "Authorising Officer" has the power to grant authorisations to carry out Directed Surveillance or CHIS. An applicant should always obtain authorisation from one before seeking judicial approval from the court. Those currently able to act as Authorising Officers for the Council are named in Appendix 2.

11.2 Note the on-going duties of Authorising Officers are described by OSC thus: "Responsibility for authorising an activity always remains with the Authorising Officer" – even after judicial approval. This includes reviewing and renewing authorisations as appropriate, and cancelling them promptly once the operation has been completed, rather than waiting for the whole remaining time to run out.

11.3 AOs are urged not to "restrict contemplation to the type of tactic rather than the specific facts of the activity. It is unwise to approach RIPA … from the perspective of labels." There is a big difference between the type of operations conducted by the police and those run by Trading Standards.

11.4 It is the statutory responsibility of the Authorising Officer to establish that proposed action is both necessary and proportionate, whereas the role of the applicant is to present the facts, giving details of the crime, proposed activity, and justification for acting covertly etc.

11.5 Authorising Officers should set out in their own words that s/he is satisfied or believes how and why the activity is necessary and proportionate. AOs should routinely state "who, what, when, where, how" i.e. who is to be the target of the surveillance; what action is being authorised; when it is to take place; where or at which location; and how the activity is to be done. Care must be taken over the use of words that could unintentionally limit the action – for instance using 'and/or' to permit both alternatives may be necessary to avoid unintended limitation - as wording in authorisations permitted by the court will be strictly construed.

11.6 A copy of the Authorisation Form is to be handed to the magistrate who considers the application. The AO will retain the original for safekeeping in the Council's RIPA records.

11.7 Authorising officers must conduct reviews of the activity as deemed necessary. The timing of such reviews must not be standardised or delayed, but as individual circumstances dictate and as seems prudent given the participants. Records of these reviews and issues considered must be recorded and available for inspection by the SRO and OSC.

11.8 The CEO is one of the Council's Authorising Officers, and, as Head of Paid Service, is the only one competent to approve any action or operation that involves the recruitment of a juvenile CHIS, or any other vulnerable person, or where the surveillance may result in the Council obtaining access to legally privileged or confidential information.

12. The Two Mandatory Tests for Directed Surveillance & CHIS

Necessity

12.1 An AO shall not grant an authorisation for the carrying out of Directed Surveillance and/or CHIS for a local authority unless s/he believes that the authorisation is necessary for the Prevention or Detection of Crime. In the case of Directed Surveillance, it must also meet the crime thresholds set out in para 4.4 above. The AO must carefully explain in writing why it's necessary to use the covert techniques requested.

Proportionality

12.2 An AO shall not grant an authorisation for the carrying out of directed surveillance and/or CHIS unless s/he also believes that the authorisation is proportionate to what is sought to be achieved [RIPA 2000, Ss 28(2)(b) & 29(3)].

13. Proportionality – striking the balance

13.1 This involves thinking about how far it is necessary to go to achieve an objective. The officer must show s/he has **balanced** a number of factors:

The seriousness of the intrusion into the private or family life of the target - and any other person likely to be affected (collateral intrusion);

AGAINST:

- the gravity and extent of the perceived mischief;
- the size and scope of the surveillance;
- the need for the activity in operational terms;
- the benefit expected from it;
- alternative (possibly less intrusive) methods of getting the information;
- how to mitigate any intrusion.

13.2 In simple terms – **officers CANNOT use a 'sledge hammer to crack a nut'**.

13.3 Officers must explain why the particular covert method, technique and tactic is an appropriate use of RIPA and a reasonable way of achieving the desired objective. In particular, officers must explain why the intended surveillance will cause the least possible intrusion, and what alternative options have been tried or considered and why they were unsuccessful or not considered suitable (See Note 73 of the OSC 2016 Procedures & Guidance).

14. Judicial Approval

14.1 An Authorisation (or Renewal) for Directed Surveillance, or a CHIS does not become activated until judicial approval has been obtained in writing from a Magistrate/District Judge and is both dated and timed.

14.2 **In order to apply for Judicial Approval, the applicant must do the following:-**

a) Email the **Single Point of Contact** [**SPOC**] at Willesden Magistrates Court [WMC]

b) **SPOC**s remain Philip Cunningham [philip.cunningham@hmcts.gsi.gov.uk] or Andrew Wood [andrew.wood1@hmcts.gsi.gov.uk]

c) The email must request a listing for an Application for Judicial Approval for a RIPA Application/Renewal.

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d) Please ensure that sufficient notice is given to the court to list the matter prior to the date you wish to commence the operation

e) Complete Form Annex B, page 1

f) Please note all the information set out in the "Summary of Details," should also be contained in the Application/Renewal/Authorisation Form too, or the Application will NOT be granted

g) Please note that the applicant cannot solely rely on the details provided during his Evidence to the Court. Instead all relevant information must be set out in writing in the Application and Form B

h) Attend WMC for the Applications Court at the allotted time [i.e. 9.30am or 1.30pm]

i) Officers must take the Original Application/Renewal/Authorisation and copies along with 2 copies of the Judicial Approval Form Annex B

j) Provide a set of papers to the Court Clerk at least 30 minutes before the hearing, so the Magistrate can consider the paperwork prior to the hearing

k) When the hearing commences, the Applicant must swear on oath OR affirm

l) The Applicant is to identify him/herself by name, post and employer

m) The Applicant should introduce it as an Application for Judicial Approval for RIPA Authorisation or Renewal

n) The Applicant should introduce him/herself as the officer who has completed the paperwork for LBB and the Court

o) S/he should Identify that the Application/Renewal etc was granted by LBB's AO [give name] on date and time and state the role/position of the AO

p) The Applicant should state that s/he wishes to obtain Judicial Approval for Directed Surveillance or use of a CHIS [Section 38 POFA].

q) The Applicant should inform the Magistrate that s/he has partly completed Form Annex B page 1.

14.3 <u>Factors to be considered by the Magistrate</u>

The Magistrate MUST be satisfied that:-

i) There were reasonable grounds for the local authority to believe that the Authorisation/Renewal etc was necessary and proportionate;

ii) There remain reasonable grounds for believing that these requirements are still satisfied at the time of the application to the Magistrate;

iii) Has the Application/Renewal etc been authorised by an appropriate Authorising Officer?

iv) Has the Authorisation etc been made in accordance with any applicable legal restrictions e.g. has the Crime Threshold Test clearly been met?

v) In the case of a CHIS, were there reasonable grounds for believing that the arrangements exist for the safety and welfare of the source, AND that there remain reasonable grounds for believing that these requirements are satisfied at the time when the Magistrate/District Judge is considering the matter.

14.4 Outcomes

There are 3 possible outcomes for an Application for Judicial Approval:-

1. **Box 1** --> Application Granted --> effective from that date and time

2. **Box 2** --> Refuse to grant or renew the Authorisation [Applicant can then re-apply once the gap/error has been corrected]

3. **Box 3** --> Refuse to grant or renew the Authorisation AND quash the AOs Authorisation

   [Please note the Magistrate/District Judge can only quash the Authorisation if the Applicant has had at least 2 business days' notice, from the date of refusal, in which to make representations against the refusal]

14.5 Procedure once Judicial Approval Granted

14.5.1 If granted, the Authorisation/Renewal will be dated and timed, and the 3 months (for DS) or 12 months (for a CHIS) validity will run from this date and time.

14.5.2 The Magistrates will keep a copy of the completed and signed Form Annex B

14.5.3 The Applicant will be provided with the Original signed version of Form Annex B.

14.5.4 If the Application is for Directed Surveillance or CHIS, please provide the Prosecution Lawyer with the Original Judicial Approval Form Annex B within 14 days, and retain a scanned copy in your electronic investigation file as a record and in order to fulfil Disclosure obligations if the matter proceeds to a criminal prosecution.

.14.5.5 Please note that the Authorisation will automatically expire unless a Renewal Application is made prior to its expiration and Judicial Approval is also obtained.

14.5.6 Applicants and AOs should be proactive about diarising, renewing and cancelling authorisations as appropriate.

15. Forms to be used

15.1 The following link should be used at all times, to access the Home Office's website RIPA Form page:-

https://www.gov.uk/government/collections/ripa-forms--2

15.2 Separate Directed Surveillance and CHIS forms can be found here, as can forms required for the renewal and cancellation of both types of activity.

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15.3 Care should be taken with these forms, as they have not been revised since 2007 and cover the circumstances for a wide variety of other bodies, including the Police and Security Services.

16. Other useful definitions and guidance

Confidential Information

Confidential personal information (such as medical records or spiritual counselling, confidential journalistic material, confidential discussions between Members of Parliament and their constituents), or matters subject to legal privilege [solicitor and client]. Unwarranted access to them during an investigation may be grounds for cancelling the Authorisation.

Duration of Authorisation

3 months for DS or 12 months for a CHIS from grant of Judicial Approval, but only one month for a juvenile CHIS.

Reviews

Regular reviews are required once the authorisation has been granted, the frequency should be determined by the AO. If it is intended to be a short operation, a timely review should be conducted shortly thereafter, to determine if the authorisation is still required or if the operation is complete, which would then require the operation to be cancelled [see below].

Renewals

Renewals must take place prior to the authorisation expiring; otherwise, the authorisation will automatically expire after 3 months. Please note, Judicial Approval is required for a Renewal and the Applicant must follow the procedure set out above. Please factor in sufficient time to obtain it well before the Authorisation expires.

Cancellation

The officer has a duty to request the AO to cancel the authorisation, where the authorisation no longer meets the criteria upon which it was originally authorised i.e. the test purchases are undertaken within 14 days, thereafter the authorisation is no longer required. In such cases, it is not permissible (nor good practice) to let the authorisation run on until its natural expiry. Officers must be pro-active in this.

17. Central Record of Authorisations

17.1 A centrally retrievable record ("CRR") of all authorisations is held by the Council and regularly updated whenever an authorisation is granted, renewed or cancelled. The record should be made available to the relevant Commissioner or an Inspector from the OSC upon request. These records should be retained for a period of at least 7 years from the ending of the authorisations.

17.2 LBB's CRR of all authorisations is kept and maintained by the Principal Prosecution Lawyer. Please see paragraph 10 regarding the mandatory requirement to complete a RIPA Request Form to obtain an URN from him.

17.3 All original applications, reviews, renewals and cancellation forms are to be served by hand, on the Principal Prosecution Lawyer within 14 days of grant of Judicial Approval, to be stored in locked cabinets. On receipt, the relevant information is inputted, so as to update the CRR of Authorisations.

17.4 To avoid any suggestion that an authorisation has been simply signed off by an AO, it is recommended that a copy is retained with the AO's 'wet signature' i.e. original handwritten one, not merely a typed, or machine-prepared one. The Council must be ready to provide the relevant witness if authenticity is ever questioned in Court.

17.5 As recommended by the OSC, the Council will maintain a separate auditable record of any decisions and actions outwith RIPA available to the SRO for scrutiny.

18. Senior Responsible Officer (SRO)

18.1 Under the relevant Regulations the SRO is responsible for:-

- the integrity of the process in place within the public authority for the management of CHIS;
- compliance with Part II of the Act and with the relevant Code Of Practice
- prompt reporting of errors to the OSC and the identification of both the cause(s) of errors, and the implementation of the processes to minimise repetition of errors;
- engagement with the OSC inspectors when they conduct their inspections, where applicable; and
- where necessary, oversight of the implementation of post inspection action plans approved by the OSC.

18.2 Within a Local Authority, the SRO must be a member of the corporate leadership team, and is responsible for ensuring that all AOs are of an appropriate standard in light of any recommendations in the inspection reports prepared by the OSC. To avoid role conflict, the SRO should never act as an AO.

18.3 Please see Appendix 1 for the current SRO details.

19. RIPA Reviews/Reports

19.1 Given the substantial reduction in the use of RIPA powers since 2013, LBB only hold meetings to review the operation of RIPA as and when deemed necessary by the SRO, or if requested by the AOs or any Head of Department using RIPA. Reports are made to the Corporate Management Team as necessary.

19.2 It is intended that members will receive a report at least annually to allow them to consider and review the adequacy of the Council's policy and practice on RIPA matters. The Council's policy and procedures are reported to Cabinet for formal approval, and the Audit Advisory Committee will oversee the Council's use of RIPA by carrying out a high level annual review.

20. The use of the internet and social media for investigative purposes

20.1 With advances in technology making it easier, quicker and increasingly popular for individuals to share personal information on-line, the opportunities to use that information for research, investigative or other official purposes are expanding too.

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20.2 However, it is important to appreciate that the considerations of privacy which arise in the physical world also arise in the on-line world. In other words, there are rules and there are limits.

20.3 Just because the content of many social media sites and other information on the internet is freely accessible does not mean that officers can openly access such information without careful regard to the constraints and requirements of the law.

20.4 Repeated or systematic viewing, collecting or recording of private information from 'open' on-line sources (such as Facebook, Twitter, Snapchat and LinkedIn), including information relating to the interests, activities and movements of individuals, and others associated with them, could be regarded as a form of covert surveillance.

20.5 In addition, it is likely that individuals will have a reasonable expectation that their information is not used for surveillance purposes by public authorities and therefore may complain that their privacy and human rights have been infringed.

20.6 Initial research of social media to establish or check some basic facts is unlikely to require an authorization for directed surveillance, but repeated visits to build a profile of an individual's lifestyle etc. is likely to do so depending on the particular facts and circumstances. This is the case even if the information is publicly accessible because the individual has not applied any privacy settings.

20.7 The creation of fake profiles or any attempt to make 'friends' on-line for the covert purpose of obtaining information may constitute directed surveillance or, depending on the nature of the interaction or the manipulation of the relationship, a CHIS. An example would be where officers create fake profiles to investigate someone suspected of selling counterfeit goods.

20.8 Any officer wishing to deploy such tactics as part of an investigation must remember before seeking internal authorization and judicial approval, any evidence collected may be deemed inadmissible in any subsequent prosecution. Cases should be carefully considered on an individual basis, and the issues of necessity and proportionality always borne in mind. Note 289 of the OSC Procedures and Guidance contains more practical guidance.

20.9 It is also important to appreciate that if officers obtain, use or even merely store information about individuals they will have to comply with data protection rules. And, when the General Data Protection Regulation comes into force on 25 May 2018, the information the Council collects about individuals, how and why will have to comply with stricter transparency and accountability rules.

21. Training & Monitoring

21.1 In order to be an AO, all officers must have attended a suitable training course. Any new AO will be appointed by the SRO, who will ensure that all AO's receive regular updates and training, as and when required. All officers utilising RIPA for Directed Surveillance and/or CHIS must also have attended a suitable training course.

21.2 Whilst undertaking audits of the RIPA CRR of Authorisations and RIPA forms, the SRO will identify any training needs for staff and/or monitoring issues, to be raised either with individual AO's and/or at any RIPA Meetings.

21.3 The Council's policy commitment is that RIPA training will be provided to staff every three years. However, where staff already receive training as part of their

professional accreditation, (e.g. ACFS or ACFP) that can be taken into account when assessing their needs.

22. Office of Surveillance Commissioners (OSC)

22.1 The OSC is the supervisory body for RIPA and deals with the following in particular:-

- Requests for RIPA Statistical Information twice per year [March & December]
- Inspections of Local Authorities including LBB usually every 2 to 3 years
- Publication of regular reports on RIPA activity

22.2 The OSC also publishes a Procedures and Guidance booklet on the use of RIPA by public authorities, most recently in 2016 (OSC 2016). It can be found at:

https://osc.independent.gov.uk/wp-content/uploads/2016/07/OSC-Procedures-Guidance-July-2016.pdf

It has no binding legal authority, and merely expresses the opinions of the OSC, But inspections will be conducted in accordance with its recommendations, and it recommends that all AOs should have a personal copy for reference.

23. Collaboration with other authorities/agencies

23.1 The Council will endeavour to conclude written collaboration agreements with any other authorities with whom it works regularly, such as the Police or neighbouring Trading Standards Authorities as recommended by OSC 2016.

23.2 Prior to any activity, where the Council uses external partners or agents, as advised in OSC 2016 para 112, the Council will seek their written acknowledgement that they

- Will act as an agent of the Council, and
- Have seen the written Authorisation for the activity they are undertaking, and
- Will comply with the specific requirements permitted by the Authorisation, and
- Recognise they may be subject to inspection by the OSC for RIPA activity.

24. Codes of Practice

24.1 The Home Office publishes Codes of Practice giving guidance on the use of RIPA by public authorities. The current editions were published in 2016 pursuant to section 71 of RIPA 2000. There is a separate Code concerning Communications Data which is not covered in this Policy.

24.2 Unlike the OSC guidance, the **Home Office Codes are admissible in evidence** in any court proceedings, and **must be taken into account**. Public authorities like the Council may be required to justify the use, granting or refusal of authorisations by reference to the Codes.

24.3 Care must be taken when referring to the Codes over the terminology used, and to their applicability to the Council. The Codes provide guidance to a much wider range of public authorities than the Council. Unfamiliar terms like “relevant sources” may not apply to the Council at all, and may confuse the lay reader. Please ensure you seek legal advice on correct interpretation before applying advice you may find there.

24.4 The two Codes now in force and of concern to the Council are accessible through the Home Office website:

Covert Surveillance & Property Interference Code of Practice
Covert Human Intelligence Sources

https://www.gov.uk/government/publications/covert-surveillance-and-covert-human-intelligence-sources-codes-of-practice

APPENDICES

APPENDIX 1: Senior Responsible Officer (SRO) Contact Details

Debra Norman, Interim Chief Legal Officer and Monitoring Officer: Debra.Norman@brent.gov.uk; 020 8937 1578

APPENDIX 2: List of Authorising Officers and Contact Details

Carolyn Downs, Chief Executive/Head of Paid Service: Carolyn.Downs@brent.gov.uk; 020 8937 1101

Conrad Hall, Chief Finance Officer: Conrad.Hall@brent.gov.uk; 020 8937 6528

Chris Whyte, Operational Director Environment Services: Chris.Whyte@brent.gov.uk; 020 8937 5342

Simon Legg, Head of Trading Standards: Simon.Legg@brent.gov.uk; 020 8937 5522

APPENDIX 3: Prosecution Lawyers

Tola Robson, Senior Advocate: Omotolani Robson: Omotolani.Robson@brent.gov.uk; 020 8937 1455)

Priscilla Pryce, Senior Legal Assistant: Priscilla.Pryce@bent.gov.uk; 020 8937 4330

APPENDIX 4: Communications Data Senior Responsible Officer (SRO) and Designated Person Contact Details

Communications Data Senior Responsible Officer (SRO): Arnold Meagher, Deputy Chief Legal Officer: Arnold.Meagher@brent.gov.uk; 020 8937 2166

Communications Data Designated Person: Simon Legg, Head of Trading Standards: Simon.Legg@brent.gov.uk; 020 8937 5522

The following appendices are attached to this document:

APPENDIX 5: Trading Standards' Work Instruction 2013 (NAFN & Judicial Approval)
APPENDIX 6: RIPA URN Request Form
APPENDIX 7: Annex B – Judicial Approval Form

APPENDIX 8: Home Office Directed Surveillance Authorisation Form
APPENDIX 9: Home Office CHIS Authorisation Form
APPENDIX 10: RIPA Decision Chart

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Brent	**Cabinet** 24 July 2017 **Report from Strategic Director of Resources**

Authority to Participate in the Joint Procurement of Solicitors' Services

1.0 Summary

1.1 This report requests approval to participate in collaborative procurement with the London Borough Legal Alliance ("LBLA") for the establishment of a framework for provision of solicitors services. As the proposed procurement is to be led by the London Borough of Hackney, approval is also sought as required by Contract Standing Order 85 to using that borough's Contract Standing Orders and Financial Regulations.

2.0 Recommendations

2.1 To approve the Council's participation in a collaborative procurement led by the London Borough of Hackney to establish a framework for solicitors' services.

2.2 To agree that the collaborative procurement exercise detailed in 2.1 above be exempt from the normal requirements of Brent Council's Contract Standing Orders and Financial Regulations for good operational and/or financial reasons in accordance with the Contract Standing Order 84(a) and 85(c).

2.3 To note the pre tender considerations set out in paragraph 3.8.1 of this report

3.0 **Detail**

Background

3.1 The LBLA was established in 2009 as a collaborative partnership of legal teams throughout London. The current members who use the LBLA Solicitor's Framework are the London Boroughs of Barnet, Harrow and Hounslow, Brent, Camden, Ealing, Hackney, Haringey, Hillingdon, Islington, Redbridge, Waltham Forest, Havering & Newham, Hammersmith & Fulham, Kensington & Chelsea, Westminster and Southwark and the London Fire and Emergency Planning Authority and the City of London Corporation (together the "LBLA Members).

3.2 The LBLA Members have in the past let framework agreements for the provision of solicitors' and barristers' services. The existing framework for solicitors' services commenced on 1 November 2013 and expires on 31 October 2017. The LBLA authorities consider that the frameworks have worked well and delivered savings for the authorities. As a result the LBLA Members have agreed to establish a new framework of solicitors' to enable the procurement of solicitors services in an organised and consistent way. The framework arrangement will be made up of the same 2 Lots as the current framework - Lot 1 is Complex Regeneration, Development, Property and Planning and Lot 2 is General Legal Work. A number of expert and experienced solicitors firms will be appointed to the framework. It is expected that the council's participation in the framework, to call off specialist legal services, will assist the council in achieving best value, and enhance delivery of services.

3.3 It has been agreed that the London Borough of Hackney will act as a central purchasing body for the purposes of undertaking this procurement exercise and concluding framework agreements with each successful applicant. Each LBLA Member, and any other eligible authority wishing to access the framework, will join the framework by signing an access agreement. The LBLA Members consider that to save costs, as the lead authority is the London Borough of Hackney, that council's Standing Orders should be used for the procurement process. As representatives of this council are now being requested to participate in the evaluation process, Cabinet approval to participate in the procurement exercise is sought.

3.4 It is proposed that the framework will run for a period of four (4) years from 1 November 2017.

3.5 The Framework Agreement will be managed by Kennedy Cater Legal, a company of legal procurement professionals who have been successfully managing previous LBLA solicitors' and barristers' frameworks. The costs of managing the framework will be recovered via a management fee charged to the solicitors on the framework as a percentage of the work the respective solicitors receive through the framework. The management fee will be set at 4%. That fee will shared

between Kennedy Cater Legal and the LBLA boroughs on a sliding scale.

3.6 Officers consider that there are good financial and operational reasons to participate in a collaborative procurement. This approach is expected to achieve economies of scale in procuring and operating the framework and to generate more attractive tenders than is the council were to undertake the procurement on its own. Kennedy Cater Legal have estimated that for the 16/17 year Brent Council saved approximately £111,410 via the framework compared with the standard hourly charging rates of the firms on the framework which it has used. In addition, solicitors appointed to the panel will provide a range of added value benefits under the framework, in particular training for the in-house LBLA authority legal teams. The Council will reserve the right to seek services of solicitors outside the framework should the need arise.

3.7 The London Borough of Hackney placed advertisements in the Official Journal of the European Union (OJEU) and the London Tender Portal to seek tenders for legal work in the following Lots:

Lot 1 - Complex Regeneration, Development, Property and Planning
Lot 2 - General Legal Work

3.8 **Pre-tender considerations**

3.8.1 Whilst the London Borough of Hackney will be undertaking the procurement, the pre-tender considerations detailed in Contract Standing Order 89 have been set out below for information:

Ref.	Requirement	Response	
(i)	The nature of the service.	Framework of solicitors' services	
(ii)	The estimated value.	£800,000 of Brent Council's spend over the 4 year duration of the framework	
(iii)	The contract term.	4 years	
(iv)	The tender procedure to be adopted.	An open tender process	
v)	The procurement timetable.	**Indicative dates are:**	
		Adverts placed	19 June 2017

		Deadline for tender submissions	4 August 2017
		Panel evaluation concluded	18 September 2017
		Cabinet Approval of Award	23 October 2017
		Contract start date	1 November 2017
	The evaluation criteria and process.	1. At selection (pre-qualification stage) shortlists are to be drawn up in accordance with the London Borough of Hackney's policies and procedures to identify organisations meeting relevant financial standing requirements, technical capacity and technical expertise. 2. At tender evaluation stage, the panel will evaluate the tenders for the following lots: Lot 1 - Complex Regeneration, Development, Property and Planning Lot 2 - General Legal Work The criteria and weightings for both Lots will be: Cost 50% Quality 50&	
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the proposed contract.	
(viii)	The Council's Best Value duties.	The competitive procurement of a framework supports the council's Best Value duties.	
(ix)	Consideration of Public Services (Social Value) Act 2012	See section 8.0 below	
(x)	Any staffing implications, including TUPE and pensions.	None.	

3.8.2 The weightings allocated to the Lots were as a result of discussions between the LBLA Members and they will not necessarily be the

weightings subsequently applied when calling off from the framework.

4.0 Financial Implications

4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 shall be referred to the Cabinet for approval.

4.2 The estimated value of the services that Brent Council would call off under the framework agreement during the 4 year period of the contract, based on spend during 2016/17, is £800k. This is an annual contract cost of £200,000.

4.3 It is intended that the in-house Legal Service undertake work itself wherever possible and an additional; contract specialist post has been established for this purpose. It is anticipated that this will lead to a reduction in spend with external solicitors. However, it is also intended to operate the framework more stringently so that less spend takes place off the framework than has been the case in recent years. Whilst off panel spend is permitted, and is appropriate in some cases, it is likely to be more expensive. .

4.4 It is anticipated that the cost of this contract will be funded from existing resources within service areas who pay directly for the services provided by external solicitors firms or will be included in project costs to be approved by Cabinet where relevant.

5.0 Legal Implications

5.1 Under the EU Procurement Regulations contracts for provision of legal services fall within Schedule 3 of the Public Contracts Regulations 2015 ('PCR 2015). In procuring such services, where they are above the EU threshold for services (currently 750,000 Euros (£589,148)), contracting authorities are required to publish a contract notice or PIN as a call for competition in the OJEU in the usual way and a contract award notice once the contract has been awarded. The procurement procedure can be determined by the contracting authority and must comply with the Treaty principles of equal treatment and transparency and provide reasonable and proportionate timescales.

5.2 The framework will be established through a collaborative procurement exercise to be undertaken on behalf of the Council and the other LBLA Members by the London Borough of Hackney in accordance with the requirements of the EU procurement regulations as detailed in this report.

5.3 As the estimated value of the services which the Council would call off under the framework agreement during its lifetime is in excess of £500,000, it is subject to the requirements of the Council's Contract Standing Orders (CSO) in respect of High Value Contracts. CSO 85 provides that any collaborative procurement shall comply with the Council's Standing Orders and Financial Regulations unless in the case of High Value Contract the agreement of the Cabinet is obtained under

the CSO No 84(a). Exemption under CSO No 84(a) can be approved by the Cabinet where there are good operational and / or financial reasons, and these reasons are set out in paragraph 3.6 and as detailed in this report.

5.4 The techniques and instruments for framework agreements are contained in regulation 33 of the PCR 2015. The term of a framework shall not exceed 4 years and contracts based on a framework agreement are required to be awarded in accordance with the procedures laid down in the PCR 2015. The council will be able to call-off from the framework without the need for publishing the contracts for the service required, as where a framework agreement has been published in the OJEU, individual call-off contracts under that framework do not have to be published. As with most framework agreements the Council will not be obligated to call off solicitors under the framework or call off up to the projected spend.

6.0 Diversity Implications

The proposals in this report have been subject to screening and Officers believe that there are no negative diversity implications. However, it is expected that diversity and equality perspectives will be incorporated into the assessment process, with consideration given to diversity and equality issues during pre-tender stage of the procurement.

7.0 Staffing/Accommodation Implications (if appropriate)

None

8.0 Public Services (Social Value) Act 2012

8.1 Since 31st January 2013, the Council, in common with all public authorities subject to the EU Regulations, has been under duty pursuant to the Public Services (Social Value) Act 2012 to consider how the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract as Services over the threshold for application of the EU Regulations are subject to the requirements of the Public Services (Social Value) Act 2012.

8.2 Given the specialist nature of the services being delivered under the proposed framework and the limited market for the delivery of these services, Officers have concluded that it is not appropriate to undertake any consultation and that there are no specific measures that can be taken in procuring the framework to improve the economic, social and environmental well-being of the Brent area.

9.0 Background Papers

Solicitors' Framework Procurement Timetable

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Strategic Director of Resources

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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director, Resources**
	Wards affected: All

National Non-Domestic Rates – Discretionary Discount Schemes

1.0 Summary

1.1 The council collects Business Rates in accordance with the Local Government Finance Act 1988. Income collected is presently shared between central government, the Greater London Authority (GLA) and the council. There is usually a revaluation of the rateable value of all non-domestic properties every 5 years, however the revaluation due in 2015 was delayed for 2 years. A revaluation has therefore just come into effect from 1 April 2017, the first for 7 years

1.2 The revaluation has seen some considerable increases in bills for some ratepayers and the government has, as usual after each revaluation, introduced a transitional relief scheme whereby both increases and reduction in bills are phased in over 5 years. However even though the transitional relief scheme has provided some help many businesses will still face considerable increases in their bills year on year. The government therefore announced in the March statement that it would make funding available to councils over the next 4 years to enable them to introduce their own discretionary discount scheme in order to provide further help to those businesses facing increases in their bills as a result of the revaluation. The funding for Brent over the next 4 years is £1.878M, with specific allocations for each financial year. However it has yet to be announced whether "unspent" allocations can be transferred to subsequent years.

1.3 The powers to grant local discounts are within section 47 of the Local Government Finance 1988. To award discounts under this provision it needs committee approval of any scheme. This report therefore seeks approval of the proposed scheme detailed in this report and in Appendix 1, and in view of the numbers of ratepayers who will be entitled to relief seeks to authorise the Chief Finance Officer to implement the scheme so that officers can award these discretionary reliefs which satisfy the set criteria detailed in the report

1.4 The government will fully fund the cost of reliefs awarded up to the funding allocation for each year. Additional administrative costs incurred as a result of introducing and running the scheme will be met through new burdens funding, although actual amounts have yet to be announced.

1.5 The government also announced in its March statement 2 other schemes to help specific businesses affected by the revaluation – Support for Pubs which in effect will give a £1000.00 discount where their rateable value is less than £100,000, and Supporting Small Businesses whereby businesses facing increases in their rates bill due to losing small business rates relief will have their increases restricted to £600 per annum. The government expects local authorities to introduce these 2 schemes using their section 47 powers.

2.0 Recommendations

2.1 That the discretionary discount scheme (Revaluation Support) detailed in Appendix 1 of this report be approved pursuant to the Council's powers under section 47 of the Local Government Finance Act 1988.

2.2 That the scheme be agreed for this financial year only, i.e., from 1 April 2017 to 31 March 2018. A further report will be presented to Cabinet in 2018 detailing the proposed schemes for 2018/19, 2019/20 and 2020/21 once actual scheme take up and cost is known for 2017/18 and whether or not funding allocations for each year can be moved from one year to another.

2.3 That the 2 schemes announced in the March budget (Support for Pubs and Supporting Small Businesses) and detailed in sections 4.0 – 5.3 of the report be approved pursuant to the Council's powers under section 47 of the Local Government Finance Act 1988.

2.4 That the Chief Finance Officer be authorised to implement the three schemes as detailed in Appendix 1 and sections 4.0 – 5.3 of this report so that the agreed discretionary discounts for business rates can be awarded in compliance with the scheme criteria.

3.0 Detail

Discretionary Discount Scheme – Revaluation Support

3.1 Business rates (also known as non-domestic rates) are payable by the occupiers or owners of all non-domestic premises. The amount payable is based on the rateable value and this is assessed by the Valuation Office Agency (part of HMRC). The rateable value broadly reflects the annual rental value of the property. The VOA maintain a Rating list which shows the rateable value of each property in each council's area.

3.2 Every 5 years there is a revaluation whereby the rateable values are reviewed and a new rating list compiled. However the revaluation that was due in 2015 was postponed until 2017 so it has been 7 years since this was last done. As rental values have changed dramatically over the last 7 years this is reflected in the new rateable values that took effect from 1 April 2017. For Brent the total rateable value increased from £285,256,183 to £318,929,082, an increase of

11.8%. This has resulted in some properties seeing very large increases in their rates bills for 2017/18 when compared to 2016/17. Whilst there is a transitional relief scheme that limits the increases in bills for 2017/18 and subsequent years, (see table below), businesses are still experiencing increases well above inflation.

Transitional Relief Scheme – Increases in bills restricted to percentages shown

Size of Business	2017/18*	2018/19	2019/20	2020/21	2021/22
Small (up to £28,000)	5%	7.5%	10%	15%	15%
Medium (£28,001 to £100,000)	12.5%	17.5%	20%	25%	25%
Large (£100,001+)	42%	32%	50%	16%	5%

*For 2017/18 inflation of 2% is also added

There are 3,904 "small" businesses (59% of all small businesses), 622 "medium businesses (40% of all medium businesses) and 52 "large" businesses (11% of all large businesses) who qualify for transitional relief in 2017/18. Overall 53% of businesses in Brent are entitled to transitional relief

3.3 In this year's March Budget, the Government announced £300 million for local councils to finance business rates relief for revaluation support. The Government's extra funding will only support relief schemes targeted at businesses facing an increase in their business rate bills following the 2017 revaluation. The Government's draft allocation of funding for Brent is:

	Amount of discretionary pot awarded (£000s)				
LA	2017-18	2018-19	2019-20	2020-21	Total
LB Brent	1,096	532	219	31	1,878

3.4 The council will therefore need to design its own local discretionary discount scheme for revaluation support, the purpose of which is to provide support to those businesses facing increases in their bills because of the revaluation. The relief scheme will be administered under section 47 of the Local Government Finance Act 1988 as amended. In March 2017 the government issued a consultation paper on its proposals for the design and implementation of the locally administered Business Rates Relief scheme. It is a condition of the funding that relief can only be awarded to ratepayers facing increases in their bills as a result of the revaluation, it further assumes that relief will be given to those ratepayers facing the highest increases and will target ratepayers occupying lower value properties. It has yet to announce whether or not shortfalls in meeting the fund allocation for 2017/18 can be transferred to subsequent years. So for example if relief totalling £900,000 is awarded in 2017/18 can the shortfall of £196,000 be carried over to 2018/19?

3.5 Any scheme needs to be transparent, easy for ratepayers to understand and easy to administer. Seven key criteria on scheme design were identified, these being-

1. Should the discount be a lump sum or a percentage?
   Lump sums can be disproportionate to size of property whereas a percentage is proportionate and provides more help to those facing the

largest increases. It is therefore suggested any relief will be a percentage discount of the net charge rather than a lump sum

2. Should the scheme target specific areas within Brent or be general across all areas?
   The revaluation will reflect the locality in terms of movement in rental values over the past 7 years as this will be reflected in the new rateable value. In addition there will be businesses in all areas that will see above inflation increases in their rates bill so by excluding these because they are not in a specific area will be seen as unfair and may be open to challenge. It would also become administratively cumbersome to restrict relief to areas – where would the boundaries be? It would therefore be sensible for relief to be applied equally throughout the borough.

3. Should relief be restricted to local companies or say only to those that are liable nationally for less than 6 properties?
   It can be argued that national companies will be in a better position financially to meet their rate liabilities as in some parts of the country some of their properties may see reductions in their rate liabilities. In addition any scheme will be subject to state aid rules which limits the amount of relief a company can receive over a 3 years period. This may well rule out many national companies as they received retail rate relief in 2015/16 which counts as state aid, however it would still prove administratively difficult to administer and check for many national companies if they were included in the scheme. This condition will also result in relief targeting local companies. It is therefore recommended that to relief be restricted to only those organisations who are liable for less than 6 properties nationally

4. Should relief target small and medium sized businesses only or also be available to some large businesses?
   The consultation paper expects relief schemes to target those businesses occupying lower value properties. There is no definition of lower value properties, although in calculating the amount of support available the government had regard to businesses with a rateable value of less than £200,000. It seems reasonable to include properties with rateable values of up to £200,000 in any scheme design, particularly as transitional relief will mean that those with rateable values of over £100,000 could potentially see increases in their bills of 45% in 2017/18. By excluding national companies many in this rateable value range will be local businesses

5. Should relief for certain property types or usage, e.g., betting shops, banks, etc., be excluded?
   Some types of business maybe considered anti-social and so excluded from relief. The council itself may want to discourage certain types of business. The retail rate relief scheme set a precedent when certain types were excluded, this relief was aimed at helping the retail sector and excluded financial institutions, betting shops, etc. By restricting

relief to organisations liable for less than 6 properties many financial institutions, betting shops, etc., will be restricted as the majority of these types are operated by national chains so it is questionable whether or not there is a need for this. In addition the relief will target all sectors, i.e., manufacturing, industrial, etc., many of which are key to providing growth and employment

6. Should relief be restricted to occupied properties only, i.e., those that were occupied on 1 April 2017, in order to encourage owners of empty properties to bring them back into use?
   The council supports bringing empty properties back into use so anything that helps achieve this should be included in any scheme conditions

7. Should businesses who had business rate arrears at 1/4/2017 be excluded from relief?
   The government in its consultation paper stated that relief should target those businesses facing increases in their rates bills. If the business had arrears at 1 April 2017 the business cannot argue that they are struggling to pay due to increase in their 2017/18 rates bill. This would not apply to any business that became liable for business rates after 1 January 2017 as there may have been good reason for not paying by 31 March 2017, In addition arrears would have to be more than £500.00 and be subject to recovery action (post Liability Order)

3.6 It is also a condition that the council must consult with the GLA on its proposed scheme. In view of this, and that the scheme needs to be agreed as soon as possible so that businesses can benefit from it, a draft scheme was designed in order to seek the views of the GLA. However as well as consulting the GLA in its scheme design and proposal it was decided to extend the consultation to other business organisations and local businesses as well. The consultation asked 7 questions on the principles of scheme design as detailed in 3.5 above, as well as a final question on the proposed discount scheme. The consultation started on Tuesday 30 May and asked for responses by Friday 9 June. Responses were received from 15 organisations/ratepayers and are summarised below:

Question	Agree	Unsure/ No View	Disagree	Comments
1 – Percentage discount?	12	2	0	None (1 respondent did not answer)
2 – Apply to whole council area?	13	2	0	None
3 – Apply to local companies only?	13	2	0	None
4 – Apply to properties with RV between £100K and £200K?	7	3	5	Small businesses wished the scheme to concentrate on relief for small businesses
5 – Apply to all	8	1	6	Those who disagreed would

property types?				like betting shops in particular excluded and 2 of also referred to financial institutions
6 – Occupied properties only?	11	1	3	No comments from organisations who disagreed
7 – Businesses with rate arrears be excluded from the scheme?	8	3	4	Most thought we should award to those in genuine hardship or be given an opportunity to clear arrears before being awarded relief
8 – Agree with proposed scheme?	10	3	0	Overall agreement, no specific comments (2 did not answer)

3.7 Responses were received from the Federation of Small Businesses, West London Business, the GLA and 12 independent companies. There was broad agreement on 5 of the 7 questions, the 2 provoking the greatest response or disagreement were on excluding certain types of business and restricting relief to ratepayers who had no arrears on 1 April 2017. With regards to relief being available to all types of businesses it is recommended that betting shops be excluded and this has been incorporated into the scheme criteria as detailed in Appendix 1. In addition those ratepayers with arrears at 1 April 2017 will not be automatically excluded – they will be given an opportunity to either pay any arrears in full or to agree a repayment plan before relief is applied. Unsurprisingly the majority of small independent businesses who responded wished relief to concentrate on small businesses.

3.8 In formulating the draft scheme it is proposed that properties be divided into small (up to £28,000 rateable value), medium (between £28,001 and £100,000), and large properties as in the transitional relief scheme. However it is recommended that a cap of £200,000 be put on large properties so that any property with a rateable value of £200,000 or more will not qualify. It is also recommended that:-

- That only businesses who have seen increases in their rate bills in 2017/18 when compared to 2016/17 of more than the percentages specified in the tables below and in Appendix 1 be considered for relief
- The relief be a percentage discount of the net bill
- That the scheme applies to all of the council's area
- That any company who is liable for 6 or more properties nationally be excluded
- That apart for betting shops and gaming establishments the scheme be open to all property types
- That properties unoccupied on 1 April 2017 be excluded from the scheme
- That businesses who have arrears of business rates from previous years be given an opportunity to either pay these in full or agree a repayment arrangement before being considered for relief.

3.9 The scheme will apply for the financial year 1 April 2017 to 31 March 2018 and will provide for relief to be awarded at different percentages depending on the percentage increase in the property's rate bill for 2017/18 and its size, i.e., small, medium or large as per the table below. The relief will be a percentage discount off the net bill (excluding any business rates supplement). The table below also shows estimated number of qualifiers:

1. Small properties (up to £28,000) rateable value

Increase in Bill	Amount of Discount (percentage of net charge)	Actual Increase after relief	Number of properties that may qualify
3.00% - 4.99%	2%	1% - 2.99%	61
5.00% - 6.99%	3%	2% - 3.99%	87
Over 7.00%	4%	3%+	1,428
Total			1,,576

2. Medium Properties (rateable value between £28,001 and £100,000)

Increase in Bill	Amount of Discount (percentage of net charge)	Actual Increase after relief	
5.00% - 7.99%	3%	2% - 4.99%	58
8.00% - 10.99%	4%	4% - 6.99%	65
Over 11.00%	5%	6%+	421
Total			544

3. Large properties (rateable value between £100,001 and £199,999)

Increase in Bill	Amount of Discount (percentage of net charge)	Actual Increase after relief	
Over 15.00%	5%	10% +	39

3.10 The total number of properties that may be entitled to relief under this scheme is 2,159, this being 26% of all business ratepayers in Brent. This is based on excluding national companies and those properties that were unoccupied on 1 April 2017. Of the 2,159 businesses entitled to relief 1,576 (73%) are small businesses, 544 (25%) are medium and 39 (2%) large businesses. The estimated amount of relief that will be awarded is £941,000, this allows for some tolerance and movement so that it does not exceed the amount of funding allocated to Brent for 2017/18 (£1,096,000).

3.11 The scheme is the fairest way of distributing Brent's allocation of government funding for extra relief because:-

- It would ensure that the value of the extra relief given out is proportional to the amount that a businesses' bill has increased by. Those local businesses facing the most significant increases in their bills following the revaluation, would receive the most support under the proposed scheme.
- It would ensure that the extra relief available supports different types and sizes of business across the whole borough, rather than just being concentrated on a very small number of businesses or any one particular high street or sector.
- It provides for a consistent method of calculating how much relief to award any one business, ensuring that the relief scheme is transparent and that businesses are treated fairly against a clear criteria
- This scheme will be easy to administer requiring less manual intervention thus making it less costly than other schemes that were considered.

3.12 It is also recommended that some discretion be included in the scheme so that companies facing particular short term difficulties due to the increase in rates may be awarded relief over and above that set out in the tables above and in Appendix 1. They would have to demonstrate financial hardship and that the award of relief will help the long term sustainability of the company. The amount of relief would be restricted to the actual increase in rates bill resulting from the increase in rateable value as a result of the revaluation.

3.13 The scheme will apply for 2017/18 only in order we can measure take up and success. The government has yet to confirm whether or not any unspent funding (or overspend) for 2017/18 can be offset against subsequent years. In addition the council will be best placed to carry out modelling on the scheme for 2018/19, 2019/20 and 2010/21 in the latter half of this year. A further report will therefore be presented to Cabinet in the final quarter of 2017/18 recommending the discount scheme for these 3 years

3.14 Entitlement to relief will also be subject to State Aid rules whereby a business must not have received state aid exceeding 200,000 euros in the last 3 years (current year plus preceding 2). State aid includes reliefs, grants, interest rate and tax relief, subsidies, guarantees, etc. The business will be required to sign a declaration confirming this. As we have identified the potential qualifiers these will be sent an application form to confirm they meet the criteria including the state aid provision. Where forms are not returned we will try and contact them by telephone and/or email in an effort to maximise take up of the scheme.

3.15 Full details of the scheme and criteria are detailed in Appendix 1. There will be some administrative costs in implementing and administering the scheme, however the government has announced there will be funding available via New Burdens to cover all or part of it. An initial allocation of £12,000 has been announced, further funding for re-billing will follow.

4.0 Support for Pubs

4.1 The government announced in its Spring Budget business rates relief for public houses and premises. This proposes a £1,000 discount for pubs that have a rateable value of less than £100,000. This scheme is for the financial year 2017/18 only. The government expects local authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 to award this relief. The DCLG issued final guidance on the award of this relief in its Business Rates Information letter dated 20 June 2017 (BRIL 4/2017) and the scheme will be implemented in accordance with this guidance.

4.2 This relief will also be subject to state aid rules. Approximately 70 businesses have been identified as potential qualifiers and applications will be sent as soon as guidance is released. Councils will be fully reimbursed for the costs of reliefs awarded as well as receiving some administrative costs. There is therefore no or little cost to the council of operating this scheme.

5.0 Supporting Small Businesses

5.1 In the Spring Budget the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business rate relief.

5.2 The supporting small businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business rate relief and, as a result, are facing large increases in their bills. To support these ratepayers, the supporting small businesses relief will ensure that the increase in the bills of these ratepayers is limited to £600 per year (£50 per month). Qualifying ratepayers will receive this relief each year until their actual rate liability is reached. As with the other schemes the government expects local authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 to award this relief.

5.3 Full guidance on the scheme criteria and operation of the scheme was provided by the Department of Communities and Local Government in May 2017. The scheme will therefore be implemented in accordance with this guidance. Councils will be fully reimbursed for the costs of reliefs awarded as well as receiving some administrative costs. There is therefore no or little cost to the council of operating this scheme.

5.4 This relief will also be subject to state aid rules. 159 businesses have been identified as potential qualifiers and letters have been sent advising them of their potential entitlement. Software changes are required in order to apply the relief to their account, this is expected in August/September, and as soon as this is received relief will be applied to their accounts

6.0 Financial Implications

6.1 The three schemes described in this report were announced by the government in its Spring 2017 Budget. The actual cost of providing reliefs for small

businesses and public houses are fully funded by way of a Section 31 grant. The cost of the Revaluation Support Scheme will be funded by a separate grant with fixed allocations. As this is intended to be locally designed scheme the total cost may vary from the Government's allocation. Financial Modelling has been undertaken to determine the cost of the proposed scheme, which is estimated at £941,000 and is £155,000 lower than the Government's allocation of £1,096,000 in 2017/18. The actual cost may vary marginally as a result of new businesses and changes to valuations but it is not expected to exceed the grant allocation.

6.2 There will be some additional administrative costs borne by the council in implementing and administering these schemes, estimated to be in the region of £15,000 - £25,000. The government has announced that there will be new burdens funding available meet these costs, an initial allocation of £12,000 has been provided for, additional amounts to cover the cost of re-billing, etc., will also be made, although actual amounts have yet to be decided.

7.0 Legal Implications

7.1 These schemes were announced by the government in the Chancellor's Spring Budget in March 2017. Rather than introduce legislation the government expects authorities to implement these schemes by using their discretionary relief powers, introduced by the Localism Act. Section 69 of The Localism Act 2011 amended section 47 of the Local Government Finance Act 1988 to allow authorities to grant business rate discounts. Under this provision authorities can create their own discount schemes in order for example to promote growth and jobs in its area, or specified areas. Any such scheme would need to be approved by the Council's Cabinet.

7.2 Normally the authority would have to fund its share of the cost, however the government will fully fund the costs of the Supporting Small Businesses and Support for Puns schemes as it expects authorities to implement these schemes in accordance with the guidance. With regards to the Revaluation Support discount scheme the government will fund relief up to its funding allocation for 2017/18 of £1.096M. It has yet to confirm whether or not any overspend or underspend can be offset against subsequent years' allocations. It has announced that there will be new burdens funding available for administering these schemes

7.3 State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. Relief for each of these three schemes will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (as set out in Statutory Instrument 1407/2013).

7.4 The De Minimis Regulations allow an undertaking (in this case, a business) to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). Officers will need to familiarise themselves with the terms of this State Aid exemption when considering whether to award business rate relief upon receipt of business relief applications, in particular the types of undertaking that are excluded from

receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2)) and the requirement to convert the aid into Euros.

7.5 To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. It should be added that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

8.0 Diversity Implications

8.1 An Equality Impact assessment has not been carried out as these schemes are aimed at helping businesses, so that no-one will be adversely affected. Those who are likely to be entitled have been identified and will be sent application forms, the council's web site will also be updated to advise of these schemes. It is anticipated that those who having been identified as potentially entitled and do not apply will be sent follow up letters to ensure maximum take up, as well as contact by telephone or email.

9.0 Staffing/Accommodation Implications (if appropriate)

9.1 None

Background Papers

DCLG Business Rates Information letter dated 9 March 2017 - 2/2017 – Spring Budget

DCLG Consultation Paper March 2017 – Proposals on the design and implementation of the locally administered Business Rates Relief Scheme

DCLG Letter 15 May 2017 – Spring Budget 2017 – Business Rates Relief Schemes

DCLG May 2017 - Supporting Small Business Relief Scheme – Guidance

DCLG Business Rates Information Letter (BRIL 4/2017) dated 20 June 2017 – Spring Budget

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APPENDIX 1 NNDR Discretionary Discount Scheme – Revaluation Support

A. Scheme Criteria

1. The Revaluation Support Rate Relief Scheme applies for the year 1 April 2017 to 31 March 2018 only. Under the scheme relief will only be provided where a qualifying ratepayer's bill has increased due to the 2017 revaluation. The property must be entered in the Rating List and be situated in the area of the London Borough of Brent

2. Ratepayers who may benefit from the Scheme will be in occupation of a property with a rateable value of less than £200,000

3. Ratepayers will be excluded from relief where any of the following apply:-

- The ratepayer is liable for business rates in respect of six or more properties in the U.K
- The ratepayer is in receipt of small business rate relief support which limits increases on small properties caused by the loss of small business rates relief o £600.
- The ratepayer was not in occupation of the property on 1 April 2017
- The property for which the ratepayer is making the application in respect of was not entered in the rating list at 1 April 2017.
- The property for which the ratepayer is making the application in respect of was unoccupied on 1 April 2017.
- The ratepayer had arrears of business rates on 1/4/2017 of £500.00 or more from previous years and these have not been cleared or an arrangement agreed by the time the application for revaluation support is made
- The ratepayer is operating a betting shop or the property has gaming machines present on the premises

B. Calculation of Relief

1. Local discretionary business rate relief is calculated after any or all of the following have been applied:

- Exemptions and other Reliefs
- Transitional Relief or Premium
- And before the application of the Business Rates Supplement. Local discretionary business rates relief does not apply to the supplement.

2. In accordance with the terms of the Government grant for local discretionary business rate relief, all ratepayers are subject to a two percent inflationary increase on their bill to which the relief will not apply.

3. The business must have seen an increase in their rates bill for 2017/18 when compared to 2016/17 as a result of the revaluation, this being calculated as detailed in the above criteria

4. If the increase in rates bill is within the parameters in the table below and the ratepayer meets all the criteria detailed above relief is awarded as a percentage reduction in their net bill for 2017/18 as detailed in the tables below (after the reliefs and exemptions described above and before the business rates supplement):

Small properties (up to £28,000) rateable value

Increase in Bill	Amount of Discount (percentage of net charge)
3.00% - 4.99%	2%
5.00% - 6.99%	3%
Over 7.00%	4%

Medium Properties (rateable value between £28,001 and £100,000)

Increase in Bill	Amount of Discount (percentage of net charge)
5.00% - 7.99%	3%
8.00% - 10.99%	4%
Over 11.00%	5%

Large properties (rateable value between £100,001 and £199,999)

Increase in Bill	Amount of Discount (percentage of net charge)
Over 15.00%	5%

5. Where a qualifying ratepayer's 2017/18 and, or 2016/17 rates bill is reduced for any of the following reasons, the amount of their relief will be reduced or removed accordingly:

- A reduction in rateable value in the 2010 and, or 2017 rating lists
- The provision of a certificated value for the 2010 rating list or historical change
- The application of any additional rate relief or exemption
- Vacation and re-occupation of the property
- Any other reason

6. Where a ratepayer qualifies for relief but even after award of relief is still experiencing severe short term difficulties due to the increase in rates then discretion may be used to award relief over and above that set out in the tables above. The ratepayer would have to demonstrate financial hardship and that the award of relief will help the long term sustainability of the company. The amount of relief would be restricted to the actual increase in rates bill resulting from the increase in rateable value as a result of the revaluation.

C. State Aid

Relief will not be awarded where the award of relief would not comply with EU law on State Aid. The application form requires the ratepayer to confirm that they have not received any other State Aid that exceeds in total €200,000, including any other rates relief (other than exemptions, transitional or mandatory reliefs) being granted for premises other than the one to which the declaration and letter relates, under the De Minimus Regulations EC 1407/2013.

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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director Regeneration and Environment**
	Wards Affected: All

On- Street Parking Management Review

1.0 Summary

1.1 This report provides Cabinet with information on the outcome of the On-Street Parking Management Review which was initiated following Cabinet approval on 15 November 2016.

1.2 This report provides details of an analysis of feedback from the public to identify levels of demand for changes and also a desktop analysis to identify areas where there may be on-street parking pressures.

1.3 It provides a programme for the development of new CPZs and CPZ reviews to optimise on-street parking management in areas where there is high level of demand and on-street parking pressure.

1.4 The report also considers anticipated future levels of demand and a continuing annual review programme.

2.0 Recommendations

2.1 That Cabinet notes the responses to the online survey and requests for changes to parking management in the borough.

2.2 That Cabinet notes the prioritisation methodology and approves the 2017/18 – 2018/19 programme for reviewing on-street parking management.

2.3 That Cabinet notes the financial implications within this report and agrees a budget provision of £0.34m to deliver the programme.

2.4 That Cabinet approves the programme for implementing changes to on-street parking arrangements in prioritised areas, subject to public consultation and further approval by Highways Committee.

2.5 That Cabinet agrees that the online information, guidance and application process for parking changes remains in place, and that these requests are considered when developing future programmes for Cabinet approval in January each year, with six monthly interim reports providing information on levels of demand and programme progress to Highways Committee.

2.6 That Cabinet authorises lead officers to the lead petitioners to inform them of the decisions in relation to their petition, as set out in **Appendix A** of this report.

2.7 That Cabinet notes and approves officers' responses to other requests and to comments related to policy decisions in paragraphs 4.22, 4.24 and in **Appendix A,** that are considered outside of the scope of this review.

3.0 Background

3.1 Current area wide parking controls in the borough comprise of;

- 40 Controlled Parking Zones (CPZs) covering approximately 35% of the borough
- Wembley Stadium Protective Parking Scheme (WSPPS) event day only controls covering approximately 35% of the borough (streets can be in both a CPZ and the WPPS)
- Approximately 30% of the borough does not have area wide parking controls
- Approximately 25% of the borough is in the WPPS but not in a CPZ, therefore CPZs could be introduced in approximately 55% of the boroughs streets

3.2 In recognition of an increase in public demand for parking management changes in the borough, Cabinet approved the report titled; On-Street Parking Management Review at the meeting on 15th November 2016 which set out the approach, scope and how a programme would be developed and implemented.

4.0 Detail

Communication

4.1 Officers developed a communications plan in consultation with the Lead Member for Environment. This communication plan used various media and aimed to make the public aware of the fundamental aim of the review.

4.2 Information about the on-street parking management review and an online application form was made available from 1st December 2016 whereby residents and businesses could apply for new CPZ's, changes to existing CPZ's or the Wembley Stadium Protective Parking Scheme (WSPPS) or new waiting and loading restrictions.

4.3 Residents and businesses who participated in the online survey were also contacted and encouraged to submit petitions to demonstrate community support for proposed new CPZs or reviews of existing CPZs.

4.4 A deadline of 24 April 2017 was set for considering responses for the current on-street parking management review programme. However respondents were informed that requests received after this date will be considered for a future programme.

Demand

4.5 These publicity and awareness activities resulted in the Council receiving 12 petitions and 464 requests either for new CPZs, the review of existing CPZs or for yellow line restrictions. CPZs have been considered in areas where on-street parking pressures were demonstrated through a high number of requests and from parking surveys.

4.6 CPZs were considered in areas where on-street parking pressures were demonstrated through a high number of requests and from parking surveys. CPZs are usually introduced to clusters of streets, in order to minimise the potential for parking being displaced into neighbouring streets. Only streets adjacent to an existing CPZ will usually be considered on an individual basis. For this reason, officers will consider including adjacent streets in the area when developing schemes for consultation.

4.7 Proposals for new CPZs or changes to existing CPZs will be dependent on the outcome of a full formal consultation process. The outcome and recommendations will in each case be determined by the Highways Committee.

Petitions

4.8 Up to the 24th April, 12 petitions had been received by the Council in response to its on-street parking management review feedback request.

4.9 **Appendix A** provides detailed information relating to these petitions, including the number of verified signatures and officers comments and recommendations.

Comments by councillors

4.10 Officers received several comments from Councillors broadly relating to removing P&D machines, free Sunday Parking, parking bay sizes and enforcement.

4.11 Councillors also requested the following changes;

- Kensal Triangle is in KG Zone, it operates Monday to Friday from 8.30 am to 6.30 pm but there are parking pressures during Notting Hill Carnival. Residents should be consulted on restricting parking at weekends and for the Notting Hill Carnival period.

- Wembley Traders are requesting the provision of Pay and Display parking bays on Wembley Park Drive and in the area.

4.12 Officers will consider these comments in the design of parking changes in the borough. Officers considered a review of KG zone to help mitigate the effects of

the Notting Hill and P&D parking in the Wembley Park Drive for inclusion in the programme.

Analysis of online requests

4.13 An analysis of requests received between 2nd December 2016 and 24th April 2017 has been summarised below. It should be noted that we did not receive a sufficient number of online requests for changes to individual streets or areas to indicate a high level of support for changes, as typically there were only one or two requests per street.

4.14 464 responses for changes to parking restrictions were also received. Some responses included more than one request, e.g. requesting new CPZ and yellow line restrictions. Of those that requested changes, 307 already live in a CPZ, 157 do not and 75 live in the WPPS area.

4.15 For new CPZ requests: there were 112 requests (24% of all requests) for new CPZs from areas that are not in a CPZ, of which only 19 said they would submit a petition. Most requests were from HA9 (1 petition, 24 requests), NW10 (1 petition, 20 requests) and HA0 (19 requests).

4.16 A detailed breakdown of petitions and requests for new CPZs by postcode have been provided in **Appendix B**. The results have also been reflected on the CPZ map of the borough **in Appendix C** to assist with identifying clusters of higher demand, and potential future opportunities to extend existing CPZ boundaries to the neighbouring streets who have asked for CPZ.

4.17 However, since only one petition (with 15 signatures) has been received relating to North End Road (in the Wembley stadium area), and there is no indication of high levels of support, these opportunities will be considered as part of a future programme.

4.18 Based on the petitions and requests received three new CPZ schemes for the following streets are recommended. These schemes have high scores in the prioritisation matrix in **Appendix E**.

- New CPZ on Parkside and Campbell Gordon Way
- New CPZ on North End Road and surrounding roads
- New CPZ in Honeypot Lane area (Alpine House development, already planned using S106 funding following representations from residents in 2016)

Requests for CPZ Reviews

4.19 There were 9 petitions and 258 requests (56% of all requests) for a review of existing CPZs. Most requests came from zone GM (5 petitions, 30 requests), zone C (2 petitions, 20 requests), zone E (2 petitions, 2 requests), zone MW (19 requests) and zone KQ (18 requests).

4.20 44 requests asked for increasing operation days or times, 90 requests asked for reducing operation days or times, and 106 requests asked for something else, or didn't specify what changes they want.

4.21 A summary of petitions is provided in **Appendix A** and requests for new CPZs and requests to review existing CPZs and the Wembley Stadium Protective Parking Scheme (WSPPS) have been provided in **Appendix B**. New CPZ requests and CPZ reviews are reflected on the CPZ map of the borough in **Appendix B** to help visually identify CPZs with a higher demand for change. All requests for CPZ reviews which are supported with a petition, have been scored in the prioritisation matrix in **Appendix E.**

Requests for changes to the WSPPS

4.22 We received 13 requests and 1 petition (petition 9) in relation to WSPPS. A comparatively small number of requests to changes to the WSPPS were made given the context of the number of permits issued and the increased number of events that will be held at Wembley National Stadium in 2018/19 with temporary arrangements for Tottenham Hotspur FC. It is therefore not recommended that changes to the WSPPS are made in the programme.

Requests for yellow line restrictions

4.23 A total of 59 (13%) of responses were yellow line requests, of which 9 did not include information about the underlying parking issues which are sought to be addressed. These requests will be assessed for inclusion in Transport for London (TfL) funded annual short sections of waiting restrictions programme.

Other requests

4.24 During the review of responses received from residents and businesses, the following themes related to on-street parking issues were identified, many of which are considered outside of the scope this review.

- Requests for better enforcement: 22 requests, these requests have been passed to the Parking enforcement team for review and action.
- Requests for provision of more P&D bays: 7 requests, Officers recommend that these are included in the review programme.
- Complaints about large number of vans and large vehicles which occupy excessive length of kerbside, and are sometimes left on streets for long periods: 9 requests, Officers recommend that this issue is subject to a separate report to Highways Committee.
- Requests for clarification and consistency as to (whether or not) bank holidays are included within CPZ operation times: 2 requests. Information about CPZ operation during bank holidays is available on the Councils website. Bank Holiday restrictions are also indicated on CPZ entry signs.
- Complaints about excessive number of new crossovers across the borough which has reduced available number of on-street parking spaces: It has also been suggested that parking bays should be marked in front of crossovers. Officers note concerns and recommend that this should be considered when the Vehicle Crossover and Parking Policies are reviewed. Although parking bays outside crossovers would enable residents to park legally across their access, this is likely to result in obstructive parking.
- Requests for marking individual on-street parking bays, seeking to increase the number of cars able to park on kerbside: 3 requests. Officers do not recommend that individual parking bays are marked as this would reduce flexibility for

parking and would be more likely to reduce the number of parking bays available, especially where smaller vehicles are parked.

- Request for updating existing detailed CPZ maps which sometimes do not include up-to-date information about different types of parking bays located inside controlled parking zones: 2 requests. The CPZ map on the Councils website does not provide detailed information on the type and number of parking bays in the area. Plans can be updated as areas are reviewed. Officers do not believe that making detailed plans available will be particularly useful to residents.
- Among the requests for reduced operation times in existing CPZs, 9 requests explicitly asked for short (i.e. up to 2 hours) restriction times in the morning and afternoon in order to deter commuter parking, while allowing free visitor parking. Officers in Parking are of the opinion that short duration restrictions will result in on-street parking pressure during times when restrictions are not in place; and significantly increase the difficulty of providing enforcement because of the resulting inefficiencies in the deployment of Civil Enforcement Officers. Officers have undertaken a benchmarking exercise through London Councils, and recommend that a report on the advantages and disadvantages of short duration CPZs is considered in more detail at a future Cabinet meeting.
- Install meters which you can post-pay (i.e. pay after time has elapsed) rather than having to estimate how much time parking may be needed. Officers do not consider that this would be beneficial in terms of managing short term visitor parking, would increase non-payment, and would in practice be impossible to enforce as: CEOs would be unable to anticipate which motorists might seek to evade payment; and vehicles would be driven off before a check could be made. There is no legal mechanism for issuing retrospective penalty charge notices (PCNs).

Desktop Analysis

4.25 A desktop analysis was carried out using available data to identify where there may be on street parking pressures; considering the mix of on–street parking spaces available, number of properties and businesses in the area, and the number of parking permits issued. The purpose of this exercise was to use data available to indicate areas where there is likely to be on-street parking pressures and those which are likely to have additional capacity.

4.26 The number of on-street parking spaces available in each zone were obtained from the figures specified in Brent Annual Parking Review Report 2015-2016 and were updated, as necessary, using detailed layout maps of the CPZs in the borough. The analysis considered the number of residents parking permits in each zone in comparison to the number of parking bays available and the number of PCNs issued in each zone relative to the number of parking bays available to residents.

4.27 **Appendix D** is a plan showing zones that are likely to experience parking pressure in relation to the number of permits issued against spaces available.

4.28 Officers are of the opinion that it may be beneficial for some zones be merged together, subject to consultation. This aims at providing more parking spaces for the residents of zones with higher parking pressure. The residents of zones with lower parking pressure may also find it desirable to be able to park in a higher

number of streets in the area. As no petitions or a significant number of requests have been received in relation to reviewing these zones, no further actions are recommended at this stage and these opportunities should be considered in the future.

4.29 Officers have also considered the number of one year permit sales in the borough for all zones in relation to operational days and times, to predict the impact on any changes to the number of permits likely to be purchased by residents in comparison with the likely cost of management and enforcement. . However, this is not a consideration in the CPZ decision making process and is for budget planning purposes only.

5.0 Prioritisation of new CPZ and CPZ review programme

Prioritisation methodology

5.1 The most suitable criteria which can establish legitimate demand for change (either as new CPZ or CPZ review schemes) have been identified in developing the prioritisation matrix.

5.2 Based on the petitions received, and the results of analysing survey responses and desktop study, and evidence of on-street parking pressure from surveys, 10 options for new CPZ or CPZ review have been considered in the prioritisation matrix.

5.3 A scoring system to weight these criteria was devised to score each of the above options, and produce a priority number for each scheme. **Appendix D** contains the prioritisation matrix and the scores of the options against these criteria.

Regeneration areas

5.4 Funding for introducing CPZs may be available under S106 agreements in areas where on-street parking pressures are anticipated.

5.5 CPZs may be introduced either by developers or by the Council, either as specific parking schemes or in conjunction with other highway improvements to mitigate the effects of development.

5.6 Current S106 funded schemes in the programme are as follows:

- New CPZ on North End road and the surrounding area
- Honeypot Lane area (Alpine House development)

5.7 A potential new CPZ on The Hyde, Colindale, will also be considered as part of a S106 funded public realm improvement scheme. Colindale is a regeneration area with plans in place to build circa 10,000 new homes in Barnet and circa 2,000 new homes in Brent. Barnet have also advised that they plan to introduce an area-wide CPZ within the next 18 months.

5.8 Other regeneration areas where CPZs are likely to be introduced in the future includes the Brent Cross Development, with some 200 retail outlets, restaurants and circa 6,700 new homes planned for the area. It is anticipated that circa £180,000 will be made available through developer funds via Barnet for an area-

wide CPZ in the Dollis Hill ward. The new CPZ is likely to be progressed in 2018/19. It is also anticipated that a new CPZ will be required in the Alperton area within the next few years to mitigate the effects of the Northfields development. There are also plans for a developer to introduce a CPZ in the several streets in the Barham Village development in Sudbury later this financial year.

5.9 S106 funded schemes will be included in developing the annual CPZ programme in future years.

Programme

5.10 Officers have developed a high level programme considering priority, the scale of the scheme, and resources that will be available. Required resources include:

- A project team of two engineers to deliver the programme and engage and consult with residents and local businesses. Employment costs anticipated to be approx. £012m.
- Funding to finance signage, road marking, Traffic Management Orders, and the installation of P&D machines. This is anticipated to cost £0.23m.

The design and development of projects within the programme will require extensive public engagement including; consultation, exhibitions and dealing with residents and business groups to determine parking arrangements that will meet local needs.

5.11 All proposals will be subject to public and statutory consultation including public exhibitions, and the approval of a report by a future highways committee.

5.12 **Appendix F** provides details of the programme for 2017/18 and 2018/19. Future annual programmes will be subject to approval by Cabinet.

6.0 Financial Implications

6.1 As set out in paragraph 5.10, the anticipated cost of implementing the programme of CPZs is £0.34m. The budget of £0.34m will be spent over 2017/18 and 2018/19, of this £0.09m will be financed by s106 agreements with the balance of £0.26m met initially from reserves.

6.2 The table below sets out the programme's projected expenditure and source of funding.

	2017/18	2018/19	Total
Expenditure	£m	£m	£m
Project Team	0.07	0.05	0.12
Implementation Costs	0.11	0.12	0.23
	0.17	0.17	0.34
Funding			
Section 106	0.05	0.04	0.09
Brent Council	0.13	0.13	0.26
	0.17	0.17	0.34

6.3 CPZs are implemented to improve parking management and not to make money, however, we recognise in our financial planning that they do generate income, and that this is estimated to be £0.27m annually once they are fully operational.

6.4 Any income arising from permit sales and PCN's issued to motorists contravening the new restrictions will be used to support the Boroughs transportation and traffic management initiatives.

7.0 Legal Implications

7.1 The requirements for publication and consultation regarding the making of Traffic Management Orders are set out in the Road Traffic Regulation Act 1984 (as amended and hereafter referred to as "the 1984 Act"). On-street parking restrictions are created by orders made by a local traffic authority under the provisions sections 1 and 2 of the 1984 Act (orders prohibiting or restricting the waiting of vehicles or loading and unloading of vehicles); 32(1) (b) of the 1984 Act (parking for which no payment is required) and section 45 of the 1984 Act (parking bays for which payment is made by the motorist). Other related traffic restrictions may be made by traffic management orders made under other provisions of the 1984. Controlled Parking Zones are defined in Regulation 4 of the Traffic Signs Regulations and General Directions 2002, which was made pursuant to the powers set out in the 1984 Act and the Road Traffic Act 1988.

7.2 Under section 55 of the 1984 Act, enforcement authorities must keep account of their income and expenditure in respect of on-street parking places. The 1984 Act requires that any surplus must be applied towards specific purposes as set out under Section 55(4) of the 1984 Act.

7.3 The civil parking enforcement powers of local authorities are set out in the Traffic Management Act 2004. The Secretary of State for Transport has given statutory guidance under section 87 of the Traffic Management Act 2004 to which local authorities must give due regard when exercising their parking management functions.

7.4 Decisions regarding amending current CPZs and making new CPZs will be considered and made by the Highways Committee which has scope to make decisions including scheme approval for traffic management and related matters associated with the public highway. However, for strategic and high level highways and transportation matters involving expenditure over £500k, or matters which have a significant on income, strategies or policies in respect of highways and transportation, these matters will be considered by the Cabinet.

8.0 Diversity Implications

8.1 The public sector duty set out at Section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic.

8.2 Proposed changes to parking management arrangements will be subject to public consultation and equality screening.

8.3 There are no diversity implications arising from this paper and its recommendations at this time.

9.0 Staffing / Accommodation Implications

9.1 Additional staff resources (internal or external) will be required to deliver the programme, this will require extensive consultation in developing schemes and cannot be accommodated within the existing staff structure.

9.2 A new Project Lead and two engineering staff will be required. Initially, the two senior staff will be recruited on a fixed term temporary basis, initially for 6 months. Permanent appointment will depend on future levels of demand for new CPZs and CPZ reviews in future years. It is envisaged that a third member of staff can be funded from existing budgets following completion of the departmental restructure, which is currently in progress.

10.0 Environmental Implications

10.1 There are no negative environmental implications of note arising from this report at this time.

Appendices

Appendix A - Petitions
Appendix B - New CPZ and CPZ Review requests
Appendix C - Borough plan showing locations of new CPZ and CPZ review requests
Appendix D - Plan showing CPZs with the highest and lowest parking pressure
Appendix E - Scheme prioritisation matrix
Appendix F - 2017- 2018 Programme

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Appendix A - Petitions

Petition No.	No. of Sig's	Zone	Location	Request	Source	Officers comments and recommendations
1	15	WSPPS	North End Road, Fulton Road, Albion Way, Rutherford Way area	Implementation of a subsidised CPZ in the vicinity of Danes and Empire Court (North End Road area)	Residents	These streets are in the Wembley Regeneration area and S106 developer contributions will be available for a new CPZ. Although this petition has a low number of signatures, officers are aware of existing on-street parking pressures and therefore recommend that a new CPZ in this area is included in the programme. It should be noted that the S106 funding will also be used to introduce parking controls to a wider area in the future and that the level of funding which might be available to contribute to management and enforcement costs will depend on the cost of introducing this CPZ. Permit charges are emission based and there is currently no policy on levels of subsidies that should be offered to residents from S106 developer contributions. It is therefore recommended that policy is developed in this respect for consideration by Cabinet in the future.
2	15	C / WSPPS	Wembley High Road (between nos. 584 - 604), Thurlow Gardens, and Ranelagh Road in Wembley	Providing lay-by parking spaces (for businesses and their customers) on high road and additional P&D bays in adjacent streets.	Wembley High Road Business Association	It is recommended that several options are designed to meet the requests of the petitioners, and subsequently to consult the local residents and businesses on the proposed changes. A subsidy to cover the cost of providing 30 minutes of free parking would however, require a policy change with borough-wide implications. This is outside the scope of the on-street parking management review and can be considered part of a future policy review. Changes to the WPPS are considered in paragraph 4.22 in the report.
3	1	GM	Whole zone (NW2 area)	Reduce times from 10am to 9pm to 10am to 6.30 pm	Resident	5 petitions received for various changes to zone GM .It is therefore recommended that zone GM is included in the programme so that officers can develop suitable options to satisfy local needs.
4	82	GM	Pine Road., Mora Road, Temple Road, Ashford Road and Hassop road	Maintain restrictions on as existing (10.00 am - 9.00 pm Monday – Saturday)	Residents	5 petitions received for various changes to zone GM .It is therefore recommended that zone GM is included in the programme so that officers can develop suitable options to satisfy local needs.
5	53	GM	Howard Road, Rockhall Road Oaklands Road, Ashford Road Olive Road, Helen Road, Ivy RoadElders Road and Sheldon Road	Reduce restrictions to 9am to 6.30pm Monday to Friday	Residents	5 petitions received for various changes to zone GM .It is therefore recommended that zone GM is included in the programme so that officers can develop suitable options to satisfy local needs.
6	136	GM	Howard Road, Ivy Road, Larch Road, Olive Road, Cedar Road, Oaklands Road, Helen Road	Reduce restrictions to 9am to 6.30pm Monday to Friday	Residents	5 petitions received for various changes to zone GM .It is therefore recommended that zone GM is included in the programme so that officers can develop suitable options to satisfy local needs.
7	56	GM	Pine Road, Mora Road, Ashford Road, Temple Road, Hassop Road	Maintain restriction times as existing (10.00 am - 9.00 pm) but extend to Monday to Sunday	NorthWestTwo Residents Association	5 petitions received for various changes to zone GM .It is therefore recommended that zone GM is included in the programme so that officers can develop suitable options to satisfy local needs.
8	23	N/A	Robson Avenue NW10	Introduce CPZ Mon-Fri	Residents	Robson Avenue is adjacent to zone GS (8.30 – 6.30 Mon-Fri) and is the only road which is not included in a CPZ in this area. It is therefore recommended that this request is included in the CPZ programme.
9	94	E / WSPPS	Ealing road shopping area and nearby parking bays in adjacent streets	Extend P&D stay times from 2 hours to 4 hours, provide more shared use parking bays,	Ealing Road Trade Associations	It is recommended that several options are designed to meet the requests of the petitioners, and subsequently to consult the local residents and businesses on the proposed changes. A subsidy to cover the cost of providing 30 minutes of free parking would however, require a policy change with borough-wide implications. This is outside the

				reconsider and reduce operational times to 6.30 pm and exclude Ealing Road from the WSPPS		scope of the on-street parking management review and can be considered part of a future policy review. Changes to the WPPS are considered in paragraph 4.22 in the report.
10	50	C,E & WSPPS	Wembley High Road and Ealing Road area	Provision of subsidised 30 minute parking, free for customers visiting businesses around Wembley High Road and Ealing Road; increasing shared parking bays for residents and business customers; and reducing the operational times of the WPPS.	High Road Business Association and Ealing Road Traders Association	It is recommended that several options are designed to meet the requests of the petitioners, and subsequently to consult the local residents and businesses on the proposed changes. A subsidy to cover the cost of providing 30 minutes of free parking would however, require a policy change with borough-wide implications. This is outside the scope of the on-street parking management review and can be considered part of a future policy review. Changes to the WPPS are considered in paragraph 4.22 in the report.
11	93	N/A	Parkside and Campbell Gordon Way NW2 (near Gladstone Park)	Introduce a new CPZ	Residents	The number of signatures indicates a high level of support for introducing a new CPZ in these streets, and it is therefore recommended that this request is included in the programme.
12	55	H	Station Road NW10 area	Council to allow parking from 08.00am to 11:00am so that staff can park their cars in the street during these hours with a note titled "postman on delivery''.	Manager of Royal Mail Delivery Office (Harlesden)	Meeting the demands of this petition would involve a significant alteration to the operational hours of this CPZ or the introduction of a specific concession for these staff. A concession would require a policy change which outside the scope of this review. Officers recommend that options are considered as part of a future policy review. Officers will also liaise with the lead petitioner on the problems being experienced to consider options for potential changes to restrictions that would benefit Royal Mail staff, and be acceptable to local residents and businesses.

Appendix B - New CPZ and CPZ Review requests

B1: Location and number of new CPZ requests

CPZ Name	Number of new CPZ Requests	Number of Petitions	Name of Streets (if >1, then followed by the number of requests)
HA0	19	0	Harrowdene Road (2); The Grange; Beresford Avenue (2) ; Heather Park Drive; Jazzfern Terrace Maybank; Windmore Close (2); Valley Gardens; Hatton Road; Fernbank Avenue; Lyon Park Avenue; The Fairway; Central Road (2); Highcroft Avenue; Pasture Road; Holland Road; Priory Crescent
HA1	1	0	Pebworth Road
HA2	0	0	
HA3	14	0	Churchill Avenue; Northwick Avenue; Northwick Circle (3); Rushout Avenue; Shaftesbury Avenue; Woodgrange Avenue; Shakespear Drive, Arnold Close, Tookey Close, Robin Grove; Preston Hill, Dorchester Way, Bush Hill Road; Draycott Avenue; Dovedale Avenue
HA8	5	0	Birchwood Court (3); Limesdale Gardens; Oakleigh Court
HA9	24	**1**	**REQUESTS:** Greenhill way; Oakington Avenue (6); Chalkhill Road; Park Chase; Rosslyn Crescent; Lonsdale Avenue; Empire Court; ; Tudor Court South; Vivian Avenue; Wellspring Crescent; Elmstead Avenue; Brook Avenue; Forty Close; Wembley Park Drive (3); Derek Avenue; Preston Road; Chamberlayne Avenue **PETITIONS:** **Petition 1** (15 signatures): North End Road, Fulton Road, Albion Way, Rutherford Way
NW2	12	**1**	**PETITIONS:** **Petition 11 (93 signatures):** Parkside, Campbell Gordon Way; **REQUESTS** Randall Avenue; Dollis Hill Avenue; Gladstone Park Gardens (2); Galsworthy Road (2); Katherine Road; Churchill Road; Oxleys Road; Princes Avenue; Crest Road; Campbell Gordon Way; Ashcombe Park
NW6	0	0	
NW7	0	0	
NW9	13	0	Mallard Court Mallard Way; Uphill Drive; The Ridgeway; Wimborne Drive (2); Avery Court; Manor Close; Grove Crescent; Sandhurst Road; Crundale Avenue
NW10	20	**1**	**REQUESTS:** Gifford Road; Casselden Road; Whitby Avenue; Cumberland Ave; Mayo Road; Robson Avenue; Paulet Way; Cumberland Avenue; Creukhorne Road (2); Airco Close; Grove Park; Knatchbull Road; Lakeside Drive; Ardley Close; St Thomas's Road; Odessa Road; Bruce Road; Acton Lane; Marian Way **PETITIONS:** **Petition 8 (23 signatures):** Robson Avenue

B2: Location and number of requests for reviewing existing CPZs (including WPPS)

CPZ	No of Requests	No of Petitions		Increase Operation Times and/or Days	Street Names		Reduce Operation Times and/or Days	Street Names		Other Requests	Street Names
C	21	**2**		6	The Avenue (Wembley); Chatsworth Avenue (2); Thurlow Gardens; Ecclestone Place (2)		4	High Road Wembley; Ecclestone Place; Crawford Avenue		**2 Petition** 10 Requests	**PETITIONS:** **Petition 2 (15 Signatures)**: Wembley High Road, Ranelagh Road, Napier Road: provide more P&D, convert some resident spaces to shared spaces **Petition 10 (50 signatures):** provide free 30min free parking; remove Wembley High Road from WPPS **REQUESTS:** Station Grove (2): remove CPZ; Thurlow Gardens, Manor Court Central Square: not specified
E	2	**2**		0			**1 Petition,** 2 Requests	**PETITIONS:** **Petition 9 (94 signatures):** reduce operation times to 6:30pm **REQUESTS:** Mount Pleasant; Lyon Park;		**2 Petitions** 1 Request	PETITIONS: **Petition 9 (94 signatures):** refer to P9 text **Petition 10 (50 signatures):** refer to P9 text Mount Pleasant: remove from WPPS
GA	4			3	Anson Road; Sneyd Road; Blackstone Road					1	Blackstone Road: not specified
GB	17			0			16	Hamilton Road; Park Avenue; Fleetwood Road (2); Geary Road (2); Dewsbury Road; Kendal Road; Ellesmere Road (8);		1	Ellesmere Road: more P&D; keep existing restrictions
GC	10			8	Sandringham Road; Lechmere Road (2); Cooper Road; Belton Road (2); Chapter Road; Acland Road		0			2	Churchill Road, Villiers Road: not specified
GD	1			1	Severn Way		0			0	

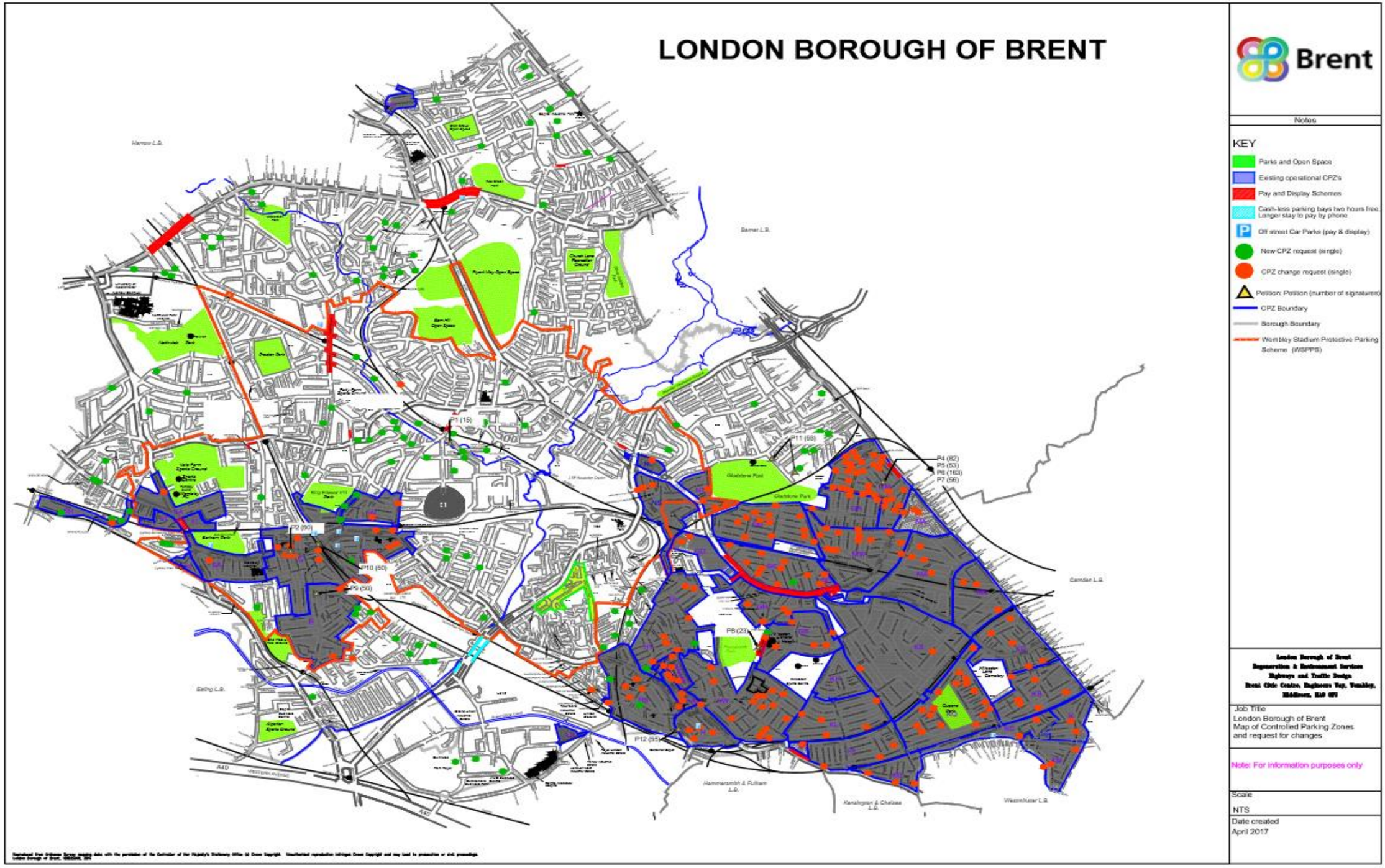
CPZ	No of Requests	No of Petitions		Increase Operation Times and/or Days	Street Names		Reduce Operation Times and/or Days	Street Names		Other Requests	Street Names
GH	5			1	Parkfield Road		1	Harlesden Road		2	Kings Road, Chambers Lane : unspecified request; Pound Lane: insufficient spaces
GM	35	**5 (inc. 1 invalid petition)**		**1 Petition** 5 Requests	**PETITIONS** **Petition 7 (50 signatures):** extend restrictions to Sundays for all roads inside the zone **REQUESTS** Temple Road (3); Langton Road (2); Mora Road		**3 Petitions** 23 Requests	**PETITIONS:** **Petition 3 (invalid due to holding only 1 signature):** reduce operation times of the zone from 10am to 9pm to 10am to 6:30pm **Petition 5 (53 signatures)**: Reduce parking restrictions between 9am to 9pm to 9am to 6.30pm from Monday to Friday only on following streets: Howard Road, Roackhall Road, Oaklands Road, Ashford Road, Olive Road, Helen Road, Ivy Road, Elders Road, Sheldon Road **Petition 6 (136 signatures):** Reduce parking restrictions from 10am to 9pm to 9am to 6:30pm from Monday to Friday only on following streets: Howard road, ivy road, larch road, olive road, cedar road, Oaklands road, Helen road **REQUESTS:** Ivy Road (2); Park Lodge (5); Olive Road (8); Wotton Road (2); Mora Road (6); Holm Lodge St; Michael's Road; Newton Road; Heber Road (2); Oaklands Road		**2 Petitions;** 10 Requests	**PETITIONS** **Petition 4 (82 signatures):** maintain restrictions on: Pine Road, Mora Road, Ashford Road, Temple Road, Hassop Road **Petition 7 (56 signatures):** maintain existing operation times on the following roads: Pine Road, Mora Road, Ashford Road, Temple Road, Hassop Road **REQUESTS** Mora Road : more P&D; Olive Road: remove car club bays; Newton Road: shift operation times to earlier morning; Mora Road, Ashford Road, Temple Road, Olive Road: unspecified requests
GS	6			1	Honeywood Road		2	Alexander Avenue (2)			Alexander Avenue; Harlesden Road; Robson Avenue (3); Ranelagh Road: unspecified request
H	4	**1**		1	Buckingham Road		0			**1 Petition** 2 Requests	**PETITIONS:** **Petition 12 (55 signatures): provide a grace period for Royal Mail cars in the morning** **REQUESTS:** Wendover road: unspecified request
HA	6			4	Charlton Road (3); Burns Road					1	Tavistock Road: unspecified request; Charlton Road: remove P&D bays; Manor Park Rd: unspecified request

CPZ	No of Requests	No of Petitions		Increase Operation Times and/or Days	Street Names		Reduce Operation Times and/or Days	Street Names		Other Requests	Street Names
HA/HW	2			0			0			2	Charlton Road: reverse HA/HW to previous arrangements; St Mary's Road:
HS	7			1	High Street Harlesden		3	Baker Road; Greenhill Road; St Alban's Road		3	Greenhill Park: unspecified request; Mordaunt Road: extend zone, provide more P&D bays
HW	23			2	Sellons Avenue; Leghorn Road		10	Furness Road (2); Ridley Road; Bramston Road (2);Palermo Rd; Odessa Rd (3); Lushington Road		11	Leghorn Road, Furness Road, Drayton Road: unspecified requests; St Mary's Road, mark individual bays; Bramston Road; Haycroft Gardens: consider merging some zones (implied), provide more P&D bays; Palermo Rd: maintain existing times;
HY	9			2	Ilex Road;		1	St Mary's Road		7	Ilex Road: increase P&D bays; Fortunegate Road, Redfern Road, Roundwood Road, Leopold Road, Cobbold Road: unspecified requests
K	3			1	Cambridge Gardens					2	Hansel Rd, Chichester Rd: unspecified request
KB	6			0			4	Charteris Road; Lynton Road (2); Tennyson Road		3	Brondesbury Villas: unspecified request, remove CPZ; Lynton Road: increase P&D bays;
KC	2			1	Albert Road					1	Denmark Road: unspecified request
KD	6			1	Dyne road		3	St Julian's Road; Torbay Road; Priory Park Road		2	Callcott Road; Priory Park Road: unspecified request
KG	3						3	Harrow Road (2); Regent Street			
KH	0										
KL	7			4	All Souls Avenue; Bathurst Gardens; Clifford Gardens; Chamberlayne Rd		2	Herbert Gardens; Bathurst Gardens		1	Chamberlayne Road: unspecified request; Herbert Gardens: extend zone area
KM	3			1	Malvern Mews					1	Malvern Road, Malvern Mews: unspecified request

CPZ	No of Requests	No of Petitions		Increase Operation Times and/or Days	Street Names		Reduce Operation Times and/or Days	Street Names		Other Requests	Street Names
KQ	20			1	Windermere Avenue		4	Harvist Road; Kempe Road; Keslake Road; Chevening Road		15	Winchester Avenue: extend zone; Windemere Ave: provide more disable baysMontrose Avenue(2), Chevening Road, Carlisle Road (3), Milman Road, Radnor Road, Creighton Road, Dudley Road, Summerfield Avenue: unspecified requests
KR_1	5			1	Harrow Road		2	Mortimer Road; Victor Road		2	Mortimer Road: changes not specified; Mostyn Gardens: combine with neighbouring CPZs to increase parking space
KR_2	0										
KS	3			1	Hanover Road					2	Redwood Court Christchurch Avenue, Slaney Court Hanover Road: changes not specified
LP	0										
MA_1	4			0			2	St Gabriels Road; Teignmouth Road		2	St Gabriels Road, Dartmouth Road: changes not specified
MA_2	3						2	Sheldon Road (2)		1	Chichele Road: unspecified request
MK	3			1	Exeter Mansions Exeter Road					2	Dartmouth Road, Cavendish Road: changes not specified
MW	24			1	Riffel Road		13	Melrose Avenue (3); Jeymer Avenue (3); Cranhurst Road (2); Gay Close; Teignmouth Road; Riffel Road; Jeymer Avenue		10	Melrose Avenue(3), Blenheim Gardens, Reynolds, Dartmouth Road, St Gabriels Road, Cranhurst Road, Riffel Road: changes not specified
NC	2			1	Neasden Lane		1	Neasden Lane			
NS	3			0			1	Balancraig Avenue		2	North Circular Road: remove from WPPS; Balancraig Avenue: remove from WPPS
NT	5			0			2	Park View Road; Normanby Road (2)		5	Mulgrave Road: remove from WPPS; Park View: increase P&D bays; Normanby Road: unspecified request, remove from WPPS, expand the zone towards Dollis Hill Lane tube station
QA	0										
SA	2			2	Watford Road; Colyton Close		0			0	

CPZ	No of Requests	No of Petitions		Increase Operation Times and/or Days	Street Names		Reduce Operation Times and/or Days	Street Names		Other Requests	Street Names
SH	1			0			0			2	Maybank Avenue: unspecified request;
ST	0										
T	0										
W	1			0			1	Mostyn Avenue		0	
Y	0										

Appendix C – Borough Plan showing locations of new CPZ and CPZ review requests



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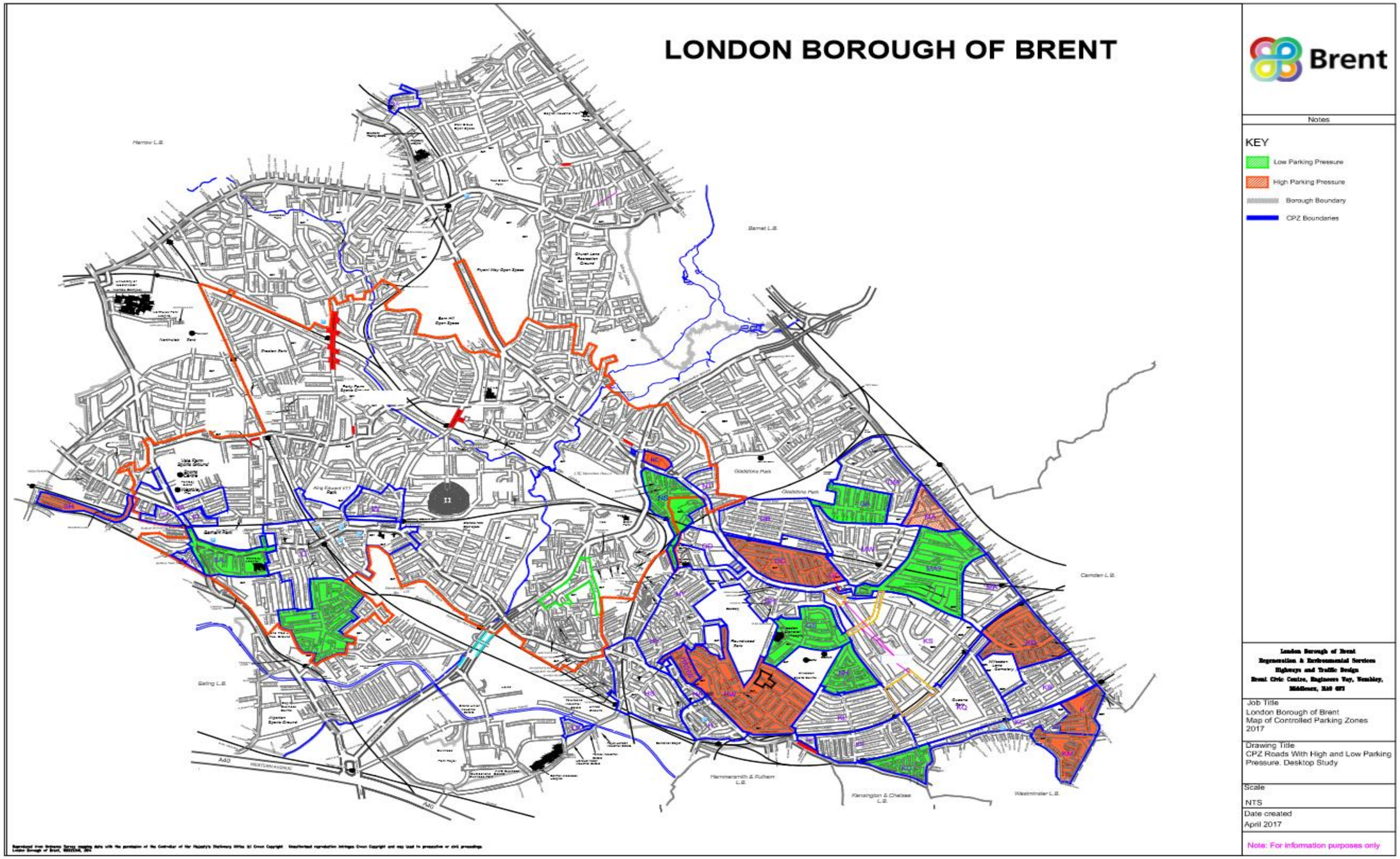
Appendix D: Plan showing CPZs with the highest and lowest parking pressure



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Appendix E: Prioritisation Matrix

New CPZ and CPZ Review - Prioritisation Matrix

Criteria	Scoring Range (min-max)	Number of Points
Scheme is supported by a valid petition	0-10	0-50 signatures:3 points 51-100 signatures: 6 points 101-200 signatures: 8 points 200+ signatures: 10 points
Scheme is supported by requests (online survey form, letter or email)	0- 5	1-3 requests: 2 points 4+ requests: 5
Evidence of on-street parking pressure (desktop analysis)	0-10	No evidence: 0 There is evidence of on-street parking pressure from desktop analysis and/or engineers' assessments: 10
Scheme area is close to a transport hub resulting in significant commuter parking	0-10	No: 0 points Yes: 10 points
Area contains sizeable developments under construction which are likely to generate significant on-street parking demand	0-5	Yes (as mentioned in petitions or requests): 5 points No: 0 points
Close proximity to local amenities, shopping areas, schools, etc.	0-5	Yes : 5 points No: 0 points
Neighbouring CPZs have significant parking demand, resulting in spill-out parking on this area	0-5	Yes: 5 points No: 0 points
Impact on traffic congestion levels	0-10	significant improvement likely: 10 some improvement likely: 5 no or insignificant improvement likely: 0
Safety related impacts	0-10	significant improvement likely: 10 some improvement likely: 5 no or insignificant improvement likely: 0

No	Description	Scheme is supported by a petition	Scheme is supported by requests (online survey form, letter or email)	Evidence of on-street parking pressure and engineers' assessment(desktop analysis)	Area close to a transport hub resulting in significant commuter parking	Area contains sizeable developments under construction which are likely to generate significant on-street parking demand	Close proximity to local amenities, shopping areas, schools, etc.	Proximity to another CPZ (applicable to new CPZ requests only)	Impact on congestion levels	Safety related impacts	TOTAL SCORE	PRIORITY	Comments
	Score Range	unlimited	0-5	0-10	0-5	0-5	0-5	0-5	0-10	0-10			
	Scores												
1	Alpine House New CPZ		5	10	5	5			10	10	**45**	**1**	
2	New CPZ on North End Road and surrounding streets	3	2	10		5	5		5	10	**40**	**2**	Heavy parking congestions - car free development area
3	Review zone C in order to 1) Provide P&D bays on High Road, Wembley (between 584 - 604) 2) Provide dual use resident and parking on Thurlow Gardens and Ranelagh Road, Wembley	3	2	5			5		5		**20**	**7**	Investigate feasibility of short stay parking and shared use parking in side roads
4	Review operation times and days of zone GM	10	5	10		5					**30**	**4**	
5	New CPZ on Robson Avenue	3	2				5	5			**15**	**8**	Quiet residential streets
6	Convert some resident bays to shared and/or P&D bays on Ealing Road (zone E); increase stay to 4 hours	6	2	5			5		5		**23**	**5**	
7	Review zone KL			10			5				**15**	**8**	To be considered as part of Chamberlane Corridor Improvements over the next few years
8	New CPZ on Parkside and Campbell Gordon Way	6						5	10		**21**	**6**	Parking pressure near school and park
9	Review Zone KG		2	10	5				10	5	**32**	**3**	Notting Hill Carnival severe parking and traffic congestion
10	Wembley Park Traders - Provide P&D bays and parking bays in area				5		5				**10**	**10**	Parking demand outside shops

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Appendix F: Consultation, Design and Implementation Programme

Priority		Implementation Cost (£)	2017 Jul	2017 Aug	2017 Sep	2017 Oct*	2017 Nov	2017 Dec	2018 Jan*	2018 Feb	2018 Mar*	2018 Apr	2018 May	2018 Jun*	2018 Jul	2018 Aug	2018 Sep	2018 Oct*	2018 Nov	2018 Dec	2019 Jan*	2019 Feb	2019 Mar*	2019 Apr
NEW CPZ SCHEMES																								
1	Alpine House New CPZ	20k (S106 funded)																						
2	New CPZ on North End Road and surrounding streets	65k (S106 funded)																						
3	New CPZ on Parkside and Campbell Gordon Way	30k																						
4	New CPZ on Robson Avenue	10k																						
CPZ REVIEW SCHEMES																								
1	Review operation times and days of Zone KG	25k																						
2	Review operation times and days of zone GM	40k																						
MINOR CPZ CHANGES																								
1	Convert some resident bays to shared and/or P&D bays on Ealing Road (zone E) and adjacent streets and reduce operation times to 6:30pm	10k																						
2	Review zone C (part) in order to consider: - the provision of P&D bays on High Road, Wembley (between 584 - 604) - dual use resident and P&D parking on Thurlow Gardens and Ranelagh Road	5k																						
3	Wembley Park Traders - Provide P&D bays and parking bays in area	20k																						

Design of Proposed Changes	
Consultation and Decision (Highways Committee)	
Analysis and approval	
Traffic Orders / Implementation	

Implementation Cost 2017-18 FY: £105 (£45k S106)

Implementation Cost 2018-19 FY: £120k (£40k S106)

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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director of Regeneration & Environment**
	Wards affected:Kilburn
To update on progress since the original approvals were given in November 2013, January 2015 and June 2015 and seek approval and re-affirmation of the original decision to proceed with the CPO in the light of the changes which have occurred on the Land North of Chippenham Gardens	

1 Summary

1.1 The regeneration of South Kilburn is a fifteen year programme that is approximately half way through. It aims to transform the area into a sustainable and mixed neighbourhood and create a real sense of place and belonging. The programme will deliver around 2,400 new homes of which 1,200 will be made available for social rent for existing South Kilburn, secure council tenants. To date 1073 new homes have been delivered with 60% (639) new homes having been made available for existing secure tenants of South Kilburn. Woodhouse Urban Park was opened to the public in May 2016 and South Kilburn residents are able to utilise St Augustine's Sports Hall.

1.2 The Council's objective is to provide high quality new homes with values driven from market sales in order to maintain the viability of the Regeneration Programme in the long-term, and to achieve a substantial improvement in the living conditions of existing South Kilburn secure Council tenants.

1.3 The South Kilburn Masterplan review took place in 2016, and the community are at the heart of our decision making process. We have taken an inclusive and participatory approach to consultation and engaged with residents and stakeholders of South Kilburn with extensive local consultation from July through to December, which directly fed into the drafting of a revised South Kilburn Supplementary Planning Document 2017 (SPD). The SPD was adopted by Cabinet on the 19 June 2017 and will be an important document in determining how this area continues to transform over the next 10-15 years.

1.4 The South Kilburn Regeneration Programme also includes the delivery of a new larger high quality urban park and an improved public realm, a new local primary school, new health facilities, new retail facilities, an Enterprise Hub and

Community Space, improved environmental standards and a South Kilburn District Energy System. The South Kilburn Programme has been recognised for exemplar design for new build homes as well as landscape projects and has won a number of prestigious awards.

1.5 The report relates to Chippenham Gardens, which is a fundamental part of the South Kilburn Regeneration Programme. The Site comprises of 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only) together defined as **"Chippenham Gardens"** (see appendix 1 – Existing Site Plan).

1.6 This report provides Cabinet with an update on the Chippenham Gardens project and seeks to reaffirm and confirm the use of the Compulsory Purchase Order (CPO) powers in order to secure vacant possession in order to bring forward the site for redevelopment within a timely manner and to meet the decant programme.

2 Recommendations

That Members:

2.1 Note the updated information referred to in this report.

2.2 Note and endorse the Council's Statement of Case dated 16 December 2016.

2.3 Reaffirm and authorise all steps to make, confirm and implement the London Borough of Brent (South Kilburn Regeneration– Land North of Chippenham Gardens) Compulsory Purchase Order.

2.4 Note there is a 'Leaseholders in Regeneration Schemes' paper to be presented to Cabinet for approval on 24 July 2017. It is advised that this report can be cross-referenced with this report for certain matters such as the Secretary of States approach and guidance to CPOs.

3 Detail

Background and Update

3.1 The Council's Scheme for the redevelopment of the Chippenham Site has the benefit of full detailed planning permission granted by the Council on 14 July 2016.

3.2 The stopping order for Chippenham Gardens was also approved by General Purposes Committee on 23 February 2017, which was fundamental aspect of the scheme.

3.3 The consented scheme will consist of 52 new high quality residential homes which will include 30 dwellings for sale on the open market and 22 social rented homes (for existing secure tenants of South Kilburn) comprising a range of 1 to 3 bedroom flats which consist of 24 x 1 bed, 19 x 2 bed and 9 x 3 bed, which could be subject to change. In addition, the development will provide new public realm,

car park spaces, landscaped private and shared gardens and associated highway and other infrastructure.

3.4 The project is an integral and vital part of the Council's proposals for the regeneration of the South Kilburn area. The South Kilburn Masterplan Review 2016 is now complete and the recent adoption of the South Kilburn Supplementary Planning Document 2017 by Cabinet, has reconfirmed and reinforced the point that the successful delivery of the Chippenham Gardens Scheme is critical to the Council's on-going delivery of the South Kilburn Regeneration Programme as it will deliver 22 much-needed new affordable homes at social rent, for the programmed decant of existing secure tenants in future phases of the South Kilburn Regeneration Programme. Failure to deliver the 22 affordable homes as proposed within the timescales and phasing will have a detrimental impact on the future phases and the comprehensive wider regeneration of the South Kilburn Masterplan by preventing the Council from having a vacant site in order to bring future sites forward for redevelopment. Not being able to bring the site forward for redevelopment would also have an impact on the financial viability of the wider Estate regeneration which must be part of a self-funded programme. Failure to deliver the Chippenham Gardens Scheme would be detrimental to the comprehensive regeneration envisaged by the South Kilburn Masterplan.

3.5 On 5 September 2016 the London Borough of Brent (the "Council") made the London Borough of Brent (South Kilburn Regeneration Phase 2 – Land North of Chippenham Gardens) Compulsory Purchase Order 2016 (the "Order").

3.6 The Order has been made under section 226(1) (a) of the Town and Country Planning Act 1990.

3.7 The Council via its Cabinet Committee on November 2013 and 26 January 2015 and 1 June 2015 resolved to make the Order pursuant to its powers under section 226 of the Town and Country Planning Act 1990 (as amended) (the "1990 Act"). These various authorisations given by Cabinet related to the key steps involved in securing the necessary land assembly, including authorisation for land acquisition, both by agreement and compulsorily if required, commencing statutory consultation processes and the allocation policy for secure tenants affected by the Order in relation to the scheme described within section 5 of this Statement ("the **Chippenham Gardens**").

3.8 The purpose of the Order is to enable the Council to purchase compulsorily, to facilitate the carrying out of development, redevelopment and improvement, certain land in the South Kilburn Estate (the "Estate") in the London Borough of Brent. The land which is the subject of the Order comprises 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only) and other land in the immediate vicinity and is shown Appendix 1. A copy of the map referred to in the Order accompanies this Cabinet Report and is attached see (Appendix 2 – Statement of Case)**.**

3.9 The reasons for the order are two-fold. Firstly, to provide for the redevelopment of the Order Land to facilitate the Chippenham Gardens Scheme. This would lead to its transformation from a run-down and sub-standard urban form to a

modern and carefully designed development contributing to a better environment, a better mix of dwellings in the locality and increasing the number of affordable, social rented homes on the Order Land from 8 to 22. Secondly, the purpose of the Order is to support the South Kilburn Regeneration Programme by delivering a crucial and integral part of the programme to regenerate the Estate. This is achieved not only through the regeneration of the Order Land itself which contributes to the regeneration of the South Kilburn area, but by the new affordable dwellings being made available to the secure tenants of the homes on the Estate which are due for redevelopment as the next step in the programme. If homes are not available for "decant" of secure tenants, the programme would come to a halt.

3.10 The Council received statutory and non-statutory objections to the Compulsory Purchase Order. The Council prepared a Statement of Case in response to the objections raised – Appendix 3. The Council's Property team are negotiating to acquire these interests by agreement and these negotiations are ongoing, but the council may have to rely on CPO powers to acquire the interests and obtain possession if the negotiations by agreement are unsuccessful. All leaseholders have been offered a market value and compensation package in line with good practice under compulsory purchase and, for the owner-occupiers, an alternative and affordable rehousing solution via a shared equity property or property swap on the South Kilburn Estate has also been offered. To date one of the leaseholders has accepted and offer with two leaseholders remaining in negotiation.

3.11 The current site comprises of a Post Office and a Council residential block comprising of 12 flats. Of these 8 were social rented and 4 have been purchased under Right to Buy ("RTB") legislation. In regard to the social tenants, to date all have already been relocated to alternative accommodation elsewhere within South Kilburn.

3.12 Of the 4 leaseholders, one has been acquired by negotiated agreement and one leaseholder is currently in Heads of Terms working towards completion, leaving two leaseholders. One is an owner-occupier and one is an investment-owner with the unit let on a private rented basis. All leaseholders have been offered a market value and compensation package in line with good practice under compulsory purchase and, for the owner-occupiers, an alternative and affordable rehousing solution via property swap on the South Kilburn Estate has also been offered. Officers are currently in negotiations with the remaining leaseholders to acquire by agreement if possible.

3.13 Woodville Properties Limited ("Woodville"), are the freehold owners of 5-9 Chippenham Gardens and the Kilburn Park Post Office site (together the "Woodville Land"). On 11 November 2013, the Executive delegated authority to the then Strategic Director of Regeneration and Growth in conjunction with the Borough Solicitor and the Chief Finance Officer to enter into a collaboration agreement with Woodville. That collaboration agreement was entered into by the Council and Woodville on 19 December 2014 (the "Collaboration Agreement"). The current tenant of the Kilburn Park Post Office confirmed that they did not want to return to the new development. Consequently he has entered into an agreement to surrender his lease and vacate the site with Woodville. Woodville

have recently indicated that they are interested in disposing of their interest to the Council rather, than participating in the Collaboration Agreement. Officers are currently negotiating with Woodville on a buyout figure.

3.14 The Council is currently working through the CPO process for the Chippenham Site, however the Council will continue and would prefer to seek to acquire the three residential units ahead of this process by mutual agreement. The justification for the CPO is set out in the Council's 16 December 2016 Statement of Case.

3.15 Chippenham Gardens is in accordance with the strategic objectives for the delivery of new high quality homes which offers family homes and mixed tenure and also that the Scheme is in accordance with the adopted planning policy framework for the area. Officer's considered the proposal in the context of the current Masterplan for South Kilburn (2005) and in making their decision had regard to the background of the South Kilburn Regeneration Programme and its wider objectives and the role of the subject site in delivering these objectives. The proposals for Chippenham Gardens accord with the adopted South Kilburn Supplementary Planning Document 2017 and form a fundamental part.

3.16 Before proceeding with the option to demolish the Order Land and redevelop the site, various options where looked at as to why demolition was the preferred and best option for the Site.

Alternatives

3.17 The Order Land is not capable of piecemeal development with individual areas of land being brought forward in isolation, as the Site is too small to accommodate satisfactory or viable redevelopment in parts and because running through the Site is a Class 3 Storm Relief Sewer, which is a constraint to development of part of the Order Land. The combined approach of using the whole site to secure comprehensive development (including highway access) to serve the Scheme is considered to yield a significantly better redevelopment outcome for the area, particularly as it is one of a number of sites in the area to be regenerated on a comprehensive basis as part of the South Kilburn Regeneration Programme. It would not be possible to undertake a sustainable redevelopment of the Order Land in smaller parcels.

3.18 The refurbishment or other improvement of the existing 4-26 Stuart Road on the Order Land was not a feasible alternative due to their physical layout and characteristics. It was also not economic. When it was considered in 2015, the cost of bringing up the social rented homes to a decent home standard was approximately £520,000 (for 8 homes). This does not include the other benefits associated with the proposed redevelopment (such as the increase in the number of homes and the ability to contribute to the South Kilburn Regeneration Programme). There was no economically viable alternative to redevelopment and refurbishment would have represented much worse value for money in terms of the improvements achieved for the cost and wider associated benefits. The Statement of Case references £4.m for refurbishment to include external works. However this figure has not been verified by surveyors and therefore will not be relied upon in the Public Inquiry.

3.19 A comprehensive approach is required to deliver the Chippenham Gardens Scheme and the benefits it will bring.

3.20 A "Do Nothing" alternative would not be acceptable because the dwellings occupied by the Council's secure tenants would continue to deteriorate, adding to future maintenance costs and would not bring about the environmental and social benefits which are a feature of the Chippenham Gardens Scheme. Further, the net increase in the number of affordable homes on the site (14) would not be achieved. Also, as explained above, refurbishment of the dwellings could not be achieved at economic cost.

3.21 Overall, it is concluded that there is no credible alternative which could meet the Council's regeneration and planning policy objectives for the Order Land within a reasonable timeframe.

3.22 The Council therefore considers that compulsory acquisition is essential to deliver the Chippenham Gardens Scheme, although it will continue to seek to secure the outstanding interests in the Order Land by agreement, wherever possible.

3.23 The Council is satisfied that there is a compelling case in the public interest for compulsorily acquiring the Order Land, and believes that the benefits which the Chippenham Gardens Scheme would secure in the public interest outweigh the effect of the acquisition on the rights of individuals. It is considered that in this case, the requirements of the guidance, domestic legal requirements and the requirements of the European Convention on Human Rights, are met.

3.24 It is thought prudent that the decisions taken in January and June 2015 to be reaffirmed at this stage (Appendix 2), in light of developments since then. The Council has received confirmation of approval of the Ground 10a application from the Secretary of State, planning consent for the scheme, approval of the stopping up order and the commencement of the CPO Process.

3.25 There have also been a number of emerging policy and guidance since 2015 such as Department for Communities and Local Government (DCLG) Compulsory Purchase Guidance 2015, the draft DCLG estate regeneration good practice guide 2016,– as well and the Council Development Management policies DPD, and the 2016 minor alternations to the London Plan and the as the Aylesbury Estate decision.

3.26 On 19 June 2017 the Cabinet granted approval to procure for a delivery partner in order to redevelop the Chippenham Gardens Site. The Council is seeking to engage a Delivery Partner now ahead of the site being fully vacant in order to speed up delivery timescales for both delivering the new homes, but also to assist with the wider South Kilburn programme. It is hoped that by the time a delivery partner is on board the site will be fully vacant. The current estimated target for a start on site is the First Quarter 2018.

3.27 As a result, as set out in recommendations 2.3 above, Officers are seeking Member confirmation of the proposed way forward.

4 Financial Implication

4.1 The financial model for the South Kilburn regeneration programme is to be self-financing within the funding envelope generated from on-going disposals. The capital receipts generated are reinvested back into the South Kilburn regeneration programme, to enable the rolling regeneration programme that delivers new homes.

4.2 The South Kilburn model has traditionally worked through a process of procuring delivery partners, who develop an existing site and generate high value properties. In return for this site, they build affordable and social housing, while also delivering capital receipts to support the capital programme.

4.3 The cost of the CPO process will be paid out of existing budgets. CPO processes are not always straight-forward and it is incumbent on the Council to demonstrate that it has put forward a fair and appropriate offer to owners. The Council has provided a variety of options for owners that are intended to satisfy the requirements of the legislation and mitigate its risk and the risk to the wider regeneration programme.

4.4 This report refers to the continuation of the existing programme of leaseholder buybacks, however, this is an existing financial commitment.

5 Legal Implications

Compulsory Purchase Order

5.1 The Council has power to make a compulsory purchase order under section 226 (1) (a) of the Town and Country Planning Act 1990 if it thinks that the acquisition will "facilitate the carrying out of development, redevelopment or improvement or in relation to the land". Under section 226(1) (A) the Council must not exercise the power under sub paragraph (a) unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic wellbeing of their area; (b) the promotion or improvement of the social wellbeing of their area; (c) the promotion or improvement of the environmental wellbeing of their area. 4.10 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling public interest to do so. Paragraph 12 of the Guidance on compulsory purchase and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion:

5.2 "A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected. Particular consideration should be given to the provisions of Article 1 of the First Protocol

to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.

5.3 It is necessary therefore to consider the human rights implications of making CPOs. The Convention Rights applicable to the making of any CPO orders are Articles, 6 and 8 and Articles 1 of the First Protocol.

5.4 The Guidance advises that an acquiring authority should only make a compulsory purchase order where there is a compelling case in the public interest to do so. The Council is satisfied that there is a compelling case for the use of its compulsory purchase powers.

5.5 The Order Land forms part of the Estate (and thus forms part of the area which is the subject of the South Kilburn Regeneration Programme). Although the Council is the majority freeholder and landlord, there are a number of leasehold and other interests within 4-26 Stuart Road (even numbers only) needing to be secured as well as other interests in other land affected by the Order. The Estate is suitable for a sustainable and phased approach to development and the Order is required to secure land and property rights to enable the Scheme to be implemented.

5.6 The Council has considered the reasons why it is necessary to acquire the property interests identified in the Statement Case (Appendix 3) and this Cabinet report. The freeholders and leaseholders have been invited to enter into discussions with the Council with regard to compensation, in accordance with the advice contained in the Guidance.

5.7 The purpose of the Order is to enable the Council to acquire: all freehold and leasehold interests not already in Council ownership; land the ownership of which it has not been possible to ascertain, notwithstanding diligent enquiry; land where agreement to acquire cannot be reached, and such acquisition is necessary in order to achieve delivery of the Chippenham Gardens Scheme with a programmed start on site of 2017, subject to confirmation of the Order.

5.8 Section 122 of the Local Government Act 1972 provides that a principal Council may appropriate for any purpose for which the Council are authorised to acquire by agreement land which belongs to the Council and is no longer required for the purpose for which it is held immediately before the appropriation.

5.9 The Council's negotiations with the freeholder and leaseholders have indicated that it is likely that the timely acquisition of these interests on reasonable terms and within a realistic timescale will, in some instances, only be achievable through compulsory purchase. Compulsory purchase powers are therefore essential to enable the necessary interests to be acquired and for site assembly to be achieved, thereby enabling the Chippenham Gardens Scheme to be delivered. The Chippenham Gardens Scheme will contribute to the improvement of the economic, social and environmental well-being of the South Kilburn area and the compulsory purchase of the Order Land is justified in these circumstances.

5.10 The overarching consideration for the Council when making the Order and for the Secretary of State in deciding whether it should confirm the order (as set out in paragraphs 12 to 15 of the Guidance) is whether there is a compelling case in the public interest which justifies the interference with the human rights of those with an interest in the land affected.

5.11 Paragraphs 2 and 12 of the Guidance advice that a compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected and is proportionate. Particular consideration should be given to the provisions of Article 1 of the First protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.

5.12 The Council considers that there is a compelling case in the public interest for the making and confirmation of the Order for the reasons outlined in this Statement. The need for the development of the Order Land is acknowledged and supported in the adopted local planning policy framework as set out in section 8 of the Statement of Case (Appendix 3).

5.13 Delivery of the Chippenham Gardens Scheme would help fulfil the Council's key planning policy objectives for the area and transform the Order Land. It would contribute significantly to the improvement of the economic, social and environmental well-being of the area as set out in the Statement of Case (Appendix 3).

5.14 Detailed planning permission for the Chippenham Gardens Scheme was granted on 14 July 2016 (Planning ref 16/1191). The Council is confident that there is a very high likelihood of the Chippenham Gardens Scheme proceeding, given the commitment to the delivery of it demonstrated to date, in securing planning consent for it, the acquisition of interests by agreement, the making of the Order, the availability of funding and the further steps it is taking to deliver the project. The steps taken include ensuring that all the secure tenants have already been allocated a new home and that one leasehold interest has been acquired by agreement, as well as working with the outstanding leaseholders and other interests to try to acquire their interests by agreement. The Council believes that there are no credible alternatives to compulsory purchase to achieve the purposes of the Order following the limited progress made so far with the approach taken of extensive efforts to seek to acquire interests by negotiation.

5.15 It is highly unlikely that all the outstanding interests required could be assembled by agreement within a reasonable timescale, which would prevent for the programmed start on site of autumn/winter 2017, subject to confirmation of the Order. In making its assessment of the justification of the Order, the Council has taken into account the rights of those who may be affected by the Order (as referred to in section 10 in the Statement of Case – Appendix 3). In addition, the Council has had due regard to its public sector equality duty under section 149 of the Equality Act 2010 (referred to in section 11 of the Statement of Case – Appendix 3). In the Council's view, the considerable public benefits of new high quality homes involving a net increase of 14 new affordable homes and an

overall net increase of 40 new high quality homes, an enhanced public realm and investment into the local area, and enabling the progress of the South Kilburn Regeneration Programme, outweigh the interference with the human rights of those likely to be affected by compulsory purchase and there is a clear compelling case, in the public interest, for the making and confirmation of the Order.

Appropriation of Land for Planning Purposes

5.16 Appropriation is subject to third party rights over the land and in respect of the South Kilburn Estate as it is housing land the prior consent of the Secretary of State under Section 19 of the Housing Act 1985, if the appropriation includes land on which dwellings have been built or land over which owners or occupiers of dwellings have rights.

5.17 Section 203 of the Housing and Planning Act 2016 provides broad powers for over-riding third party rights including easements, restrictive covenants and other matters, subject to payment of any compensation. The practical effect of these powers is that any rights which may exist do not delay or obstruct the development. This provides effective assurance to the developer that he will have a good title to the land

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

6 Equality Implications

6.1 The new affordable homes in South Kilburn are available to all secure tenants currently living in properties due for demolition as part of the South Kilburn regeneration programme within the neighbourhood. In regards to the Chippenham site all of the secure tenants have now moved to alternative properties. Secure tenants within the South Kilburn Regeneration Programme will be offered the opportunity to move into the new affordable (social rent) units once the Chippenham Gardens scheme is delivered. The additional units will be made available to other secure tenants living in properties due for demolition as part of the South Kilburn regeneration programme and following the detailed Masterplan Review 2016 and the recently adopted South Kilburn Supplementary Planning Document 2017.

6.2 Every effort should be made to provide the secure tenants with suitable alternative accommodation and to reach mutually acceptable agreements with the leaseholders to buy their properties without seeking legal action. When identifying the options and alternatives put forward, the Council should proactively engage with affected residents and leaseholders.

6.3 As with all other schemes that are part of the South Kilburn regeneration programme, full consideration has been given to residents and leaseholders with protected characteristics, particularly people with disabilities and / or other types

of vulnerabilities due to older age, childcare and/or caring responsibilities, socio-economic status (lone parents and large families).

Race / Ethnicity

6.4 Due to the ethnicity profile of the area, full consideration has been given to the impact on black, Asian and minority ethnic individuals/groups. The Council has ensured that the options put forward to residents and leaseholders provide reasonable and affordable alternatives that enable them to remain in the area and maintain their family and community ties, as per Article 1 of the First Protocol and Article 8 of the European Convention on Human Rights.

Age/Carers/Disability/Pregnancy and maternity

6.5 The requirements for anyone who is older or with a disability, or those who are pregnant or on maternity to have to move from their current property (residential or commercial property) is likely to be more difficult and could suffer greater psychological effects, including stress. (This in turn has an impact on carers).

6.6 To mitigate this, for the secure tenants who are moving, the re-housing team provides help to secure tenants through the moving process, additional support and services to those who require it can be provided.

6.7 Leaseholders may be affected if they are seeking to acquire a similar sized property in the surrounding area as the value for a Local Authority property tends to be less than a non-Local Authority property. To counteract these resident leaseholders have been offered the option of shared-equity or a property swap on the South Kilburn Estate. The purpose of making the offers on the Estate is to ensure that the objectors remain on the Estate are within the same locality and there is a real sense of social cohesion. For those who move off the estate, they may have to increase/get a new mortgage agreement which could be difficult for older residents or those with caring/dependent children responsibilities.

6.8 The Equalities position for who currently remains at Stuart Road are detailed in the Equalities Impact Report (Appendix 4). Cross reference should also be made with the Housing Policy Report.

6.9 The new accommodation on the Chippenham Site has been designed (10%) have been designed to be wheelchair adaptable dwellings and meet the requirements set out in Part M4 (3) 'wheelchair user dwellings'. All other dwellings across the scheme have been designed to meet the requirements set out in Part M4 (2) 'accessible and adaptable dwellings".

7 Staffing/Accommodation Implications

7.1 There are no specific implications for Council staff or accommodation associated with the proposals contained within this report save as detailed elsewhere in Section 3.

8 Background Papers

Appendix 1 – Existing Site Plan
Appendix 2 – 26 January 2015 + 1 June 2015 (Executive Decisions)
Appendix 3 – Statement of Case
Appendix 4 – Equalities Impact Report

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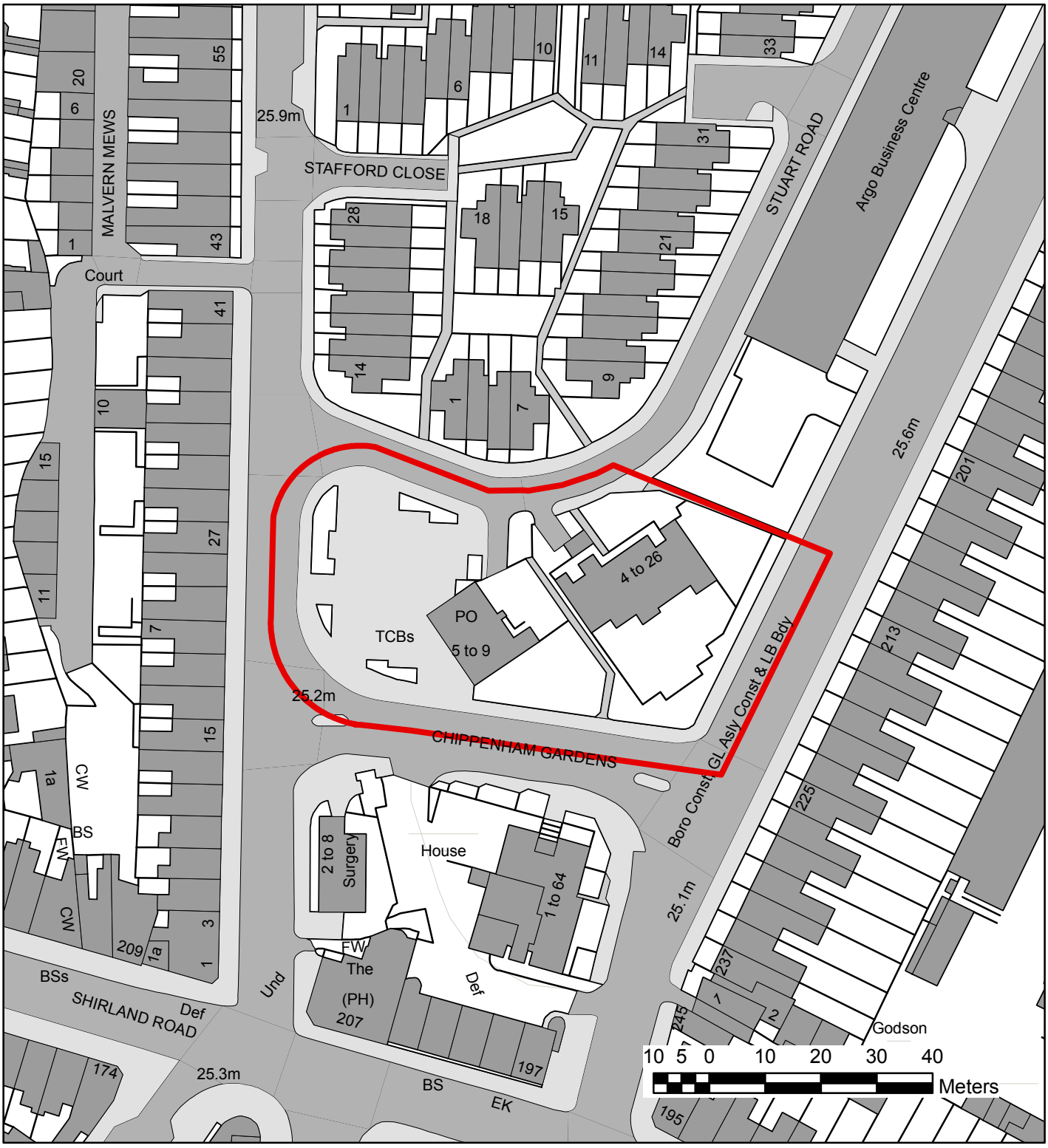
Chippenham Gardens Red Line Plan



NORTH

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Plan to stated scale if printed at A4.

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London Borough of Brent
Summary of Decisions taken by the Cabinet
on Monday 26 January 2015

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

ALSO PRESENT: Councillors Ahmed, Chohan, S Choudhary, A Choudry, Kabir, Mahmood, Perrin and Warren

Agenda Item No	Item	Ward(s)	Decision
4.	Museum and Archives Strategy	All Wards	(i) that the findings of the Museum and Archives Strategy be noted and agreement be given to its vision that: "Brent's museum and archives are here for everyone; a window into the history of Brent, its people and places. We will use these unique resources to create opportunities, improve lives and create stronger communities"; (ii) that the three interlinked objectives which have been formed to deliver the vision of the Strategy as set out in paragraph 3.15 of the report be agreed; (iii) that agreement be given to the action plan to deliver the Museum and Archives Strategy as set out in Appendix 3 to the report; (iv) that the content of the Equality Impact Assessment as set out in Appendix 4 to this report be noted.
5.	Adult Social Care - Local Account 2013/14	All Wards	That the finance and performance information, and the public service standards contained in the report be noted, together with the current and future risks associated with the information provided and the strategic priorities identified.
6.	Procuring an Accommodation Based Respite Framework Agreement	All Wards	(i) that approval be given to the invite of tenders in respect of an accommodation based respite framework agreement on the basis of the

Agenda Item No	Item	Ward(s)	Decision
			pre-tender considerations as set out in paragraph 6.1 of the report; (ii) that approval be given to the evaluation of tenders referred to in (i) above on the basis of the evaluation criteria set out in paragraph 6.1 of the report.
7.	National Non-Domestic Rates (NNDR) - Discretionary Discount Scheme for businesses accredited to Living Wage Foundation	All Wards	(i) that approval be given to the proposal to offer a discount in National Non- Domestic Rates of five times the costs of accreditation to the first 100 businesses in Brent which become accredited with the Living Wage Foundation and who meet the criteria detailed in Appendix 1, pursuant to the Council's powers under section 47 of the Local Government Finance Act 1988 and that the Cabinet is satisfied that that this proposal is reasonable having regard to the interests of those persons who are liable to pay council tax in the borough of Brent; (ii) that the scheme be implemented from 1 April 2015 and run to 31 March 2016 in order to monitor take up and the cost incurred by the council in funding the scheme. A report will be submitted in January 2016 detailing the success of the scheme thus far and whether or not it should be extended into 2016/17. (iii) that applications for such discounts in National Non-Domestic Rates that meet the criteria as set out in Appendix 1 be approved jointly by the Head of Employment and Skills and Head of Customer Service and Revenue.
8.	Brent's Local Welfare Assistance Scheme for 2015/16	All Wards	(i) that the current Local Welfare Assistance scheme objectives and structure be retained into 2015/16, but with amendments to scheme criteria designed to ensure that support is targeted at those most in need; (as described in Option 2 set out in the table in paragraph 5(1) of the report); (ii)q that the underspend in Local Welfare Assistance scheme payments in 2013/14 and the forecast underspend in 2014/15 be ring-

Agenda Item No	Item	Ward(s)	Decision
			fenced to provide a Local Welfare Assistance scheme for at least the next two years; (iii) that the Local Welfare Assistance scheme be fundamentally reviewed during 2015 with a revised scheme to be implemented in April 2016; (iv) that the content of the Equalities Analysis as set out in Appendix C be noted.
9.	Update on Schools Capital Portfolio	All Wards	(i) that approval be given to the proposal to rebuild and expand Islamia Primary School (subject to necessary approvals) noting the potential for increased capital costs for the project and consultation timescales described in paragraphs 3.3 - 3.6 and authority to approve the fully costed and detailed proposals be delegated to the Strategic Director Regeneration and Growth in consultation with the Chief Finance Officer and Lead Member for Regeneration and Housing. A detailed report on proposals for Winkworth Hall will be provided in September 2015; (ii) that approve be given to the proposal to expand Byron Court Primary School as described in the report at paragraphs 3.7 - 3.9; (iii) that approval be given to the proposal to expand Oakington Manor Primary School on the terms described in paragraph 3.10 of the report and authority to approve the fully costed and detailed proposals be delegated to the Strategic Director Regeneration and Growth in consultation with the Chief Finance Officer and Lead Member for Regeneration and Housing; (iv) that approval be given the proposal to expand Leopold Primary School to become a 4FE split site primary school using the Gwenneth Rickus Building as described in paragraph 3.11-3.14 of the report and authority to approve the fully costed and detailed proposals be delegated to the Strategic Director Regeneration and Growth in consultation with the Chief Finance Officer and Lead Member for Regeneration and Housing; (v) that approval be given to the invitation to tender for three works

Agenda Item No	Item	Ward(s)	Decision
			contracts for the schools detailed in (ii) and (v) above on the basis of the pre-tender considerations set out in paragraph 3.16 of the report; (vi) that officers evaluate the tenders referred to (v) above on the basis of the evaluation criteria set out in paragraph 3.16 of the report; (vii) that approval be given to the updated Schools Capital Portfolio financial profile as set out in paragraph 3.17-3.22, section 4 and Appendix 1, including the revised project/programme allocations; (viii) that approval be given to the criteria for developing new school expansion projects described in paragraph 3.23-3.25 and Appendix 5.
10.	Dynamic Purchasing System (DPS) for the Procurement and Management of Temporary Accommodation	All Wards	(i) that approval be given to the pre - tender considerations and the criteria to be used to evaluate tenders for a DPS for the Procurement and Management of Temporary Accommodation as set out in paragraph 3.7 of the report; (ii) that approval be given to the invite of expressions of interest, agreement of shortlists, the invite Tenders for a DPS for the Procurement and Management of Temporary Accommodation (TA) and their evaluation in accordance with the approved evaluation criteria referred to in (i) above; (iii) that authority be delegated to the Operational Director for Housing and Employment, as and when required, to appoint new service providers onto the DPS where they meet the selection criteria set out by the Council; (iv) that authority be delegated to the Strategic Director of Regeneration and Growth to agree annual changes to the management fee.
11.	Award of Contract for procurement and management of Temporary Accommodation for Housing Association Leasing Scheme	All Wards	that approval be given to the recommendation of the evaluation panel to award the contract for Procurement and Management of Temporary Accommodation for HALS to the three Providers listed below for an initial period of three years, with an option to extend up to a further two years:

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			Genesis Housing Association London Strategic Housing Association; and Shepherds Bush Housing Association
12.	South Kilburn Regeneration Programme - energy supplier for decentralised energy solution	Kilburn	(i) that the tender process for the procurement of the South Kilburn decentralised energy system be re-started, noting the risks associated with this as set out in paragraph 3.13; (ii) that approval be given to the invite of tenders for the procurement of the South Kilburn Regeneration decentralised energy system on the basis of the pre-tender considerations as set out in Appendix 2 of the report; (iii) that tenders referred to in (ii) above be evaluated in accordance with the evaluation criteria set out in Appendix 2.
13.	South Kilburn Regeneration Programme - Gloucester House and Durham Court, Chippenham Gardens secure tenancies for Phase 4	Kilburn	***Gloucester House and Durham Court*** (i) that the Strategic Director of Regeneration and Growth be authorised to undertake a mini competition under the Greater London Authority (GLA) London Development Panel subject to confirmation by the Director of Legal & Procurement that participation in the GLA London Development Panel is legally permissible, to procure a developer partner for the redevelopment of Gloucester House and Durham Court and report back to the Cabinet to secure approval for award of the contract; (ii) that approval be given to set rent levels for the affordable homes at Gloucester House and Durham Court once complete, at a rent equivalent to the Homes and Communities Agency Target Rent levels; ***Post Office Plus Site*** (iii) that it be noted that within the main body of this report that, on 19

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			December 2014, the Council entered into a collaboration agreement with Woodville Properties Limited, the landowner of 5 to 9 Chippenham Gardens which includes the Kilburn Park Post Office, to bring forward the comprehensive redevelopment of 5 to 9 Chippenham Gardens which includes the Kilburn Park Post Office with the Council's adjoining land at 4 to 26 Stuart Road (together defined as the **Post Office Plus Site'**) as shown edged red on Plan B at Appendix 1. (iv) that approval be given to the acquisition by agreement pursuant to section 227 of the Town and Country Planning Act 1990 and the making of a compulsory purchase order (CPO) pursuant to section 226 of the Town and Country Planning Act 1990 to acquire all non-Council interests in the area shown edged red on Plan B attached at Appendix 1 ('the **Post Office Plus Site CPO Land**') being the Post Office Plus Site together with any new rights which may be required under section 13 of the Local Government (Miscellaneous) Provisions Act 1976 to facilitate the development of the Post Office Plus Site CPO Land in furtherance of the regeneration of the Post Office Plus Site (and such CPO being referred to in this report as 'the **Post Office Plus Site CPO**') (v) that the following be authorised, the: (a) Submission of the Post Office Plus Site CPO, once made in respect of the Post Office Plus Site CPO Land, to the Secretary of State for confirmation whilst at the same time seeking to acquire the Post Office Plus Site CPO Land by private negotiated treaty on such terms as may be agreed by the Operational Director Property & Projects; (b) Operational Director Property & Projects, on behalf of the Council, to enter into agreements with and give undertakings to the holders of all interests in the Post Office Plus Site CPO Land or

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			parties otherwise affected where such agreements or undertakings are appropriate. These agreements or undertakings will set out the terms for the withdrawal of the objections to the confirmation of the Post Office Plus Site CPO and may include granting rights over or offering back any part of the Post Office Plus Site CPO Land which is not required by the Council following completion of the development. (c) Making of one or more general vesting declarations or the service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 respectively should the Post Office Plus Site CPO be confirmed by the Secretary of State or otherwise in order to gain possession of the Post Office Plus Site; (d) Serving of all requisite notices on the holders of the Post Office Plus Site CPO Land relating to the making, confirmation and implementation of the Post Office Plus Site CPO; (e) Operational Director Property & Projects to remove from the Post Office Plus Site CPO any plot (or any interest therein) no longer required to be acquired compulsorily for the Post Office Plus Site redevelopment to proceed and to amend the interest scheduled in the Post Office Plus Site CPO (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised); (f) Operational Director Property & Projects within the defined boundary of the Post Office Plus Site CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or

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			following the confirmation of compulsory powers by the Secretary of State; (g) Operational Director Property & Projects, if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the boundary of the Post Office Plus Site CPO Land for which a valid blight notice has been served. (vi) that agreement be given to set rent levels for the affordable units at the Post Office Plus Site once complete, at a rent equivalent to Homes and Communities Agency (HCA) Target Rent levels; (vii) that agreement be given to proceed with securing vacant possession of the residential and non-residential properties within the Post Office Plus Site through negotiation and private treaty and then, if necessary, via possession proceedings based on Ground 10A of Schedule 2 to the Housing Act 1985 ('**Ground 10A**') in relation to the secure tenants and then CPO of all interests remaining following the confirmation of the CPO; (viii) that the Operational Director of Property and Projects (where the Operational Director of Property and Projects in conjunction with the Chief Finance Officer considers applicable) be authorised to acquire third party interests and rights within the Post Office Plus Site as necessary to progress the project by way of negotiation; (ix) that the Cabinet authorise the Strategic Director of Regeneration and Growth to seek Secretary of State's consent to appropriate for planning purposes all interests in the Post Office Plus Site **(**x) that approval be given to the serving of demolition notices and the suspension of secure tenants' Rights to Buy in relation to secure tenancies in 4 to 26 Stuart Road and authorise the Strategic Director of Regeneration and Growth to issue all and any notices required to be

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			issued in connection with such demolition; ***Phase 4A Demolition Notices*** (xi) that approval be given to the serving of demolition notices and the suspension of secure tenants' Rights to Buy in relation to secure tenancies in blocks Craik Court, Austen House, Neville House, Winterleys and 113 to 128 Carlton House (all numbers inclusive) (together defined as '**Phase 4A**' of the South Kilburn regeneration programme) and authorise the Strategic Director of Regeneration and Growth to issue all and any notices required to be issued in connection with such demolition.
14.	London Councils Grants 2015/2016	All Wards	(i) that the recommendations made by the London Councils Leaders Committee summarised in section 3 and attached at Appendix 3 be noted; (ii) that agreement be given to the recommended budget for the London Councils Grant Scheme and the contribution of £339,278 to be paid by the Council towards the London Boroughs Grants Scheme for 2015/16.
15.	Authority to tender a contract for Healthwatch	All Wards	(i) that approval be given to the invite of tenders for a Local Healthwatch service contract on the basis of the pre - tender considerations set out in paragraph 3.7 of the report; (ii) that the new contract be let for a term of one year with the option to extend for a further 12 months; (iii) that approval be given to the evaluation of the tenders referred to in (i) above on the basis of the evaluation criteria set out in paragraph 3.7 of the report; (iv) that approval be given to an exemption from the usual tendering requirements of Contract Standing Orders and the approval of the direct award of an interim contract to the current provider, Healthwatch Brent, for

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			a three month period from 1 April 2015 for the operational reasons set out in paragraph 3.8. of the report.
16.	Financial Report - November 2014	All Wards	(i) that the note the Finance report be noted; (ii) that approval be given to the revenue budget virements in section 7 of the Financial Report appendix.

London Borough of Brent
Summary of Decisions taken by the Cabinet
on Monday 1 June 2015

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

ALSO PRESENT: Councillors Agha, Chohan, Colwill, Conneely, Farah, Filson, Kabir, Mahmood, Maurice and Stopp

Agenda Item No	Item	Ward(s)	Decision
4.	Authority to invite tenders for a Direct Payment Services contract	All Wards	(i) that approval be given to the invite of tenders for a Direct Payment Service contract on the basis of the pre - tender considerations set out in paragraph 5.0 of the report from the Strategic Director, Adult Services; (ii) that approval be given to officers evaluating the tenders referred to in (i) above on the basis of the evaluation criteria set out in paragraph 5.0 (vi) of the report.
5.	Authority to award contract for a Local Healthwatch Service for Brent	All Wards	That approval be given to the award of the contract for the delivery of a local Healthwatch service for Brent (Healthwatch Brent) from 1 July 2015 for a term of one year with an option to extend by a further one year period to CommUNITY Barnet.
6.	Fees and Charges 2015/16	All Wards	(i) that it be noted that there will be no increase in 2015/16 to the fees and charges for the services set out in Appendix 2 of the report from the Chief Finance Officer; (ii) that approval be given to the increases to the fees and charges set out in Appendix 1, effective 1 July 2015 or as soon thereafter as the changes can practically be implemented; (iii) that it be noted that a wider review of fees and charges would be carried out during the 2015/16 year to inform future budget and policy

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			making, the results of which will be considered at a future meeting.
7.	Joint ICT work with London Borough of Lewisham	All Wards	(i) that approval be given to working with London Borough of Lewisham to establish a joint ICT service by April 2016; (ii) that it be noted that London Borough of Lewisham was seeking approval from their Cabinet in June 2015 for the same; (iii) that it be noted that officers would be working on defining the governance model for the proposed shared service and would present their proposals to Cabinet in September 2015; (iv) that approval be given to the reciprocal arrangements to host disaster recovery facilities for London Borough of Lewisham at Brent Civic Centre, while they host Brent's second datacentre currently located at Brent House.; (v) that approval be given to the proposal to deliver ICT services to London Borough of Lewisham to refresh their infrastructure, bringing them in line with Brent.
8.	Youth Services in Brent - a new delivery model	All Wards	(i) that the financial context for the council's Youth Services and the issues and opportunities related to the future delivery of youth services be noted; (ii) that officers carry out further consultation with staff, stakeholders and young people on the proposal for a new, independent Young Brent Foundation and on potential changes to the Council's current Youth Service provision, in line with the broad model set out in section four of the report from the Strategic Director of Children and Young People; (iii) that it be noted that the revised service model set out for the Council's service (see paragraphs 4.11 – 4.15 of the Director's report) does not include continuation of direct delivery of youth centre provision, with new partnership arrangements required to sustain delivery; (iv) that officers be instructed to ensure active involvement of young

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			people and a wide range of partners in the further development of the new service model; (v) that it be noted that the further work to develop and implement the new service model for youth services would be undertaken as part of the One Council Programme.
9.	Determination of the proposal to permanently expand Stonebridge Primary School	Stonebridge	(i) that approval be given to the permanent expansion of Stonebridge Primary School, a community school, by one form of entry from September 2015, (conditional upon the grant of full planning permission under the Town and Country Planning Act 1990 by September 2015 or at such date as agreed by the Strategic Director of Children and Young People and the Strategic Director of Regeneration and Growth); (ii) that it be noted that the reason for approving the alterations was to provide sufficient permanent primary school places in line with the council's statutory duties and its School Place Planning Strategy 2014.
10.	West London Waste Plan	All Wards	that Full Council be recommended to adopt the West London Waste Plan, incorporating the recommended changes set out in the Inspector's report.
11.	Property and Asset Strategy 2015-19	All Wards	that approval be given to the Property & Asset Strategy 2015-19 as set out in Appendix 1 to the report from the Strategic Director, Regeneration and Growth, including proposals in respect of Community Asset Transfer.
12.	Authority to tender contract for the proposed Learie Constantine Centre redevelopment	Willesden Green	(i) that approval be given to the invite tenders for the proposed Learie Constantine site redevelopment on the basis of the pre-tender considerations set out in paragraph 3.15 of the report from the Strategic Director of Regeneration and Growth; (ii) that approval be given to the evaluation of tenders referred to in (i) above on the basis of the evaluation criteria set out in paragraph 3.15 of the report;

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			(iii) that authority be delegated to the Operational Director of Property and Projects (Regeneration and Growth), in consultation with the Chief Finance Officer, to award the contract to the successful tenderer and to agree the final terms of the development agreement and leasing structure between the Council, the Learie Constantine West Indian Association and the successful tenderer (the developer) provided the receipt generated is sufficient to cover the cost of a new community centre; (iv) that approval be given to an exemption from Contract Standing Order 104 (b) to permit evaluation of bids on the basis of price alone, which is considered appropriate for meeting the council's aims and objectives in relation to the site.
13.	South Kilburn Regeneration Programme - Hereford House, Exeter Court, Stuart Road	Kilburn	(i) that, having noted and considered the responses to the consultation as set out in proposal 1 of Appendix 2 of the report from the Strategic Director of Regeneration and Growth, authority be delegated to the Strategic Director of Regeneration and Growth to seek the Secretary of State's consent to the disposal and redevelopment of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) pursuant to Part V of Schedule 2 to the Housing Act 1985 and to seek possession of those dwellings occupied by secure tenants by relying on Ground 10A of Schedule 2 of the Housing Act 1985; (ii) that, having noted and considered the responses to the consultation as set out in proposals 2 and 3 of Appendix 2 in connection with the intention to make a Compulsory Purchase Order(s) (CPO(s)) on Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), South Kilburn and in connection with the draft Allocation Policy for Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), approval be given to the adoption of the Allocation Policy which will apply to Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) and which includes the proposal to make a CPO(s) on

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			Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) as well as seeking possession of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), subject to the Secretary of State's consent, under Ground 10A of Schedule 2 to the Housing Act 1985. This Allocation Policy sets out the basis on which replacement homes will be allocated to secure tenants in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), South Kilburn and the legal means to be adopted for seeking possession of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) through the use of Ground 10A of the Housing Act 1985 (if approval is given by the Secretary of State) and compulsory purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990.
14.	Reference of item considered by Scrutiny Committee - Pupil Premium Task Group		Noted.
15.	The Use of the Pupil Premium - Task Group report	All Wards	that the task group report be noted; that approval be given to the 16 recommendations made by the task group.
16.	Nominations to Outside Bodies and Cabinet Committees		That the following appointments be approved: **Highways Committee** Denselow Mashari (VC) McLennan Moher Southwood (C)

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			London Housing Consortium - Building Components and Solutions McLennan **South Kilburn Trust** McLennan (ongoing, Lead Member for Regeneration and Housing)

DATED 16 DECEMBER 2016

LONDON BOROUGH OF BRENT

THE TOWN AND COUNTRY PLANNING ACT 1990

AND

THE ACQUISITION OF LAND ACT 1981

LONDON BOROUGH OF BRENT

(SOUTH KILBURN REGENERATION PHASE 2 –

LAND NORTH OF CHIPPENHAM GARDENS)

COMPULSORY PURCHASE ORDER 2016

STATEMENT OF CASE

MADE BY LONDON BOROUGH OF BRENT UNDER

RULE 7 OF THE COMPULSORY PURCHASE
(INQUIRIES PROCEDURE) RULES 2007

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1. BACKGROUND AND INTRODUCTION

1.1 On 5 September 2016 the London Borough of Brent (the "**Council**") made the London Borough of Brent (South Kilburn Regeneration Phase 2 – Land North of Chippenham Gardens) Compulsory Purchase Order 2016 (the "**Order**").

1.2 The Order has been made under section 226(1)(a) of the Town and Country Planning Act 1990.

1.3 The Council via its Cabinet Committee on November 2013 and 26 January 2015 and 1 June 2015 resolved to make the Order pursuant to its powers under section 226 of the Town and Country Planning Act 1990 (as amended) (the "**1990 Act**"). These various authorisations given by Cabinet related to the key steps involved in securing the necessary land assembly, including authorisation for land acquisition, both by agreement and compulsorily if required, commencing statutory consultation processes and the allocation policy for secure tenants affected by the Order in relation to the scheme described within section 5 of this Statement (the "**Chippenham Gardens Scheme**"). The Council will seek further authorisations in relation to the Order, as necessary, as it proceeds through the statutory process. The purpose of the Order is to enable the Council to purchase compulsorily, to facilitate the carrying out of development, redevelopment and improvement, certain land in the South Kilburn Estate (the "**Estate**") in the London Borough of Brent. The land which is the subject of the Order comprises 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only) and other land in the immediate vicinity and is shown edged in red and coloured pink on the map referred to in the Order (the "**Order Land**"). A copy of the map referred to in the Order accompanies this Statement of Case and is attached at *Appendix 1*.

1.4 The reasons for the order are two-fold. Firstly, to provide for the redevelopment of the Order Land to facilitate the Chippenham Gardens Scheme. This would lead to its transformation from a run-down and sub-standard urban form to a modern and carefully designed development contributing to a better environment, a better mix of dwellings in the locality and increasing the number of affordable, social rented homes on the Order Land from 8 to 22. Secondly, the purpose of the Order is to support the South Kilburn Regeneration Programme by delivering a crucial and integral part of the programme to regenerate the Estate. This is achieved not only through the regeneration of the Order Land itself which contributes to the regeneration of the South Kilburn area, but by the new affordable dwellings being made available to the secure tenants of the homes on the Estate which are due for redevelopment as the next step in the programme. If homes are not available for "decant" of secure tenants, the programme would come to a halt. Further details of the Scheme are provided at Section 5.

1.5 The Council's objective in seeking to acquire the Order Land is to assemble in its ownership the land and interests included in the Order, so as to progress and continue to facilitate and enable implementation of the phased housing led regeneration of the South Kilburn Estate in accordance with the South Kilburn Masterplan (the "**South Kilburn Regeneration Programme**" or "**the Scheme**"). The Chippenham Gardens Scheme is part of the South Kilburn Regeneration Programme or Scheme.

1.6 The implementation of Phase 1 is now complete and Phase 2a of the South Kilburn Regeneration Programme is due to complete early 2017, with Gloucester House and Durham Court within Phase 2b of the programme, which is out for procurement for a contractor to start building the Gloucester House and Durham Court, which is a planning approved scheme, in early 2017. The redevelopment of the Queen's Park/Cullen House site has been delayed as a result of the site being affected by High Speed Two (HS2) Limited's proposal to locate a vent shaft relating to the construction of Phase One of HS2 on the Queen's Park/Cullen House site. Following negotiations between High Speed Two (HS2) Limited and the Council, High Speed Two (HS2) Limited has agreed (subject to receiving the necessary Government approvals/consents), to relocate the vent shaft to another site which does not form part of the Regeneration Programme. As a result, the Council now intends to bring forward the Queen's Park/Cullen House site for redevelopment in accordance with the Masterplan.

1.7 The Order relates to a further phase which will deliver the redevelopment of Chippenham Gardens; comprising of two existing buildings, a 4 storey residential block and the Kilburn Park Post Office a relatively small 2 storey pitched roof building, together with other land in the immediate vicinity (and collectively such area of redevelopment is referred to in this Statement of Case as "**Chippenham Gardens**" or the "**Site**").

1.8 The purpose of the Order is to facilitate the carrying out of development to include the demolition of 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only), and the comprehensive redevelopment of the Order Land to deliver approximately 52 new high quality residential homes which will include approximately 30 dwellings for sale on the open market and approximately 22 affordable (social rent) dwellings comprising a range of 1 to 3 bedroom flats. In addition, the Chippenham Gardens Scheme will provide new public realm and improved pedestrian routes, car parking spaces, new landscaped private and shared gardens and associated highway and other infrastructure, drainage, servicing and works. The Chippenham Gardens Scheme for the redevelopment of the Site has the benefit of full detailed planning permission granted by the Council on 14 July 2016 (Planning Reference 16/1191). There is policy support for the Chippenham Gardens Scheme at national, regional and local level. Local planning policy refers specifically to proposals for the redevelopment of the South Kilburn area. The project is also is an integral and vital part of the Council's proposals for the regeneration of the South Kilburn area. The South Kilburn Masterplan Review 2016 is now complete and it has reinforced the point that the successful delivery of the Chippenham Gardens Scheme is critical to the Council's on-going delivery of the South Kilburn Regeneration Programme as it will deliver 22 much-needed new affordable homes at social rent, for the programmed decant of existing secure tenants in future phases of the South Kilburn Regeneration Programme. Failure to deliver the 22 affordable homes as proposed within the timescales and phasing will have a detrimental impact on the future phases and the comprehensive wider regeneration of the South Kilburn Masterplan by preventing the Council from having a vacant site in order to bring future sites forward for redevelopment. Not being able to bring the site forward for redevelopment would also have an impact on the financial viability of the wider Estate regeneration which must be part of a self-funded programme. Failure to deliver the Chippenham Gardens Scheme would be detrimental to the comprehensive regeneration envisaged by the South Kilburn Masterplan.

1.9 The Order seeks to acquire all estates and interests in the Order Land, including rights, easements, the benefit of covenants, rent charges and options in the Order land (except where otherwise expressly stated) which need to be secured to enable the Chippenham Gardens Scheme to be delivered. The Order Land also includes land in unknown ownership, or land reputed to be in unknown ownership, which can only be acquired through by compulsory acquisition.

1.10 In promoting the Order the Council has had regard to the guidance on compulsory purchase, entitled "Guidance on Compulsory Purchase process and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion", published by the Department for Communities and Local Government in October 2015 ("the Guidance").

1.11 Paragraph 1 of the Guidance notes that compulsory purchase powers are an important tool to use as a means of assembling the land needed to help deliver social, environmental and economic change and used properly can contribute towards effective and efficient urban and rural regeneration, essential infrastructure, the revitalisation of communities and the promotion of business – leading to improvements in quality of life.

1.12 Further, paragraph 2 of the Guidance advises that Acquiring Authorities should use compulsory purchase powers where it is expedient to do so. However, a compulsory purchase order should only be made where there is a compelling case in the public interest. This paragraph also states that the confirming authority will expect the acquiring authority to demonstrate that they have taken reasonable steps to acquire all of the land and rights included in the compulsory purchase order by agreement. Paragraph 2 also advises that compulsory purchase is intended as a last resort to secure the assembly of all of the land needed for the implementation of projects. However, if an acquiring authority waits for negotiations to break down before starting the compulsory purchase process, valuable time

will be lost. Therefore, depending on when the land is required, it may often be sensible, given the amount of time required to complete the compulsory purchase process, for the acquiring authority to plan a compulsory purchase timetable as a contingency measure and initiate formal procedures. This will help to make the seriousness of the authority's intentions clear from the outset, which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations. Paragraph 2 also advises that when making and confirming an order, acquiring authorities and authorising authorities should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected.

1.13 The Guidance also states, at paragraph 16, that:- "Undertaking negotiations in parallel with preparing and making a compulsory purchase order can help to build a good working relationship with those whose interests are affected by showing that the authority is willing to be open and treat their concerns with respect." Paragraph 16 also states: - "Acquiring Authorities are expected to provide evidence that meaningful attempts at negotiation have been pursued or at least genuinely attempted, save for lands where land ownership is unknown or in question". In accordance with the guidance, the Council has been carrying out negotiations and seeking to acquire the Order Land by agreement wherever possible, and is continuing to do so in parallel with making the Order.

1.14 The Council has already acquired one (1) leaseholder interest by negotiation. The leaseholder was an investor-owner, not in occupation of the land, whom the Council compensated for the acquisition of the interest. The Council will and has continued to seek to acquire the other remaining interests in the Order Land by agreement; however there are a number of interests that remain to be acquired. The scale and nature of the Chippenham Gardens Scheme requires the making of the Order to enable the Order Land in its entirety to be assembled in the Council's ownership, with clear title, and the Scheme to be delivered with certainty and within a reasonable timescale. As the Order Land includes land in unknown ownership and it is burdened with adverse easements and restrictive covenants, the Council considers that it is essential compulsory purchase powers are secured to enable the scheme to proceed.

1.15 The Guidance also states, in paragraph 12, that:- "A compulsory purchase order should only be made where there is a compelling case in the public interest", and that the purposes for which an authority is making an order justify interfering with the human rights of those with an interest in the land affected, having regard in particular to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, to Article 8 of the Convention. The Council is satisfied that there is a compelling case in the public interest for the Order to be made in respect of the Chippenham Gardens Scheme and that compulsory acquisition of the Order Land is justified and proportionate.

1.16 Paragraph 6 of the Guidance notes that all public sector acquiring authorities are bound by the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010 and in exercising their compulsory purchase and related powers these acquiring authorities must have regard to the effect of any differential impacts on groups with protected characteristics. The Council has complied with this duty in preparing its proposals and the Order.

1.17 Paragraph 15 of the Guidance also advises that the Acquiring Authority will need to be able to show that the scheme is unlikely to be blocked by any physical or legal impediments to implementation. The Council is confident that there will not be any such impediments to the implementation of its proposals for the delivery of the Chippenham Gardens Scheme on the Order Land. There has been extensive consultation about the Chippenham Gardens Scheme. Due diligence has also been undertaken and enquiries made with land-owners and other interests. No significant impediments have been disclosed and subject to confirmation of the Order and the making of a stopping up order in relation to highway land affected by the proposals for the Order Land, the Chippenham Gardens Scheme can be implemented.

1.18 The Council has consequently made the Order to secure all interests required to enable implementation of the Chippenham Gardens Scheme, to achieve the Council's adopted planning policy objectives for the South Kilburn area, to meet identified housing need and as part of the "decant" of residents to alternative accommodation as part of the South Kilburn

Regeneration Programme. The Chippenham Gardens Scheme delivers much-needed family housing provision and the homes have already been identified to accommodate existing secure tenants of South Kilburn affected by future phases of the South Kilburn Regeneration Programme, hence it is imperative that the Site is brought forward for redevelopment within a timely manner as an integral part of the wider programme. Discussions will continue with owners of relevant interests in the Order Land who are willing to sell their interest in the Order Land by agreement, with a view to limiting the number of interests which need to be acquired compulsorily pursuant to the Order. The approach adopted by the Council is in accordance with the advice contained in the Guidance.

1.19 The Council's reasons for making the Order are set out in greater detail below. On confirmation of the Order, the Council intends to serve a Notice (or Notices) to Treat and Notice (or Notices) of Entry and/or to execute one or more General Vesting Declarations in order to secure unencumbered title to the Order Land.

1.20 In addition to the purchase of property interests within the Order Land, the Council has also submitted an application the Secretary of State on Ground 10A of Schedule 2 to the Housing Act 1985 which has now been approved. All of the 8 tenants of Chippenham Gardens have already been offered and allocated new properties on the Estate, within an existing Council property on the Estate or an alternative home outside the Estate. Five have already moved to alternative properties, leaving 3 to be relocated by March 2017. The tenants concerned have already accepted new properties within the Bronte and Fielding development, which is part of the South Kilburn Regeneration Programme and will be moving there as soon as building work is completed.

2. THE SOUTH KILBURN REGENERATION PROGRAMME

2.1 The regeneration of South Kilburn is a fifteen year programme that is approximately half way through. It aims to transform the area into a sustainable and mixed neighbourhood and to create a sense of place and belonging. The programme will re-build around 1,200 affordable homes and deliver the same number of additional market homes to help create a mixed neighbourhood and provide a development that is viable overall in order to enable the provision of new, high quality, social rented homes for existing secure Council tenants and others in housing need. The Council's objectives are to provide high quality new homes that achieve a substantial improvement in the living conditions of existing secure Council tenants. The Regeneration Programme is also intended to provide improved and new open spaces, enhance public realm, new retail facilities, new health facilities and a new school for primary age provision, and improved environmental conditions.

2.2 South Kilburn is an amalgam of Council estates from the 1960s and 1970s including a number of different post-war social housing typologies in a poorly designed and low quality physical environment. The Estate is located in the south of the borough and sits between Kilburn to the east, Queen's Park to the north-west and extends towards Maida Vale in the south. It is an area surrounded predominantly by privately-owned terraced Victorian and Edwardian housing that command high values. The over and underground facilities of Queen's Park and Kilburn Park stations lie close to the Estate's borders.

2.3 The Estate was predominantly built during the 1960s and 1970s following slum clearance and shows symptoms of some of the worst forms of experimental urban planning of those years: brutal tall buildings; deck access; dead ends and cul-de-sac; raised walkways. Many of the homes are of very poor quality, and have fundamentally flawed designs resulting in poorly defined and oppressive areas between buildings that are low quality, disparate and poorly defined open and public and private spaces.

2.4 The South Kilburn area is typically characterised by poor housing conditions and multiple deprivation, including low incomes, high unemployment, low educational attainment, poor health, and high incidence of crime and fear of crime. Many of the homes are of very poor quality, particularly those that were of the Bison construction system, and many have fundamentally flawed designs, including at ground level, that result in poorly defined and oppressive areas between buildings that are neither streets nor spaces.

2.5 The Estate is an anomaly compared with its immediate environs. It is surrounded by desirable and high quality neighbourhoods such as Queen's Park, Maida Vale and Warwick Avenue, which do not experience the same social and economic problems as those which affect the Estate, each being set along a traditional network of connected streets with housing frontages and front doors. Before the slum clearance in the 1960s, the area which is now the Estate had a similar layout to its surrounding high quality neighbourhoods.

2.6 Over time, these inherent flaws have combined with ageing facilities, and the increased costs of management and maintenance are such that the Council considers there is a need for comprehensive redevelopment in accordance with the proposals set out in the South Kilburn Masterplan. The costs of repair and refurbishment of the Estate, to Decent Homes Programme standards would be significant and would not address the fundamental inadequacies of the homes within these blocks or the Estate as a whole.

2.7 The Estate represents the largest concentration of social housing in Brent and amongst the largest in London. Much of the housing suffers from inherent internal design problems and the relationships between buildings, streets and spaces are poor and indeterminate. The area is not amenable for maintenance or improvement and the Estate presents substantial management challenges. These physical conditions manifest themselves in some of the highest levels of social and economic exclusion in the borough (which are amongst the highest in the country).

2.8 It has long been recognised that the Estate is in need of regeneration. In 1999, the Estate was awarded New Deal for Communities status and a Government grant of £50m, a proportion of which was identified for building new homes. New community facilities were also provided, while some homes on the Estate have been improved under the Government's Decent Homes programme. There remains however, a recognition that the poor quality general layout and design of the Estate is conducive to and exacerbates the adverse socio-economic conditions on the Estate.

2.9 The Council considers that the problematic design of the Estate has a negative impact on opportunities to improve its economic and social prospects, and that it also contributes to low aspirations and a lack of environmental well-being among residents of South Kilburn. Socio-economic information and statistics highlight the problems faced by the Estate, which are typical of poor inner city housing estate areas.

2.10 The Council's current phased approach to the regeneration of the Estate is a sustainable and deliverable proposal but still requires single ownership of property interests in the Estate. The Order is therefore necessary to secure that single ownership necessary to bring forward the comprehensive regeneration of the Estate.

2.11 According to the Census 2011, the population of the Estate is 7,775 people. Around 35% of the population of the Estate is under 24 years of age. The Estate has an ethnically diverse population, 39% of Estate residents defining themselves as black or black British and overall 66.9% of the population is from a Black and Minority Ethnic (BAME) group.

2.12 Eighty-five percent of the Estate's population rent their accommodation. Within this, 57% rent from the Council, 15% rent from Housing Associations, and just 13% rent privately. Only 12% of local people are owner-occupiers.

2.13 According to the Census 2011, 9.9% of the working age population of the Estate are unemployed, more than four percent higher than the claimant rate within the Borough of Brent (5.8%), and almost twice the unemployment rate for London as a whole (5.2%) indicating that the Estate represents a 'pocket of deprivation'.

2.14 Whilst educational achievement in the population of the Estate at Key Stages has improved from 2012 to 2013, at GCSE levels worsened during the same period. In 2013, only 34% of pupils resident in the Estate achieved 5 grades A* to C, compared to 63% in Brent as a whole. Within the Estate, 22.4% of Estate residents have no qualifications.

2.15 Although life expectancy at birth for the female population of the Estate is marginally higher than Brent as a whole (84.8 years versus 84 years), life expectancy at birth for the male population of South Kilburn is 4.3 years less than Brent as a whole (74.7 years versus 79 years). The Estate has high rates of premature mortality (all causes) and much of this appears to be related to circulatory disease in those aged under 75.

2.16 In 2011, 7.9% of the population of the Estate declared their health to be bad or very bad compared to 5.3% across Brent as a whole. There are considerable concerns over childhood obesity in the Estate with 30.3% of Year-6 children being obese compared to only 23% for the whole of Brent. Similarly, 28.1% of the adult population of the Estate are obese versus 21.2% of the adult population of Brent as a whole. Mosaic Public Sector data from March 2011 suggested that over 30% of Estate residents were very worried about being a victim of crime.

Development of the Scheme

2.17 Regeneration proposals were first considered in 1999 as part of the identification of the Estate as a New Deal for Communities area. The South Kilburn New Deal for Communities Partnership was awarded £50m over a ten year period from 2001 for a combination of physical, social and economic projects. The programme was set around six themes:

- Problems with housing and the physical environment;
- Poor job prospects;
- High levels of crime;
- Widening participation;
- Educational under-achievement; and
- Poor health.

2.18 A Masterplan for the Regeneration of South Kilburn was produced in 2004 (the "**South Kilburn Masterplan**") to set a framework for radical change to the physical form of the Estate, focussing on four neighbourhood centres around which traditional street patterns could be re-established. This proposed increasing the number and quality of homes and diversifying the tenure mix within the area – approximately 1,500 new private homes were proposed, alongside proposals to refurbish or rebuild publicly-owned housing.

2.19 The South Kilburn Supplementary Planning Document (the "**South Kilburn SPD**") was adopted in 2005, and provides planning policy support for the Masterplan. The purpose of the South Kilburn SPD is to set parameters to guide and control future development that will enable the overall vision for the Estate to be realised. The South Kilburn SPD is currently being revised and updated to ensure it fully aligns with current national, regional and local policy guidance. It is envisaged that the proposed amendments to the South Kilburn SPD will be presented to the Council's cabinet in early 2017, after which all required statutory consultation to amend the South Kilburn SPD will be undertaken. The SPD currently splits the Estate into a number of distinctive neighbourhood quarters:

- Historic Quarter;
- Village Quarter;
- Urban Quarter; and
- Artisan Quarter.

2.20 The Chippenham Gardens Scheme (which is the subject of the Order) relates to land located within the Village Quarter of the Masterplan.

2.21 The delivery of 20 demonstration homes at Thames Court at Albert Road was completed in 2005. A further 130 new homes for social rented and shared ownership accommodation were delivered at the Granville New Homes development, completed in 2009.

2.22 The Council is now progressing the regeneration proposals as part of a phased delivery programme – the South Kilburn Regeneration Programme. In 2009, the Council embarked upon revisions to the 2004/5 Masterplan that reduced the number of new private homes

proposed (from approximately 1,500 to 1,200) and established a phased programme of site by site redevelopment that allows the Council to decant existing tenants into new/replacement accommodation and to bring forward development sites to the market.

2.23 As part of this revised approach to delivery, since 2011, six sites have been taken through the planning process for the delivery of 581 new homes on the Phase 1b and Phase 2a lands. The Council received land receipts for these sites which has enabled the Council to proceed with design proposals for the Order Land.

2.24 On 11 November 2013, the Executive members of the Council approved the award of a contract for a full architectural design team to PRP Architects to lead a design team through to full planning application (RIBA 3) for the comprehensive redevelopment of the Order Land. A planning application was approved on the 14 July 2016 for the development on the Order Land of 52 mixed tenure homes for social rented accommodation and market sale, of which 22 are earmarked for social rented accommodation to be offered to existing secure council tenants in the Estate as part of the on-going Regeneration Programme.

Community Consultation

2.25 The preparation of proposals for the regeneration of the Estate has been supported by widespread consultation. More recently, consultation was undertaken in 2015/16 on Woodhouse Urban Park ("**WHUP**") with local residents and stakeholders for the delivery of a high quality urban park situated on Albert Road that was opened to the public on the 7 May 2016 and also the redevelopment of Peel Precinct, 97 to 112 Carlton House and 8 to 14 Neville Close (together defined as "Peel"), the latter being the site identified for a new fit for purpose health centre for South Kilburn. Consultation on the design proposals for Peel was undertaken in 2015/16 with representatives from, NHS England three local GP practices as well as with local residents and stakeholders.

2.26 More specifically, in the development of the Chippenham Gardens Scheme for the Order Land, consultation has taken the form of: consultation with the leaseholders of Peel and 4-26 Stuart Road (even numbers only) which took place on 17 February 2015 followed by a formal consultation exercise on 9 April 2016 regarding three important proposals in concerning the Ground 10a application to be made by the Council, the proposed compulsory purchase order for the Order Land and the Council's Allocation Policy with the secure tenants of 4-26 Stuart Road (even numbers only) and Hereford House and Exeter Court, which form part of the South Kilburn regeneration programme. A revised allocation policy was approved by the Cabinet in June 2016.

2.27 In addition, three public exhibitions/consultation sessions where held targeting residents and stakeholders neighbouring the Order Land and within the wider community, one focused Resident Design Groups targeted at residents who may be offered new homes; a presentation regarding the Scheme's proposals and a display of consultation boards at a local Area Consultative Forum; and a presentation at the South Kilburn Tenants' Steering Group meeting, held on a quarterly basis. A pre-planning exhibition was also held on 8 March 2016 to showcase the final proposals and designs before the planning application was submitted. Updates regarding the project's progress throughout its lifecycle, including the consultation boards presented at the public exhibitions, have also been provided on the Council's South Kilburn webpage and through various publications. Full information regarding the proposals have been made available to ensure residents are fully informed. Further to this, persons at addresses within and adjacent to the Order Land have been consulted by the Council in its capacity as Local Planning Authority in respect of the planning application for the Chippenham Gardens Scheme. A Statement of Community Involvement was prepared by the Council recording the consultation undertaken by it, which was considered when the Council sought planning permission for the Chippenham Gardens Scheme. The Council has given consideration to the feedback it has received and taken account of this, where possible, in formalising its proposals for the Order Land and the implementation of them.

2.28 The South Kilburn Masterplan seeks to transform the area into a number of distinctive neighbourhood quarters characterised by mixed and integrated tenures, and a legible, secure

and high quality public-realm. The Masterplan sets out how it is proposed to redevelop the Estate, identifying those blocks that are retained and those that will be redeveloped. The location - 15 minutes from Central London with two tube stations and a 10 minute walk to Maida Vale - makes this an ideal location for people to live. Bringing forward homes at or above the Mayor's housing design standards is part of the distinctive approach of the programme. Quality in building, landscape and public realm design is fundamental to the area's transformation.

2.29 The Masterplan Review 2016 has just concluded. The Site forms part of Phase 3a programmed to start on site in 2017, which critical to the programming of the decant for the South Kilburn Regeneration Programme. If the development of the Order Land is not delivered on time it will affect the delivery of the entire programme.

2.30 The South Kilburn Regeneration Programme proposes a sustainable and deliverable package of redevelopment to address the identified problems of the Estate through a phased delivery of new housing. The phased programme prioritises the redevelopment of the worst quality blocks within the Estate, through the provision of new homes within a higher quality, better managed development with a more connected layout. The proposed development features traditional street patterns, front doors, high quality domestic materials, and appropriately located retail and community space.

2.31 The report to the Council's Cabinet in January 2015 addressed the approximate cost of repair at the time in 2015. As the Council had entered into a collaboration agreement with Woodville Properties 4 to 26 Stuart Road (even numbers only) was therefore intended to be brought forward for redevelopment. Therefore the Site was not be reincorporated into Brent Housing Partnership's Decent Homes programme. The reason for this was two-fold: (i) the cost to bring the eight properties that where at the time occupied by secure tenants within 4 to 26 Stuart Road to Decent Homes standard would be approximately £520,000,(approximately £4.1m in total, a cost which the Council did not regard as economic) for which there is no identified budget and; (ii) the cost of repair and refurbishment of 4 to 26 Stuart Road (even numbers only) under the Decent Homes programme would not address the fundamental inadequacies of the homes within this block. This does not include the remaining four properties at 4-26 Stuart Road (even numbers only).

2.32 The pace of delivery is fast; South Kilburn is changing. The first phase of the South Kilburn Regeneration Programme is now complete. The first phase was split into two sub-phases; 1a and 1b. To date, 362 new homes for existing secure tenants have been completed as part of "Phase 1a", comprising: the former Texaco garage, Carlton Vale, London, NW6 site; the former Gordon House, Malvern Road, London NW6 site; the former Marshall House, Albert Road, London, NW6 "Albert Road (11A)" site; and the former Roundabout, Carlton Vale, London, NW6, "Site 3C" site of the South Kilburn Regeneration Programme. Of these 362 new homes, 256 are affordable and have been occupied by existing South Kilburn residents. The remainder are for private sale.

2.33 The development of the "Phase 1b" land (comprising Bond House, Hicks Bolton House, Wood House, Ely Court, Cambridge Court and Wells Court) commenced in 2012 and has delivered 208 new homes which 122 are social rented and have been occupied by existing South Kilburn residents. Woodhouse Urban Park, a high quality open space was delivered this spring 2016 and was officially opened to the public on the 7 May 2016.

2.34 The second phase of the South Kilburn Regeneration Programme is again split into two sub-phases; 2a and 2b. The development of the "Phase 2a" land (comprising Bronte House and Fielding House, Cambridge Road, London, NW6 and the "Albert Road (11b)" and comprising the sites of the former Royal British Legion Clubhouse and of the Albert Road Day Centre, London, NW6) is expected to provide 373 high quality new homes in South Kilburn. Of these, 131 are proposed to be made available for existing secure tenants. 229 of the new homes in Phase 2a are being planned as part of the redevelopment of Bronte House and Fielding House on Cambridge Road. 103 of the 229 homes will be made available to existing secure tenants living on land earmarked for Phase 3a Hereford House and Exeter Court of the Regeneration Programme and are expected to be completed by the end of 2016 or early

2017. The remaining 144 new homes in Phase 2a are being planned as part of the redevelopment of a site along Albert Road. 28 of these homes have been made available to existing secure tenants living within Phase 3a Hereford House and Exeter Court and the Site. These 28 new homes are now completed and all secure tenants are in occupation.

2.35 The development of "Phase 2b" land (comprising of) Masefield House and Wordsworth House, Stafford Road, London, NW6; and the "Queen's Park/Cullen House" site comprising the sites of Keniston Press, Premier House, the Falcon Public House and Cullen House, Salusbury Road, London, NW6) and Gloucester House and Durham Court is expected to provide approximately 373 high quality new homes of which 141 are available for existing secure tenants of South Kilburn. 236 of the new homes in Phase 2b are being planned as part of the redevelopment of Gloucester House and Durham Court site. 102 of the 236 homes will be made available to existing secure tenants living on land earmarked for future redevelopment of the Regeneration Programme (most likely Phase 4). The remaining 137 new homes in Phase 2b are being planned as part of the redevelopment of the Queen's Park/Cullen House site. 39 of these homes will be made available for existing secure tenants living on land earmarked for future redevelopment of the Regeneration Programme (most likely Phase 4). The redevelopment of Masefield House and Wordsworth House is proposed to provide a site for a new combined primary school.

2.36 The redevelopment of the Queen's Park/Cullen House site has been delayed as a result of the site being affected by High Speed Two (HS2) Limited's proposal to locate a vent shaft relating to the construction of Phase One of HS2 on the Queen's Park/Cullen House site. Following negotiations between High Speed Two (HS2) Limited and the Council, High Speed Two (HS2) Limited has agreed (subject to receiving the necessary Government approvals/consents), to relocate the vent shaft to another site which does not form part of the Regeneration Programme. As a result, the Council now intends to bring forward the Queen's Park/Cullen House site for redevelopment in accordance with the Masterplan.

2.37 The capital receipts from the disposal of the sites included in Phase 1 and Phase 2a are reinvested back into the South Kilburn Regeneration Programme in order to contribute towards the delivery of its future phases and to ensure that the momentum of the South Kilburn Regeneration Programme is maintained. The reinvested disposal receipts will enable subsequent development sites within Phase 2b (and in due course Phases 3 and 4) of the South Kilburn Regeneration Programme to be brought forward through the planning and development process. In total the Council has received approximately £35m in land receipts through the disposal of the Phase 1 and Phase 2a sites; to date all monies received have been reinvested back into the regeneration of the Estate; the Council intends to reinvest future receipts in the same way. In particular, the Phase 2a land receipts are being used to acquire outstanding leasehold interests within Chippenham Gardens.

3. LOCATION AND DESCRIPTION OF THE ORDER LAND

3.1 The Order Land forms part of the Estate and is within the area covered by the South Kilburn Masterplan and its associated delivery programme – the South Kilburn Regeneration Programme. South Kilburn is located in North West London and is in the southernmost part of the administrative area of the London Borough of Brent. The area covered by the South Kilburn Masterplan shares boundaries with the London Boroughs of Camden to the east and Westminster to the south and west. It is surrounded by the residential neighbourhoods of Maida Vale, Queen's Park and Warwick Avenue.

3.2 The Order Land is located to the southern part of the South Kilburn Masterplan. It is surrounded on three sides by the London Borough of Westminster and sits in close proximity to the western boundary of Maida Vale Conservation Area.

3.3 Between Carlton Vale to the North and Shirland Road to the South, the eastern side of Kilburn Park Road, has an almost intact Victorian terrace.

3.4 Adjacent to Chippenham Gardens, built in the 1970s, stands John Ratcliffe House comprising a 9 storey residential block. Just to the North of the Site sits Argo House, a new residential development with commercial retail and parking.

3.5 On the Western side of Malvern Road adjacent to the Site, lies a fully intact Victorian terrace.

3.6 To the north of the Site is an area of Radburn layout housing. This is collection of 3 storey semi-detached housing built in the 1970s.

3.7 Full details of the Order Land appear in the Schedule to the Order but in summary it comprises 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only) and other land such as the adopted public highway in the immediate vicinity as shown edged in red and coloured pink on the map referred to in the Order. Within the immediate vicinity is land owned Brent Housing Partnership, the Council's Arm's Length Management Organisation, such as the footpath adjacent to the site, the road that is to be adopted as part of the redevelopment and homes within John Ratcliffe House.

3.8 The Schedule to the Order has been prepared based on information gathered through inspection of Land Registry title documents, site inspections and enquiries, and the responses to notices issued under section 16 of the Local Government (Miscellaneous Provisions) Act 1976. The Order Land does not include or affect (i.e. through demolition, alteration or extension) any listed buildings or any consecrated land.

4. THE ENABLING POWER UNDER THE TOWN AND COUNTRY PLANNING ACT

4.1 The Order has been made pursuant to the provisions of Section 226(1)(a) of the 1990 Act to facilitate the implementation of the Scheme upon the Order Land.

4.2 Section 226(1)(a) empowers an acquiring authority, on being authorised by the Secretary of State, to acquire compulsorily any land in their area:

4.2.1 If the acquiring authority thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to that land; and

4.2.2 The development, redevelopment or improvement is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of their area.

4.3 The Council has had regard to the advice in paragraph 11 of the Guidance, which advises that acquiring authorities should look to use the most specific power available for the purposes in mind and only use a general power when a specific power is not available. The Council is satisfied that the use of the powers contained in section 226(1)(a) of the 1990 Act is the most appropriate power available for its purposes and will facilitate the carrying out of development, redevelopment or improvement on or in relation to the Order Land (which is in the Council's area); and that it will contribute to the development, redevelopment or improvement of that area, thus meeting the statutory tests. Although alternative powers of compulsory acquisition are provided by section 17 of the Housing Act, the Council believes having regard to the objectives of the Order that the powers contained in section 226(1)(a) are the more appropriate in the circumstances of this case. The use of powers in the 1990 Act to secure compulsory purchase powers for estate regeneration schemes is well precedented. Further, the Council made two compulsory purchase orders for earlier phases of the South Kilburn Regeneration Programme, under the powers contained in the 1990 Act, both of which were confirmed, those orders being the London Borough of Brent (South Kilburn Regeneration – Phase 2A, Bronte House and Fielding House) Compulsory Purchase Order 2013 and the London Borough of Brent (South Kilburn Regeneration – Phase 2b – Gloucester House and Durham Court) Compulsory Purchase Order 2014.

4.4 Paragraph 65 of the Guidance advises that the powers contained in section 226(1)(a) of the 1990 Act are intended to provide a positive tool to help acquiring authorities with planning

powers to assemble land where this is necessary to implement proposals in their Local Plan or where strong planning justifications for the use of the power exist. The power is expressed in wide and general terms and can therefore be used to assemble land for regeneration and other schemes where the range of activities or purposes proposed mean that no other single specific compulsory purchase power would be appropriate.

4.5 The Guidance also provides general guidance to acquiring authorities on the use of compulsory purchase powers. The Council has taken account of the guidance in promoting the Order. The Council is proposing to utilise its powers under section 226(1)(a) of the 1990 Act because it is not certain that it will be able to secure by agreement the land required for the delivery of the Scheme, although the Council's efforts to acquire the necessary land by agreement will continue in parallel with the compulsory purchase order process.

4.6 The way in which the Chippenham Gardens Scheme is likely to contribute to the promotion or improvement of the economic, social and environmental well-being of the Council's area by providing new high quality homes, and an enhanced and improved public realm, is described in further detail Section 7 of this Statement of Case.

4.7 The proposed redevelopment of the Order Land to facilitate the Chippenham Gardens Scheme is detailed in various sections below.

5. THE SCHEME FOR THE ORDER LAND

5.1 In broad terms, the Scheme involves:

(a) The demolition of 5-9 Chippenham Gardens, Kilburn Park Post Office and 4-26 Stuart Road (even numbers only) and the development of approximately 52 new dwellings for a mix of market sale and social rented accommodation with a net increase of 40 dwellings and 14 affordable homes;

(b) Enhancement of existing public amenity areas;

(c) Extensive landscaping will be undertaken as part of the development to integrate the proposals into the surroundings and improve existing pedestrian routes so as to enhance the overall streetscape of the area as there are currently blank facades to existing building with no natural surveillance which attract anti-social behaviour, an existing poor quality public realm and landscaping;

(d) The creation of private and communal amenity spaces and landscaping enhancements including the provision of safe and stimulating play facilities for children aged under 5 years as there is a limited amount of play provision nearby for this age group;

(e) Restoring a traditional network of connected streets and street frontages;

(f) Provision for the future adoption of Stuart Road which will require the highway to be made a one way street and the footpath between Kilburn Park Road and Stuart Road to be widened and improved so that it can be made part of the public highway (*Appendix 3)*;

(g) Stopping up of existing highways will be required as part of the Scheme, as described in Section 16 and shown on the plan at *Appendix 5*;

(h) The creation of permit car parking (capped) on Stuart Road following its adoption;

(i) High quality design of new homes with good internal space standards and public realm with secure cycle storage and refuse and recycling storage facilities;

(j) Provision of all necessary and associated infrastructure, drainage, servicing and works.

5.2 In the vast majority of new dwellings within the Scheme, internal space standards meet or exceed those within the London Housing Design Guide Standards.

5.3 All new dwellings will meet Lifetime Homes standards and will designed to comply with Building Regulations Approved Document Part M(4) category 2, while 10% across all tenures will meet wheelchair housing standards to Building Regulations Approved Document Part M(4) Category 3.

5.4 Larger homes for families (3 beds) will as far as possible be located on the ground floor with front doors onto streets and with private gardens. Some three bedroomed homes within the development will, however, be located on alternate floors served by a lift. All other homes will have large balconies or terraces and all dwellings will be able to make use of communal amenity spaces.

5.5 The Council is satisfied that the Scheme is in accordance with the strategic objectives of the adopted planning policy framework for the area. These proposals will deliver significant economic, social and environmental benefits to the area, particularly in comparison to the existing use of the Site.

5.6 The development of the Order Land will enable, through the delivery of new high quality homes and an enhanced public realm, the Council's comprehensive proposals to be delivered in line with the Council's planning policy objectives for the area, as well as enabling future phases of the South Kilburn Regeneration Programme to be brought forward.

6. THE PURPOSE OF THE ORDER

6.1 The purpose of the Order is essentially two-fold. Firstly, the purpose of the Order is to provide for the redevelopment of the Order Lands. This would lead to the redevelopment of the Order Lands from a run-down and sub-standard urban form to a modern and carefully designed development, contributing to a better environment, a better mix of dwellings in the locality and increasing the number of affordable, social rented homes on the Order Land from 8 to 22. The increase in the number of social rented, affordable homes is a very important purpose, given the scale of affordable housing need in London and in south Kilburn in particular. There will also be an increase in the number of market homes from 4 (leasehold properties) to 30 for private sale, which will not only help to create a mixed and balanced community in this location but will also make a material contribution to meeting the acute need for new market housing in London and South Kilburn in particular. In addition, there will be improvements to the amenity land at Chippenham Gardens for the benefit of residents of the area as well as helping to tackle anti-social behaviour in the area.

6.2 Secondly, the purpose of the Order is to support the South Kilburn Regeneration Programme by delivering a crucial and integral part of the programme to regenerate the Estate. This is achieved not only by the regeneration of the Order Land itself, which contributes to the regeneration of the South Kilburn area, but by the new affordable dwellings being made available to existing secure tenants of homes on the Estate which are due for redevelopment as the next phase in the programme. If homes are not available to 'decant' existing secure tenants into, the regeneration programme would come to a halt. It is important to the regeneration objectives of the programme that the existing community of the Estate is re-accommodated on the Estate. It is vital to retain the substance of the community intact and together. Having suitable new homes available on the Estate for the 'decant' ensure the existing community is kept together and avoids residents moving away or being put into temporary accommodation or having to move twice. The Council undertakes individual assessments of each household (including occupational therapy assessments) which is due to move as part of the regeneration programme and seeks to provide new accommodation tailored to their particular needs and circumstances. If there is a requirement the Council will adapt the new home to accommodate secure tenants' needs. The 'decant' process as part of the South Kilburn Regeneration Programme is very carefully planned and implemented, and

the homes to be provided on the Order Land are a critical part of being able to carry out the regeneration of the Estate in an orderly, timely and sustainable manner. The Council has successfully re-housed circa 500 secure tenants to date.

6.3 Both of the purposes explained above are important in justifying the Order, and together they provide at compelling case to justify the acquisition.

6.4 In accordance with the South Kilburn Masterplan, the Order Land is an integral and fundamental part of the Regeneration Programme. The Council seeks to redevelop the Order Land by delivering a residential mixed tenure development as part of a phased regeneration of the Estate which will result in much-needed affordable housing for existing secure tenants in future phases of the South Kilburn Regeneration Programme. As explained in this Statement, the Chippenham Gardens Scheme will provide much needed housing and bring about other benefits. The timing of the delivery of the new homes is vital to ensuring future sites can be released for redevelopment. The completion of the strategic and intensive six month Masterplan Review (2016) has reinforced this by programming the delivery of the Site originally planned to start on site in 2017. Any further delays to the delivery of the new homes on the Order Land will have a wider impact on the overall South Kilburn Masterplan. The majority of the secure tenants residing at 4-26 Stuart Road (even numbers only) have moved to the Site 11b new development (Queen's Park Place) with three remaining to be moved to the Bronte and Fielding Houses redevelopment in early 2017. The 22 social rented homes to be provided on the Order Land, especially family homes, are a crucial and time critical part of the programme and are essential to make the overall South Kilburn Regeneration Programme work. Each phase of the programme contributes to the delivery of the overall total. Queen's Park Place, as part of Phase 2A of the South Kilburn Regeneration Programme, provided 28 much needed affordable homes for existing secure tenants of South Kilburn. The Chippenham Gardens Scheme will add further to the Council's target for delivery of affordable housing in South Kilburn. Overall, the South Kilburn Regeneration Programme will deliver over 1,200 much needed affordable homes for existing secure tenants of South Kilburn over a period of 10 to 15 years.

6.5 The Council is the master developer in relation to the redevelopment of the Estate. The Council is committed to transforming the Estate and is taking direct responsibility for development of the Order Land . A bespoke funding and delivery model for the South Kilburn Regeneration Programme has been established. The Masterplan has been parcelled up into a series of smaller development sites which are intended to be brought forward on a phased basis, in order to secure delivery in the prevailing economic climate. With the objective of ensuring that quality of design is not comprised and momentum of delivery is not lost, the Council's strategic approach to date has (in respect of the early phases of the South Kilburn Regeneration Programme) included undertaking design to Stage 3 of the RIBA Plan of Work 2013, securing planning permission, title and vacant possession of the sites. On the whole, these sites, having effectively been "de-risked", have subsequently been disposed of by the Council through the use of the Council's bespoke South Kilburn Developer Framework (which has now expired), which included provisions enabling both Registered Providers and private developers to build and manage the new homes. Under this Framework the Council secures nomination rights exclusively for the first 15 years for South Kilburn residents for social rented accommodation and the land receipts received are recycled back into the South Kilburn Regeneration Programme. A similar disposal approach is likely to be adopted for the disposal of the Chippenham Gardens Scheme, although the Council is considering procurement options at this time and is to present a report to Cabinet on these in Spring 2017, including options for disposal of the Order Land. The Council is using the GLA Framework for its most recent development as part of the South Kilburn Regeneration Programme, which is currently out for procurement, namely Gloucester House and Durham Court, which adopts the same principles noted above.

6.6 The Council secures nomination rights on all the new affordable units and allocates them to secure tenants currently residing within blocks earmarked for redevelopment within the next phase of the South Kilburn Regeneration Programme. A detailed phasing and decant schedule accompanies the South Kilburn Masterplan, facilitating vacant possession of blocks in line with the redevelopment programme.

6.7 Details of the proposed redevelopment of Chippenham Gardens site are set out in this Statement (at section 5).

6.8 In summary, the purpose of seeking to acquire land compulsorily is to facilitate the comprehensive redevelopment of the Order Land. The Chippenham Gardens Scheme has been identified by the Council as the best means by which to meet the Council's adopted strategic planning objectives for this element of the wider South Kilburn Regeneration Programme. The Order Land is identified in the Council's planning policy documents and its regeneration is a necessary and vital part of this plan as it delivers much-needed affordable homes for existing secure tenants of future phases of the South Kilburn Regeneration Programme and by decanting existing secure tenants to the new homes to be provided on the Order Land and further, it enables future phases to be brought for redevelopment to deliver further affordable homes as a part of the South Kilburn Regeneration Programme. The Council fully supports the Chippenham Gardens Scheme and wishes it to be brought forward in accordance with its adopted planning policies.

6.9 Compulsory purchase of the requisite land is essential to enable the Chippenham Gardens Scheme to be implemented and for the Council to achieve its policy objectives within a reasonable timescale. The Council also considers that the Order is necessary, proportionate and justified in the public interest. Consequently the Council has made the Order to secure the outstanding interests required to facilitate implementation of the Chippenham Gardens Scheme.

7. JUSTIFICATION FOR COMPULSORY PURCHASE

7.1 The Order has been made to ensure that all the land required for the Chippenham Gardens Scheme can be secured within a reasonable timescale, thereby maintaining the affordability and deliverability of the Chippenham Gardens Scheme and of the wider South Kilburn Regeneration Programme, as well as allowing the regeneration of the Order Land in particular. The justification is the achievement of the purposes of the Order set out above, namely to redevelop the Order Land both for itself but also as a part of the South Kilburn Regeneration Programme. If the Order Land is not brought forward for redevelopment as proposed it would have serious implications for the programme, as identified above.

7.2 It is highly relevant that other compulsory purchase orders have previously been confirmed with essentially the same purposes and justification as part of the South Kilburn Regeneration Programme. For example, in a letter dated 20 February 2015 related to Phase 2B and Gloucester House and Durham Court, the Secretary of State confirmed that he was satisfied that the order was justified to achieve the purpose for which it had been made, that all land included in the order was required and that a compelling case in the public interest had been made for the confirmation of the order. The Secretary of State also confirmed that the interference with human rights was sufficiently justified. There is no material difference between the circumstances which applied to that order at that time and the circumstances which now apply to the Order.

The compelling case in the public interest

7.3 The Guidance advises that an acquiring authority should only make a compulsory purchase order where there is a compelling case in the pubic interest to do so. The Council is satisfied that there is a compelling case for the use of its compulsory purchase powers for the reasons set out below in this section 5 of this Statement of Case.

7.4 The Order Land forms part of the Estate (and thus forms part of the area which is the subject of the South Kilburn Regeneration Programme). Although the Council is the majority freeholder and landlord, there are a number of leasehold and other interests within 4-26 Stuart Road (even numbers only) needing to be secured as well as other interests in other land affected by the Order. The Estate is suitable for a sustainable and phased approach to development and the Order is required to secure land and property rights to enable the Scheme to be implemented.

7.5 The Council has considered the reasons why it is necessary to acquire the property interests identified in the Schedule to the Order. The freeholders and leaseholders have been invited to enter into discussions with the Council with regard to compensation, in accordance with the advice contained in the Guidance.

7.6 The purpose of the Order is to enable the Council to acquire: all freehold and leasehold interests not already in Council ownership; land the ownership of which it has not been possible to ascertain, notwithstanding diligent enquiry; land where agreement to acquire cannot be reached, and such acquisition is necessary in order to achieve delivery of the Chippenham Gardens Scheme with a programmed start on site of 2017, subject to confirmation of the Order.

7.7 The Council's negotiations with freeholders and leaseholders have indicated that it is likely that the timely acquisition of these interests on reasonable terms and within a realistic timescale will, in some instances, only be achievable through compulsory purchase. Compulsory purchase powers are therefore essential to enable the necessary interests to be acquired and for site assembly to be achieved, thereby enabling the Chippenham Gardens Scheme to be delivered. The Chippenham Gardens Scheme will contribute to the improvement of the economic, social and environmental well-being of the South Kilburn area and the compulsory purchase of the Order Land is justified in these circumstances.

7.8 The overarching consideration for the Council when making the Order and for the Secretary of State in deciding whether it should confirm the order (as set out in paragraphs 12 to 15 of the Guidance) is whether there is a compelling case in the public interest which justifies the interference with the human rights of those with an interest in the land affected.

7.9 Paragraphs 2 and 12 of the Guidance advise that a compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected and is proportionate. Particular consideration should be given to the provisions of Article 1 of the First protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention.

7.10 The Council considers that there is a compelling case in the public interest for the making and confirmation of the Order for the reasons outlined in this Statement. The need for the development of the Order Land is acknowledged and supported in the adopted local planning policy framework as set out in section 8. Delivery of the Chippenham Gardens Scheme would help fulfil the Council's key planning policy objectives for the area and transform the Order Land. It would contribute significantly to the improvement of the economic, social and environmental well-being of the area as set out in this Statement. Detailed planning permission for the Chippenham Gardens Scheme was granted on 14 July 2016 (Planning ref 16/1191). The Council is confident that there is a very high likelihood of the Chippenham Gardens Scheme proceeding, given the commitment to the delivery of it demonstrated to date, in securing planning consent for it, the acquisition of interests by agreement, the making of the Order, the availability of funding and the further steps it is taking to deliver the project. The steps taken include ensuring that all the secure tenants have already been allocated a new home and that one leasehold interest has been acquired by agreement, as well as working with the outstanding leaseholders and other interests to try to acquire their interests by agreement. The Council believes that there are no credible alternatives to compulsory purchase to achieve the purposes of the Order following the limited progress made so far with the approach taken of extensive efforts to seek to acquire interests by negotiation. It is highly unlikely that all the outstanding interests required could be assembled by agreement within a reasonable timescale, which would prevent for the programmed start on site of autumn/winter 2017, subject to confirmation of the Order. In making its assessment of the justification of the Order, the Council has taken into account the rights of those who may be affected by the Order (as referred to in section 10 below). In addition, the Council has had due regard to its public sector equality duty under section 149 of the Equality Act 2010 (referred to in section 11 below). In the Council's view, the considerable public benefits of new high quality homes involving a net increase of 14 new affordable homes and an overall net increase of 40 new

high quality homes, an enhanced public realm and investment into the local area, and enabling the progress of the South Kilburn Regeneration Programme, outweigh the interference with the human rights of those likely to be affected by compulsory purchase and there is a clear compelling case, in the public interest, for the making and confirmation of the Order.

Other considerations in relation to the justification for the Order

7.11 Paragraph 13 of the Guidance advises that the Minister confirming the Order has to be able to take a balanced view between the intentions of the acquiring authority and the concerns of those with an interest in the land that it is proposing to acquire compulsorily and the wider public interest. The more comprehensive the justification which the acquiring authority can present, the stronger its case is likely to be. However, the confirming Minister will consider each case on its own merits and this Guidance is not intended to imply that the confirming minister will require any particular degree of justification for any specific order. It is not essential to show that the land is required immediately to secure the purpose for which it is to be acquired, but a confirming minister will need to understand, and the acquiring authority must be able to demonstrate, that there are sufficiently compelling reasons for the powers sought at this time. If the authority does not:

- have a clear idea of how it intends to use the land which it is proposing to acquire; and
- cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable timescale,

it will be difficult to show conclusively that the compulsory acquisition of the land included in the order is justified in the public interest, at any rate at the time of its making.

7.12 The Council considers it has demonstrated in this Statement that there are sufficiently compelling reasons for the powers to be sought at this time to enable the Chippenham Gardens Scheme and the benefits it will bring to be delivered. The Council has more than a clear idea of how it intends to use the land which it is proposing to acquire. The land is required to deliver the Chippenham Gardens Scheme in accordance with the full detailed planning permission granted on 14 July 2016 (Planning ref **16/1191)** and in compliance with national and local planning policy. The proposals for the Order Land will deliver significant economic, social and environmental benefits to the area. Further, the necessary resources are in place to enable that end within a reasonable timescale. As explained within this Statement, the necessary resources are in place now to deliver the Chippenham Gardens Scheme within a reasonable timescale. The Council also has the necessary resources to meet all land acquisition and compensation costs (including acquisition and compensation costs arising from the service of any blight notice(s)). The Secretary of State can therefore be satisfied that the order is justified and in the public interest at the time of its making.

7.13 Paragraph 14 of the Guidance advises that the acquiring authority should provide substantive information as to the sources of funding available and the timing of that funding. In relation to sources of funding, the acquiring authority should provide substantive information as to the sources of funding available for both acquiring the land and implementing the scheme for which the land is required. If the scheme is not intended to be independently financially viable, or that details cannot be finalised until there is certainty that the necessary land will be required, the acquiring authority should provide an indication as to how any potential shortfalls will be met. This should include: the degree to which other bodies (including the private sector) have agreed to make financial contributions or underwrite the scheme; and the basis on which the contributions or underwriting is to be made.

7.14 Funding is in place to enable site assembly to be achieved. Funding to facilitate both the implementation of the Chippenham Gardens Scheme and the payment of all land acquisition and compensation costs arising (including land and compensation costs incurred in consequence of any blight notice(s)) is available. Viability of the Chippenham Gardens Scheme is not in doubt. The Council is therefore confident that funding is in place to enable compulsory acquisition to be completed within the statutory period under section 4 of the Compulsory Purchase Act 1965.

7.15 Paragraph 14 also advises that in relation to the timing of funding, funding should generally be available now or early in the process. Failing that, the confirming Minister would expect funding to be available to complete the compulsory acquisition within the statutory period (see section 4 of the Compulsory Purchase Act 1965) following the operative date, and only in exceptional circumstances would it be reasonable to acquire land with little prospect of the scheme being implemented for a number of years. Evidence should also be provided to show that sufficient funding for could be made available immediately to cope with any acquisition resulting from a blight notice.

7.16 As explained in this Statement, implementation of the Chippenham Gardens Scheme will be the responsibility of the Council. The Council's implementation strategy is a set out in section 9 of this Statement. The Council has the necessary resources and funding available to deliver the Chippenham Gardens Scheme now. Works will commence on site once site assembly and title to all of the necessary interests in the land is secured following confirmation of the Order (assuming the Order is confirmed) and procurement of the Chippenham Gardens Scheme is to be taken forward in line with that timetable.

7.17 The Guidance considers impediments to the scheme proceeding, and notes that the acquiring authority should demonstrate that the scheme is unlikely to be blocked by any legal or physical impediments to implementation (paragraph 15).

7.18 The key issue affecting the delivery of the scheme relates to land ownership. To date it has not been possible to enter into agreements with all owners of interests required. Negotiations will continue with affected parties with a desire to conclude acquisition by agreement, but without the certainty of land assembly through the CPO process, the Chippenham Gardens Scheme will not be realised.

7.19 Other than the need to secure land assembly, there are no known physical or legal factors which would prevent or impede development, nor are any special categories of land affected. There are a number of statutory undertakers who operate apparatus within the Order Land. The Council is in discussions with the undertakers concerned. There are no financial, physical, planning or legal impediments to the Chippenham Gardens Scheme proceeding, subject to confirmation of the order to enable site assembly to be achieved.

7.20 Paragraph 76 of the Guidance stipulates that, where a CPO is promoted under the provisions of section 226 (1)(a) of the 1990 Act, the Secretary of State will take into account the following issues when deciding whether to confirm a CPO:

(a) whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area or, where no such up to date Local Plan exists, with the draft Local Plan and the National Planning Policy Framework;

(b) the extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area; and

(c) whether the purpose for which the authority is proposing to acquire the land could be achieved by any other means. This may include considering the appropriateness of any alternative proposals put forward by the owners of the land, or any other persons, for its reuse. It may also involve examining the suitability of any alternative locations for the purpose for which the land is being acquired.

7.21 These are each considered below in relation to the Order and the Chippenham Gardens Scheme.

(i) Whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area, or where no such up to date Local Plan exists, with the draft Local Plan and the National Planning Policy Framework

7.21.1 When considered against the adopted Development Plan, National Planning Policy Framework and the London Plan (2011), Brent Officer's afforded great weight to the benefits of the scheme and it was subsequently recommended for approval and granted full detailed planning permission on 14 July 2016 (Planning Ref: 16/1191).

7.21.2 The Council is satisfied that the Chippenham Gardens Scheme is in accordance with the strategic objectives for the delivery of new high quality homes which offers family homes and mixed tenure and also that the Scheme is in accordance with the adopted planning policy framework for the area. Officer's considered the proposal in the context of the current Masterplan for South Kilburn (2005) and in making their decision had regard to the background of the South Kilburn Regeneration Programme and its wider objectives and the role of the subject site in delivering these objectives.

7.21.3 These proposals will deliver significant economic, social and environmental benefits to the area, particularly in comparison to the existing use of the Site. It is pertinent here to now consider the key planning issues that were considered by the local planning authority in the determination of this planning application against the adopted development plan.

Quality of Accommodation

7.21.4 London Plan Policy 3.5 requires all new housing developments to be of the highest quality internally, externally and in relation to their wider context. As all properties reach the minimum requirements for London Plan (Supplementary Housing Guidance 2015) and Technical Housing Standards (March 2015) and have ample storage and are laid out in a sensible arrangement with the majority of units having dual aspect outlooks it was considered the scheme conforms with policy in regards to the quality of accommodation.

Density

7.21.5 National, regional and local policies seek to maximise the potential of sites, particularly previously developed brownfield sites. The London Plan sets out a Sustainable Residential Quality (SRQ) density matrix which suggests that an appropriate density for the site's location is between 200-200hr/ha. As the scheme has a total of 153 habitable rooms which totals 600 habitable rooms per hectare, the scheme conforms with policy. Furthermore the Chippenham Gardens Scheme provides 27% of the affordable units as 3 bed dwellings which exceeds the requirements outlined in the UDP.

Amenity Space

7.21.6 The proposal provides all units with private amenity space in the form of external balconies and winter gardens which was considered appropriate by the local planning authority when assessed against policy, noting that the provision of generous balcony space ensures a good standard of amenity space for residents on a constrained site.

Affordable Housing

7.21.7 The Chippenham Gardens Scheme provides for 22 social rented flats, with rents set at target rent levels, and 30 private flats. The local planning authority recommended that 42% social rented housing is the maximum and reasonable amount of affordable housing in this case, on condition that residential sales values

are reassessed post implementation and prior to occupation of all private flats, such that half of any surplus generated over the agreed FVA viability benchmark be secured as an additional affordable housing provision in South Kilburn. This has been secured through condition upon approval of the detailed planning application (16/1191) to ensure the level of affordable housing is at a level commensurate with 50% delivery. The scheme therefore conforms with Core Plan Policy CP6.

Layout

7.21.8 The proposal does not differentiate between entrances for the affordable section and the private section with all ground floor flats having their own front door onto the street, in accordance with the Mayor's Housing SPG and the vision of the South Kilburn SPD.

Elevation Design

7.21.9 Policy 7.4 of the London Plan, 'Local Character' states that development should have regard to the form, function, and structure of an area, place or street and the scale, mass and orientation of surrounding buildings. It should improve an area's visual or physical connection with natural features. Further, policy 7.6 states that in planning decisions ensure that buildings are of the highest architectural quality and utilise complementary materials. As the primary mass of the building is proposed to be brick, the local planning authority consider this to reflect the general make up of the dwelling houses on Kilburn Park Road. Further the cladding of the frame of the building is proposed composite stone to reflect the white render of the terraced properties opposite. The local planning authority considered that the materiality and fenestration details blend in well with the existing environment and the scheme conforms with policy in this respect.

Neighbouring Residential Amenity

7.21.10 Policy 7.6 of the London Plan requires local authorities ensure new development does not cause unacceptable harm to the amenity of surrounding land and buildings, further saved Policy BE9 of the UDP requires new development be of a scale, design and relationship which promotes the amenity of users, providing a satisfactory level of sunlighting, daylighting, privacy and outlook for existing and proposed residents. The Chippenham Gardens Scheme provides good separation distances in all directions and provides a wrap around frame that reduces the scope for overlooking. It also satisfies policy of the adopted Development Plan in this respect.

Transport

7.21.11 Saved Policy TRN23 of the UDP does exceptionally allow 'car-free agreements to be used in areas with hood public transport areas. Given the highly sustainable location of the site it was considered appropriate, and to be in conformity with policy to pursue this option. Highway Officers raised no objections to this proposal.

7.21.12 When assessing all the key planning considerations in the context of national, regional and local policy, the proposals for the Order Land are in compliance.

(ii) The extent to which the scheme will contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area

7.21.13 The Council considers that, in line with the requirements of the enabling power, the land proposed to be compulsorily acquired will facilitate the comprehensive redevelopment of the Order Land in a manner which will positively contribute to the improvement of the economic, social and environmental well-being of the Borough. This can be evidenced by considering the current status of the Order Land as

described in section 2 of the Statement and the benefits with the planning application that the scheme will deliver for the locality, as explained in sections 5, 6 and 7.

7.21.14 The purpose for seeking to acquire the land and interests required compulsorily is to facilitate the comprehensive development of the Order Land as part of the Council's proposals for South Kilburn in accordance with the approved planning application [16/1191] and the adopted planning policy framework, as explained in greater detail in section 6. The benefits that will arise are:

- The redevelopment of the Order Lands from a run-down and sub-standard urban form to a modern and carefully designed development, contributing to a better environment, including by carrying on the building line on Kilburn Park Road with John Ratcliffe House to complete this frontage and help create a vibrant sense of place that is sustainable and positive for the local area.
- Contributing to a better mix of dwellings in the locality.
- Increasing the number of affordable, social rented homes on the Order Land from 8 to 22. The increase in the number of social rented, affordable homes is a very important purpose, given the scale of affordable housing need in London and in the Borough.
- Increasing the number of leasehold homes from 4 to 30 private homes for sale which will not only help to create a mixed and balanced community in this location but will also make a material contribution to meeting the acute need for new market housing in London and South Kilburn.
- Improvements to the public realm and public highway at Chippenham Gardens, which will help to combat anti-social behaviour in the area, creating an improved area for social interaction and relaxation together with new planting and biodiversity improvements, as well as providing natural surveillance on each side of the building with front doors and balconies facing onto the public realm and street frontage.
- Widening and improvement of the footpath between Kilburn Park Road and Stuart Road so that it can be made part of the public highway with the creation of permit car parking (capped) on the newly adopted Stuart Road, thereby helping to mitigate the current problems of people parking unlawfully on the public realm.
- Helping as part of the wider proposals for South Kilburn to transform the status of South Kilburn and act as a catalyst for further investment and economic growth and unlock the potential for further regeneration.
- Contributing through the construction phase to local employment and training opportunities as part of the South Kilburn Regeneration Programme.
- Supporting the South Kilburn Regeneration Programme by delivering a crucial and integral part of the programme to regenerate the Estate, not only by the regeneration of the Order Land itself but also by the new affordable dwellings being made available to tenants of homes on the Estate which are due for redevelopment as the next step in the programme (as explained above).

(iii) Whether the purpose for which the land is to be acquired could be achieved by other means. This may include considering the appropriateness of any alternative proposals put forward by the owners of the land, or any other persons, for its reuse. It may also involve examining the suitability of any alternative locations for the purpose for which the land is being acquired.

A. Generally

7.21.15 The Council has secured, by agreement, the interests of one leaseholder but other interests need to be acquired as explained further in sections 1 and 6 above. Negotiations to secure all other lands and interests required are on-going. It is essential all outstanding interests are brought into one ownership and the whole site is made available to facilitate comprehensive redevelopment of the Order Land.

7.21.16 The South Kilburn Regeneration Programme aims to deliver approximately 2,400 high quality homes of which approximately 1,200 will be made available for existing secure tenants of South Kilburn. The Chippenham Gardens Scheme will contribute towards the achievement of this total by providing 22 affordable homes for existing tenants.

7.21.17 The Council has given careful consideration to the need for the land included in the Order Land. All of the land and outstanding interests are required to deliver the Chippenham Gardens Scheme. The Council is satisfied that the redevelopment of the Order Land will result in a significant improvement to the economic, social and environmental well being of this area.

7.21.18 Assembly of all of the Order Land and all outstanding interests in it needing to be acquired will enable the Chippenham Gardens Scheme to proceed. The Council has made the Order because it considers that the acquisition of all necessary interests by agreement within a reasonable timescale, to enable the Chippenham Gardens Scheme to be delivered, is unlikely.

7.21.19 The purpose for which Order Land is proposed to be acquired is to enable the comprehensive development of it to proceed in accordance with the approved planning permission and the adopted planning policy framework. This could not be achieved by any other means.

B. Alternatives

7.21.20 The Order Land is not capable of piecemeal development with individual areas of land being brought forward in isolation, as the Site is too small to accommodate satisfactory or viable redevelopment in parts and because running through the Site is a Class 3 Storm Relief Sewer, which is a constraint to development of part of the Order Land. The combined approach of using the whole site to secure comprehensive development (including highway access) to serve the Scheme is considered to yield a significantly better redevelopment outcome for the area, particularly as it is one of a number of sites in the area to be regenerated on a comprehensive basis as part of the South Kilburn Regeneration Programme. It would not be possible to undertake a sustainable redevelopment of the Order Land in smaller parcels.

7.21.21 The refurbishment or other improvement of the existing 4-26 Stuart Road on the Order Land was not a feasible alternative due to their physical layout and characteristics. It was also not economic. When it was considered in 2015, the cost of bringing up the social rented homes to a decent home standard was approximately £520,000 (for 8 homes). This would not have involved any other improvements for example external works. It is estimated that it would cost approximately £4.1m to bring the block up to a decent standard, with none of the other benefits associated with the proposed redevelopment (such as the increase in the number of homes and the ability to contribute to the South Kilburn Regeneration Programme). There was no economically viable alternative to redevelopment and refurbishment would have represented much worse value for money in terms of the improvements achieved for the cost.

7.21.22 A comprehensive approach is required to deliver the Chippenham Gardens Scheme and the benefits it will bring.

7.21.23 A "Do Nothing" alternative would not be acceptable because the dwellings occupied by the Council's secure tenants would continue to deteriorate, adding to future maintenance costs and would not bring about the environmental and social benefits which are a feature of the Chippenham Gardens Scheme. Further, the net increase in the number of affordable homes on the site (14) would not be achieved.

7.21.24 Also, as explained above, refurbishment of the dwellings could not be achieved at economic cost.

7.21.25 Overall, it is concluded that there is no credible alternative which could meet the Council's regeneration and planning policy objectives for the Order Land within a reasonable timeframe.

7.22 The Council therefore considers that compulsory acquisition is essential to deliver the Chippenham Gardens Scheme, although it will continue to seek to secure the outstanding interests in the Order Land by agreement, wherever possible.

7.23 The Council is satisfied that there is a compelling case in the public interest for compulsorily acquiring the Order Land, and believes that the benefits which the Chippenham Gardens Scheme would secure in the public interest outweigh the effect of the acquisition on the rights of individuals. It is considered that in this case, the requirements of the Guidance, domestic legal requirements and the requirements of the European Convention on Human Rights, are met.

8. PLANNING POSITION OF THE ORDER LAND AND POLICY BACKGROUND

Policy Background

8.1 Section 38 (6) of the Planning and Compulsory Purchase Act 2004 requires planning applications to be determined in accordance with the provisions of the Development Plan unless material considerations indicate otherwise.

8.2 The adopted Development Plan for Brent at the time of this application comprised The Brent Core Strategy (2010), Brent's Unitary Development Plan (2004), Site Specific Allocations Document (2011), the London Plan (2015, as amended) and a number of Supplementary Planning Documents. Those considered relevant by the local planning authority to the assessment of this application were:

8.2.1 *Supplementary Planning Document (SPD) for South Kilburn (Adopted April 2005)*

8.2.2 *Supplementary Planning Guidance Note (SPG) 17 "Design Guidance for New Development"*

8.2.3 *Supplementary Planning Guidance Note (SPG) 19 "Sustainable Construction & Pollution Control"*

8.2.4 *The Masterplan for the Regeneration of South Kilburn (2004)*

8.3 The Core Strategy (in which South Kilburn is identified as a growth area) was found sound and legally compliant by a Planning Inspector and was adopted by the Council in July 2010

8.4 This is underlined by the Brent Borough Plan "Brent: Our Future 2010 – 2014" which sets out the Council's commitment to transform the area. There has since been an updated version of the Brent Borough Plan "Brent: Building a Better Brent Together 2015-2019; which sets out the Councils continued commitment to transform the area.

National Policy Guidance

8.5 The NPPF was adopted on 27 March 2012 and sets out the Government's planning policies for England and how these are expected to be applied. While the NPPF has amended certain aspects of the planning system, it does not change the statutory status of the Development Plan as a starting point for decision making. The NPPF constitutes guidance for local planning authorities and decision takers and therefore acts as a material planning consideration in determining applications.

8.6 The provisions within the NPPF that are considered relevant to this application include the presumption in favour of sustainable development which is seen as the golden thread running through the plan making and decision making process, Paragraph 7 of the NPPF sets out the three dimensions to sustainable development: economic, social and environmental.

8.7 The strategic objectives of the NPPF are to support economic growth, achieve a wide choice of high quality homes, widen opportunities for home ownership and create sustainable inclusive and mixed communities as set out in Section 6 of the NPPF.

8.8 The NPPF also supports the highest standards of architectural and urban design. Section 7 of the document sets out that the Government attaches great importance to the design of the built environment. Good design is a key aspect of sustainable development, is indivisible from good planning, and should contribute positively to making places better for people.

8.9 Paragraph 17 of the NPPF sets out a number of core planning principles that should underpin both plan-making and decision taking including ensuring a good standard of amenity for all existing and future occupants of land and buildings and encouraging the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value.

8.10 The NPPF also promotes sustainable transport and paragraph 32 states that planning decisions should take account of whether the opportunities for sustainable transport modes have been taken up depending on the nature and location of the site and that safe and suitable access to the site can be achieved for all people.

8.11 The NPPF also places great importance on promoting healthy communities. Paragraph 69 states that the planning system can play an important role in facilitating social interaction and creating healthy, inclusive communities. Local planning authorities should aim to involve all sections of the community in planning decisions.

Regional Policy

8.12 The London Plan 2011 consolidated with the Revised Early Minor Alteration to the London Plan (October 2013, Further Alterations to the London Plan (March 2015), Housing Standards Minor Alterations to the London Plan (March 2016 and Parking Standards Minor alterations to the London Plan (March 2016) is the spatial development strategy for London. The London Plan forms part of Brent's adopted Development Plan and has to be taken into account when making planning decisions. The policies within the London Plan are consistent with those in the NPPF.

8.13 Policy 2.14 of the London Plan recognises that the Estate is an Area for Regeneration by virtue of being within the 20% of most deprived wards according to the Indices of Multiple Deprivation 2007 and it is identified as such upon Map 2.5 (*Regeneration Areas*). The policy requires local authorities to prepare regeneration policies for such areas, as the Council has done through its Local Development Framework and through the South Kilburn Supplementary Planning Document adopted in 2005.

8.14 London Plan Policy 3.3: *Increasing Housing Supply*, and Policy 3.4: *Optimising Housing Potential*, provide Mayoral support for the delivery of a choice of new homes. Policy 3.3 requires local authorities to plan for meeting and exceeding housing targets. South Kilburn is identified within the Brent Local Development Framework Core Strategy as a growth area.

8.15 London Plan Policy 3.8: *Housing Choice* states that the Mayor believes that Londoners should enjoy a choice of quality homes that they can afford and requires local authorities to plan for and to encourage the development of:

- A mix of tenures, sizes and types of homes
- Affordable housing
- Housing built to Lifetime Homes Standards; and
- 10% of homes to be wheelchair adaptable/accessible.

8.16 New development delivered in South Kilburn and in particular within the Chippenham Gardens Scheme has been designed to achieve these standards in accordance with the Local Development Framework and the London Plan.

8.17 London Plan Policy 5.2: *Minimising Carbon Dioxide Emissions* requires that developments make the fullest possible contribution to minimising carbon dioxide emissions. Residential developments permitted between October 2013 and 2016 should achieve a 40% improvement on 2010 Building Regulations. The use of decentralised energy systems is also encouraged. In accordance with policy 5.5: *Decentralised Energy Networks*, the South Kilburn Regeneration Programme is progressing plans for a Neighbourhood Heating System in South Kilburn; all schemes within the South Kilburn Regeneration Programme save for the former Gordon House and the former Texaco garage site are designed to connect to such a system, and it is envisaged that a connection fee will be charged upon the connection of the development to the energy system.

8.18 New homes across tenures in the Estate including the Chippenham Gardens Scheme are all designed to meet or exceed the Mayor's aspirational standards for internal space as set out in the London Housing Design Guide (2010 Interim Edition). Developments are generally mixed in tenure, although in some circumstances, depending on the prevailing tenure of surrounding blocks, this may be loaded more heavily towards affordable housing or market housing in order to achieve a mixed and balanced community across the Estate. This project has a high proportion of affordable housing for its size at 42%, as there is a real need for affordable homes within the programme. New homes will be delivered for a range of household sizes across a balanced stock, considering housing decant needs within the Estate, general housing need in the Borough of Brent and again, the need to achieve a mixed and balanced community. All homes are to be delivered to Lifetime Homes Standard, while 10% of homes will be accessible to wheelchair users.

8.19 The Mayor of London agreed a Community Infrastructure Levy ("**CIL**") Charging Schedule which took effect from 1st April 2012. The Mayor of London is a charging authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the CIL in respect of development in Greater London. In the London Borough of Brent the Mayor charges CIL at a rate of £35 per square metre in respect of all development (other than development used wholly or mainly for the provision of any medical or health services except the use of premises attached to the residence of the consultant or practitioner or development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education). The amount to be charged for each development will be calculated in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended).

Local Policy Guidance

8.20 The Council adopted its Local Development Framework Core Strategy in July 2010. The principal purpose of this document is to establish how the Council intends to facilitate housing growth in the Borough of Brent across five defined growth areas, including South Kilburn.

8.21 Core Policy CP1 – Spatial Development Strategy or growth, Brent's Strategy is to concentrate on housing growth in well located areas that provide an opportunity for growth, creating a sustainable quality environment that will have positive economic impacts on deprived neighbourhoods that may surround them.

8.22 Core Policy CP2 – *Population and Housing Growth* identifies the South Kilburn area as being earmarked for the development of at least 2,400 new homes in the period up to 2026. The Borough will plan for sustainable population growth of between 25,000 and 28,000 people by 2017. The provision of at least 22,000 additional homes will be delivered between 2007 and 2026 (including over 11,200 homes from 2007/08 to 2016/17). The borough will aim to achieve the London Plan target that 50% of new homes should be affordable. At least 25% of new homes should be family sized (3 bedrooms or more). The Scheme delivers 52 new high quality homes, of which 42% are for social rent homes and approximately 18% are family homes. This is a high proportion of affordable housing for a scheme of this size and was subject to viability assessment when planning permission was granted.

8.23 Core Policy CP5 – *Place making* - requires that in considering proposals for development in major growth and regeneration areas, regard shall be had to a range of uses, encouraging the provision of social infrastructure, open space and the creation of a distinctive neighbourhood with a positive sense of identity. The development proposals for the Estate, coming forward through the South Kilburn Regeneration Programme, are residential-led (and the Scheme to which the Order relates provides an example of this), but the wider proposals for the Estate also include high quality public and private open space and play areas. A new and cohesive public realm will be introduced to infer identity and legibility across the Estate. A number of community facilities have already been provided at the Estate through the New Deal for Communities programme.

8.24 Core Policy CP6 - *Design & Density in Place Shaping* - Proper regard shall be made to the London Plan density Policy 3.4 (above) which supports higher densities in areas of good public transport accessibility. The Council will also take into account stated criteria to ensure that a notional density figure is not the only consideration, and the quality of design, location of the site and the need to provide family housing are all important.

8.25 Core Policy CP9 – *South Kilburn Growth Area* describes the Council's intentions for transforming the South Kilburn area. Core Policy CP9 provides a clear policy statement and vision for the Council's approach to the area including the provision of new homes, supporting infrastructure and community facilities, creating both an improved place and an improved perception of that place. As the principal landowner, the Council is the lead delivery agency within South Kilburn. The Council seeks planning permission for development on sites within the growth area in accordance with this policy approach.

8.26 Core Policy CP15 – *Infrastructure to Support Development* sets out how the Council seeks to secure infrastructure to support new development, particularly in growth areas. This policy sits alongside Core Policy CP9 (see above) which lists infrastructure items that are sought in the South Kilburn growth area. When securing planning permission for development, the Council enters into section 106 agreements using the standard charge approach contained within its Section 106 Planning Obligations Supplementary Planning Document (October 2007) ("**Planning Obligations SPD**"). The burden of discharging planning obligations is passed onto the successful developer partner. Following an Examination in Public, the Council's Charging Schedule was approved by the Council on 25 February 2013 and took effect from 1 July 2013. The Council subsequently made consequential revisions to its Planning Obligations SPD.

8.27 Core Policy CP21 – *A Balanced Housing Stock* seeks to establish the delivery of a mixed supply of homes for a range of needs across the Borough of Brent. As explained in section 6 above, the regeneration of the Estate includes the delivery of a wide range of types of homes by tenure, unit size and for particular needs. This also includes a proportion of large family sized homes. That is reflected in this Scheme as well.

8.28 The *South Kilburn Supplementary Planning Document* (2005) (the "**South Kilburn SPD**") provides a planning basis for the 2004 Masterplan. This is discussed above in paragraph 5.20. The South Kilburn SPD is an adopted planning policy document and is a material consideration to be taken into account in the determination of planning applications. The South Kilburn SPD is kept under review by the Council in terms of phasing of development and numbers of dwellings but the principles for development remain constant. The South Kilburn SPD and Masterplan for South Kilburn is currently being updated. Following the

conclusion of the six month process of reviewing the South Kilburn Masterplan, including viability and deliverability, the outcomes of this will inform the revision to the South Kilburn Supplementary Planning Document SPD 2017 which will be consulted on in early 2017 with plans to adopt the revised document mid 2017 which will replace the SPD 2005.

8.29 The South Kilburn Regeneration Programme supported by the Masterplan provides a spatial planning basis for the regeneration of South Kilburn. It integrates the approach to the development of sites with additional factors that define the kind of place it will be: for example how people can access and use open space and new community facilities. A wider range of tenures are being introduced to diversify away from a predominance of social rented housing. The proposed design of the new development restores a more traditional connected street layout with development providing frontages and front doors at street level.

8.30 Historically, South Kilburn comprised a dense and fine grain of Victorian terraced streets typical of London for that time. South Kilburn, despite the later interventions, has in some part retained elements of its Victorian past, particularly in the north east. However, whilst the Victorian street pattern survives in places, the area is largely dominated by high-rise, mainly low quality public housing. These buildings are set in areas of poorly designed private and communal open space with no clear use or function. The resulting contrast between Victorian and twentieth century urban landscape has served to isolate the Estate community in islands of development set amidst characterless and neglected spaces.

8.31 One of the key aims of the adopted South Kilburn SPD and supporting Masterplan is to integrate this part of the Borough of Brent back into its wider surroundings and to overcome the social, economic and environmental barriers that have been created by inappropriate previous development and modern intervention. In order to achieve this, the challenge is to create a well-designed urban place which not only respects the surviving Victorian fabric, but also takes cues and valuable lessons from this historic context.

8.32 The Chippenham Gardens Scheme has had regard to policy aims and objectives of local, regional and national policy. The scheme delivers new affordable and private homes as part of the continued redevelopment of South Kilburn in line with the adopted Development Plan and South Kilburn Masterplan. The scheme has been commended by the Council for successfully integrating the public realm by virtue of better defining the immediate space, improvements to the hard and soft landscaping along the eastern edge of the public realm and through active frontages facing towards this space, in line with objectives in the adopted Development Plan and NPPF.

Planning Permission

8.33 Alongside the planning policy framework in support of the regeneration of the Order Land which is outlined above, a planning application for the Scheme was made on 18 March 2016, leading to the grant of detailed planning permission on 14 July 2016 (Planning ref 16/1191). PRP, lead the design team and submitted a full planning application for the comprehensive redevelopment of the Order Land, are currently at design development stage (Stage 3 of the RIBA Plan of Work 2013).

8.34 Having planning permission secured on the site ensures deliverability and confidence. The local planning authority (Brent) has considered the scheme appropriate in the regard of policy aims and objectives at local, regional and national levels.

8.35 Additionally, planning permission has been granted and construction has commenced/will shortly commence upon the following sites within Phase 1, Phase 2a and Phase 2b, which are within the Estate, but outside of the Order Land:

(a) 153 dwellings at Albert Road (Site 11A) at the former Marshall House, Albert Road, London NW6 (now completed);

(b) 133 dwellings at Site 3C at the former Roundabout, Carlton Vale, London NW6 (now completed);

(c) 50 dwellings at the former Texaco garage, Carlton Vale, London NW6 (now completed);

(d) 26 dwellings at the former Gordon House, Malvern Road, London NW6 (now completed);

(e) 101 dwellings at the former Cambridge Court and Wells Court, Cambridge Avenue, London NW6 (now completed);

(f) 43 dwellings at the former Ely Court, Chichester Road, London, NW6 (now completed);

(g) 64 dwellings at the former Bond House and Hicks Bolton House, London, NW6 (now completed);

(h) 229 dwellings at the former Bronte House and Fielding House, Cambridge Road, London, NW6 (under construction);

(i) 144 dwellings at Albert Road (11b) comprising the sites of the former Royal British Legion Clubhouse and of the Albert Road Day Centre (now completed); and

(j) 236 dwellings at the former Gloucester House and Durham Court, NW6.

8.36 There is also extant planning permission for 137 new dwellings at land adjacent to Queen's Park Station. This site was delayed, by the proposed route for Phase 1 of High Speed 2 ("**HS2**"). Since the deposit of the Council's petition against the HS2 Bill, the Secretary of State promoted Additional Provision 4 on 12 October 2015 in relation to the proposed relocation of the ventilation shaft to Canterbury Works in Kilburn.

8.37 On 27 January 2016, the Secretary of State gave the Council an undertaking to enter into an agreement with the Council to carry out the HS2 development in such a way so as to facilitate the Council's South Kilburn Regeneration Project. The Council subsequently agreed that it would not appear before the Select Committee of the House of Commons to further the Council's petition.

8.38 The Council and the Secretary of State have now entered into the agreement that was referred to in the undertaking. Together, the agreement and Additional Provision 4 address the matters raised in the Council's petition. This means that the South Kilburn Regeneration Project will not be affected by the ventilation shaft and the Secretary of State has agreed to relocate the shaft to Canterbury Works in Kilburn. To this end the Council will now be bringing the Site forward for redevelopment.

9. IMPLEMENTATION AND FUNDING OF THE SCHEME

9.1 As noted elsewhere in this Statement of Case, the Council's implementation strategy is to drive forward the regeneration of the Estate by reducing the risk to delivery of development opportunities by acquiring leasehold and freehold property interests, securing planning permission and disposing of the development opportunities by granting long leases (250 years or more) to developer partners appointed through the South Kilburn Developer Framework or via OJEU compliant procedure subject to a development agreement with an obligation to build out within a defined timescale.

9.2 Also, as explained above, the capital receipts from the disposal of the sites included in Phase 1 and Phase 2a are reinvested back into the South Kilburn Regeneration Programme in order to contribute towards the delivery of its future phases and to ensure that the momentum of the South Kilburn Regeneration Programme is maintained. The reinvested disposal receipts will enable subsequent development sites within Phase 2b (and in due course Phases 3 and 4) of the South Kilburn Regeneration Programme to be brought forward through the planning and development process. In total the Council has received approximately £35m in land receipts through the disposal of the sites contained within earlier phases; to date all monies received

have been reinvested back into the regeneration of the Estate; the Council intends to reinvest future receipts in the same way. This demonstrates that funding is available for the Chippenham Gardens Scheme.

9.3 "Soft" market testing undertaken by the Council resulted in expressions of interest from a number of developers. The Council's own viability assessment undertaken as part of the planning process confirmed that the Chippenham Gardens Scheme is viable.

9.4 Alongside design and planning within the Order Land, in early 2017, the Council will be seeking approval of its disposal strategy for the Chippenham Gardens Scheme and subsequently embarking upon the process of procuring a developer partner to build out the scheme on the Order Land. The Council has previously used a combination of delivery methods including OJEU and the use of the Council's bespoke South Kilburn Developer Framework, all of which have been implemented successfully, with the land receipts received being recycled back into the South Kilburn Regeneration Programme. Going forward, disposal options include, but are not limited to:

9.4.1 *Use of the Greater London Authority (GLA) London Development Panel. The EU compliant framework consists of twenty five potential partners that could be selected to build out the Scheme on the Order Land as a result of a mini competition. It is envisaged that the successful partner would enter into a development agreement with the Council to deliver the development (the subject of that agreement) within 2.5 years. The GLA London Developer Panel has been procured for a four year period, expiring on 10 May 2017.*

9.4.2 *Use of other of any other appropriate OJEU Compliant Framework such as the Southern Framework.*

9.4.3 *A joint venture where the Council acts as developer and brings the site forward with a partner.*

10. HUMAN RIGHTS CONSIDERATIONS

10.1 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights. The parts of the Convention rights which have been and continue to be considered in the course of the making of the Order and leading up to the confirmation of the Order include those set out below: Article 1 of the First Protocol and Articles 6 and 8 of the Convention are of particular relevance.

10.2 Relevant parts of **Article 1 of the First Protocol of the Convention** provide that:

"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

"The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest ...."

10.3 If confirmed by the Secretary of State, the Order will affect the Article 1 rights of the present leaseholders/occupiers resident within the Order Land. However, there will be no violation of those rights where the steps taken are in the public interest and are lawful, as is required by Article 1 of the First Protocol (above) and Article 8 of the Convention (below).

10.4 Relevant parts of **Article 6 of the Convention** provide that:-

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

10.5 The Order proposals have been extensively publicised and consultation has taken place with the communities that will be affected by the Order.

10.6 All those affected by the Order have been notified of its making and have the opportunity to make objections to the Order and to be heard at a public inquiry before a decision is made on whether or not the Order should be confirmed by the Secretary of State. Those persons directly affected by the Order will also be entitled to compensation proportionate to any losses that they may incur as a result of any compulsory acquisition made pursuant to the Order.

10.7 Relevant parts of **Article 8 of the Convention** provide that:

"*(1) Everyone has the right to respect for his private and family life, his home and his correspondence.*

"(2) There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of heath or morals, or for the protection of the rights and freedom of others".

10.8 Article 8(1) is a qualified right and interference with it may be justified in appropriate cases by reference to Article 8(2).

10.9 The Order has been made pursuant to section 226(1)(a) of the 1990 Act which authorises the Council to acquire land compulsorily subject to following the procedures laid down in the Acquisition of Land Act 1981. The Council considers that there is a compelling case in the public interest such that if the Order Land is acquired the public benefit will outweigh the private loss arising from that acquisition. In the circumstances, the compulsory acquisition of the Order Land will not conflict with the rights provided by Article 8(1) of the Convention as the qualifications in Article 8(2) apply.

Application of the principle that interference with Convention rights must be proportionate and justified in the public interest

10.10 In promoting this Order the Council has carefully considered the balance to be struck between individual rights and the wider public interest.

10.11 To the extent that the Order would affect those individual rights, the Council considers that proposed interference with them would be in accordance with the law, necessary in the public interest and proportionate as very much needed affordable homes will be delivered. The Chippenham Gardens Scheme will also bring the other benefits described in this Statement at sections 5 and 6.

10.12 The impact of the compulsory purchase order on people affected by the Council's proposals have been considered by the Council, particularly those whose homes are to be purchased. The Council has secured alternative accommodation for its secure tenants affected by the proposals. It has secured one leaseholder interest by agreement and is in active negotiations with all interests affected, including the leaseholder objectors to the Order, for the purchase of their interests and the payment of compensation to them in accordance with the statutory compensation code. The Council's approach is to ensure, wherever possible, that affected residents are offered new accommodation on the Estate, should they wish to remain there. In relation to the objectors, the Council is providing Mr and Mrs Charles of 4 Stuart Road and Mr and Mrs O'Donnell of 26 Stuart Road with financial and practical assistance to enable them to secure new homes on the Estate, so that they may maintain links to friends and family in the area and access amenities together with those additional amenities to be provided as part of the wider South Kilburn Regeneration Scheme. Mr Aghamiri of 20 Stuart Road is an investor owner who does not reside at the property.

10.13 All of those persons whose rights under Article 8 of the Convention and under Article 1 of the First Protocol of the Convention would be affected by the Order will have an opportunity to

object to the Order and to have their objection considered at a fair and public hearing, in accordance with their rights under Article 6 of the Convention.

10.14 Appropriate compensation will be made available to all those entitled to claim it under the relevant provisions of the statutory Compensation Code.

10.15 In addition, having regard to the provisions of the 1990 Act and the Guidance, the Council considers that the Order Land is both suitable for and will facilitate the carrying out of development, redevelopment and improvement and will, for the reasons explained in this Statement, make a positive contribution to the promotion or achievement of the economic, social and environmental wellbeing of its area. The Council therefore has a clear idea of how it intends to use the land which it is proposing to acquire compulsorily. Further, the necessary resources are in place to achieve delivery of the Scheme within a reasonable timescale. Subject to confirmation of the Order (assuming the Order is to be confirmed by the Secretary of State) there are no impediments to its delivery.

10.16 The Council believes that there is a compelling case in the public interest for confirmation of the Order and that the Order, if confirmed, would be necessary, proportionate and would strike the appropriate balance between public and private interest. The Council is of the view that the Order would be lawful, in the public interest and proportionate as the Chippenham Gardens Scheme would will facilitate much needed housing and bring other benefits to the area. In the view of the Council, the public interest that is to be served by the development and the wider benefits it will bring outweigh the necessary interference with the private rights and interests in the Order land.

10.17 It is therefore considered that the Chippenham Gardens Scheme and the Order will not unduly infringe the rights of individuals which are provided by the European Convention on Human Rights. The Council is also satisfied that the requirements of the Guidance are met.

11. EQUALITY IMPACT ASSESSMENT

11.1 The Council has had regard to and complied with the advice in paragraph 2 of the Guidance regarding the duty it has under section 149 of the Equality Act 2010. The Council has also undertaken a comprehensive equality impact assessment to assess the impacts on groups with protected characteristics arising from its proposals and the Order. In addition, needs assessments have been undertaken by the Council and a bespoke allocation policy has been produced. The assessment confirmed that on balance positive impacts arise from the proposals for the Order Land. Some impacts were assessed as neutral. None were assessed as negative. South Kilburn is identified as a priority area for driving economic opportunity and regeneration within the policy document, Brent – Our Future 2010 - 2014 (Brent Borough Plan). The Regeneration Strategy for Brent 2010-2030 identifies the objective of delivering transformational change in South Kilburn within its Strategic Priority 1. As previously mentioned, the South Kilburn area was previously a New Deal for Communities area and as such, all interventions are specifically targeted at those people who suffer disadvantage in society. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the Estate are developed and delivered.

11.2 The Council has also taken account of both human rights and equalities impact issues in formulating its strategies and proposals in relation to the impact of the scheme on the community and in meeting the requirements of residents. The Council has made reasonable endeavours to offer practical and financial assistance to assist those residents who have indicated that they wish to remain in the area. Where land needs to be acquired compensation for acquisition, payments of Home Loss, Disturbance and fees. Rent is charged at social rent rather than an affordable rent. Secure tenants are also provided with gifted white goods to ensure they have a comfortable start in their new home. The Council also provided offers of the Shared Equity Opportunity at Argo Site, where leaseholders could purchase a share of up to 50-60% share with rent not payable on the remainder share. Alternative accommodation for leaseholders is available at the Argo Site development, located along Kilburn Park Road, bordering Chippenham Gardens, which is adjacent to 4-26 Stuart Road (even numbers only),

and in very close proximity to where the existing leaseholders reside. This opportunity was first offered to leaseholders in 23 February 2015. The Council is also in negotiations with the 3 leaseholder objectors about other alternative housing opportunities nearby.The criteria to be applied in relation to alternative accommodation was explained to leaseholders in the Home Group presentation on 21/07/2015 and further information has been provided to them since that time.

12. SPECIAL CONSIDERATIONS AND SPECIAL CATEGORY LAND

12.1 The Order Land is located within the southern boundary of the South Kilburn Masterplan Area, there are considered to be no special considerations affecting the Order Land. There are no listed buildings or consecrated land within the Order Land.

12.2 The Order Land includes land in which statutory undertakers have an interest which has been acquired for the purpose of their undertaking. The details of such interests are set out in the Schedule to the Order, but in summary they comprise the following:

12.2.1 *Rights (the precise location of which is unknown) in respect of electricity transmission lines, cables, conduits and apparatus owned by UK Power Networks plc;*

12.2.2 *Rights (the precise location of which is unknown) in respect of electricity transmission lines, cables, conduits and apparatus owned by South Eastern Power Networks plc;*

12.2.3 *Rights (the precise location of which is unknown) in respect of gas mains, pipes and other apparatus owned by National Grid Gas plc; and*

12.2.4 *Rights (the precise location of which is unknown) in respect of water mains, pipes and other apparatus owned by Thames Water Utilities Limited.*

13. DETAILS OF HOW THE AUTHORITY SEEKS TO OVERCOME ANY POTENTIAL IMPEDIMENTS TO THE IMPLEMENTATION OF THE ORDER

13.1 The Council believes that it has measures in place to manage and mitigate all the reasonably foreseeable risks that could potentially impede the implementation of the Order and the delivery of the Scheme.

13.2 The following table highlights these measures:

	Risk of Delivery	Strategic Action
1.	Need for a developer partner to deliver the Chippenham Gardens Scheme	In early 2017, the Council will be seeking approval of its disposal strategy for the Site and subsequently embarking upon the process of procuring a developer partner to build out the Scheme on the Order Land. Disposal options include, but are not limited to use of the GLA London Development Panel and other OJEU Compliant Frameworks such as the Southern Framework or the Council enter into a Joint Venture structure to act as developer.
2.	The status of public subsidy to deliver the Chippenham Gardens Scheme	The regeneration of the Estate is one of the Council's highest priority projects. The GLA (as successor body, in London, to the Homes and Communities Agency) are supportive of the Council's approach to regeneration of the Estate. The GLA retains a considerable equity stake that is reinvested through the South Kilburn Regeneration Programme. South Kilburn benefits from high sales and land values and as such the private elements of the development secure the delivery of new affordable homes by means of cross subsidy. To date, the Framework partners have demonstrated considerable financial strength and access to

	Risk of Delivery	Strategic Action
		considerable asset bases and income streams. The Council has funding to deliver this project as explained in this Statement.
3.	Lack of public support for the Proposals	There is a longstanding commitment by the Council to regenerate the Estate, which has met with considerable public support. Public consultation has been undertaken throughout the development process. Further public consultation was undertaken in connection with the planning application for the Chippenham Gardens Scheme, for which planning permission was granted on 14 July 2016.
4.	Need for vacant possession of Site for the delivery of the Chippenham Gardens Scheme	The phased approach to delivery allows the Council to offer new homes to tenants under a rolling programme of relocation, and to provide vacant possession on a phased basis to facilitate delivery of the Chippenham Gardens Scheme. The Council is confident that all secure tenants from 4-26 Stuart Road (even numbers only) will be re-housed by early 2017. The two resident leaseholders have been made alternative offers of homes in very close proximity to their existing properties. The investor landlord was also contacted about these opportunities but did not express an interest. The Council believes that its continuing negotiations with these parties will lead a successful outcome.
5	Availability of funding for re-housing tenants and purchasing freehold/leasehold properties	Land receipts from disposed development sites provide recycled funding for this purpose and provided the finance to bring the site forward for redevelopment. Funding is not therefore an impediment to implementation of the Chippenham Gardens Scheme.

13.3 Subject to confirmation of the Order to enable site assembly to be achieved, the Council considers there are no impediments to implementation of the Chippenham Gardens Scheme.

14. THE VIEWS OF GOVERNMENT DEPARTMENTS

14.1 The GLA are supportive of the Council's overall approach to regeneration of the Estate, and to its specific delivery strategy of incremental development, supported by a recycling of capital receipts. The GLA has an equity stake invested in the delivery programme that is recycled and reinvested into the South Kilburn Regeneration Programme, including the Chippenham Gardens Scheme.

14.2 On 8 February 2016 the Council applied to the Secretary of State's consent to rely on Ground 10A of Schedule 2 to the Housing Act 1985 to enable the Council to apply for a court order to obtain vacant possession of the residential dwellings let under secure tenancies in relation to 4-26 Stuart Road (even numbers only) of the South Kilburn Regeneration Programme.

14.3 On 21 June 2016, the Council received notification from the Secretary of State that, having considered the Council's application and taken into account the matters set out in paragraph 3(1) in Part V of Schedule 2 to the Housing Act 1985, he considered that the Chippenham Gardens Scheme proposed by the Council will enhance the housing accommodation in the neighbourhood, that the disposal and redevelopment would take place in an acceptable time-scale and that, as a result, he had decided to approve the scheme.

14.4 As noted above, the Secretary of State also confirmed the compulsory purchase order for Gloucester House and Durham Court in February 2015 and was content, there being no objections, for the Council itself to confirm the order for Bronte House and Fielding House in 2013.

15. PROPOSED MODIFICATION OF THE ORDER

15.1 Following the making of the Order, it has come to the Council' attention that the Order Map does not record the correct boundaries of Plot 5, owned by Woodville Properties Limited ("Woodville") and occupied by Mohammed Harsini as lessee. The extent of the land owned by Woodville is actually greater than is shown on the Order Map for plot 5, and actually extends further south westwards, affecting an area within plot 3 of the Order which the Council previously believed was in part highway land. A plan showing the additional area of land owned by Woodville is attached (*Appendix 6)*.

15.2 The Council is proposing to request the Secretary of State to correct this minor error on confirmation of the Order (assuming the Order is to be confirmed). This is considered to be a minor administrative change which the Secretary of State would be able to make, should the Order be confirmed. The corrections required would involve modification of the plan to record the true extent of Woodville's ownership, affecting both plots 3 and 5 on the map. In addition, the plot descriptions for plots 3 and 5 will need to be amended accordingly.

15.3 The Council is taking steps to notify the National Planning Casework Unit of the amendment required and will make reference to it in its evidence at any public inquiry that may be held to consider the Order. Further, the Council is notifying the objectors and other interested persons of the changes required to the Order. No party will be prejudiced by this change since the effect of it is simply to reflect the true position with regard to the extent of the land actually owned by Woodville within the Order and make corresponding changes to the Order Map and Order Schedule.

15.4 At the time of making the Order, the Council had intended to proceed with the making of a stopping up order in relation to the extent of highway within plot 3. After it came to light that this land was not highway but part of the land owned by Woodville, the highway land within plot 3 was excluded from the stopping up procedure. The stopping up order which the Council is proposing to introduce therefore now only affects an area of highway situate in the northern part of the Order Land (see map at *Appendix 5* and map showing the original proposal at *Appendix 4).*

16. RELATED ORDERS

16.1 As explained at section 15 above, the Council is seeking powers to stop-up highway land under the Town and Country Planning Act 1990, pursuant to the planning permission for the Chippenham Gardens Scheme, to enable the development to proceed. As explained at section 15.4 above, originally the extent of highway proposed to be stopped was that shown on the map at *Appendix 4.* However, it came to light that part of the land concerned was not highway but part of land owned by Woodville. The land concerned was therefore omitted from the draft Order when notice of it was given by the Council. The stopping up order which the Council is proposing to introduce now only affects the area situate in the northern part of the Order land, as shown on the map at *Appendix 5.* No objections were made to the Order. The Order is therefore to be made by the Council in early 2017.

17. COUNCIL'S RESPONSE TO OBJECTIONS TO THE ORDER

17.1 A summary of the objections made to the Order and of the Council's responses to them appears below.

Edward Payne and Veness, Chartered Surveyors on behalf of Mr and Mrs J Charles, Mr S Aghamiri and Mr and Mrs P O'Donnell, with separate letters of objection from Mr Charles and Mr and Mrs O'Donnell, and a letter from Ewan & Co Solicitors on behalf of Mr Aghamiri

Not provided with sufficient information to fully understand the impacts of the scheme nor seen arrangements entered into between the Council and its intended development partner.

Council's Response

17.2 This is incorrect. The Council has fully engaged with all of the objectors throughout the project, providing detailed information about the Chippenham Gardens Scheme and its impacts at each and every stage, from the initial first public consultation about the Council's proposals and later in relation to the making of the proposed compulsory purchase order. A total of three public exhibitions where held over the course of the project and Mr Charles was the only leaseholder who attended the public exhibitions. An invitation to workshops regarding the proposals was hand-delivered to all objectors. Contact information for the Project Manager running the project was provided to them and they were advised that the Project Manager was available to answer any questions or queries the objectors had regarding the proposals. Information regarding the proposal for the redevelopment together with contact details for the Council were also available on the Councils website and will remain there for the duration of the project (*www.brent.gov.uk/southkilburn*). The leaseholders were also written to as part of the planning application process for the Chippenham Gardens Scheme. Information regarding the project was also available in the local press, Brent Magazine and South Kilburn Connect and other methods of communication. Council Officers have also given presentations to residents at public forum meetings concerning the Chippenham Gardens Scheme, including up-dates on progress, which Mr Charles regularly attends. The Senior Project Manager for the Estate Regeneration Team, as well as the wider consultant team, also met with Mr Charles at the public exhibitions and talked through the consultation boards regarding the scheme and answered queries that were raised. Mr Charles and Mr Aghamiri both attended the leaseholder consultations and were provided with details of the process for the purchase of their interests and the Argo opportunity was also presented to them at one of these sessions. The Council has not as yet entered into appropriate arrangements with the developer for the delivery of the scheme, but will look to do so in the coming months.

Mr and Mrs O'Donnell and Mr and Mrs Charles are owner occupiers and have lived in their properties for a number of years. Both are in a low rise blocks and in good condition. As the Council has not offered a replacement property in the area they will be forced to buy another property outside the area. In the case of the owner occupiers this will break long term links with friends and family and will cause them to move away from local hospitals and GP's together with local schools.

COUNCIL'S RESPONSE.

17.3 The Council's preference is to acquire land by agreement wherever possible and for the use of compulsory purchase process as a last resort, in the event attempts to acquire by agreement fail, in accordance with the advice provided in the Guidance. The Council has been committed to providing information and support to affected leaseholders well in advance of the use of compulsory purchase process on all its schemes under the South Kilburn Regeneration. Most of the leaseholders (approximately 90% - approximately 50 interests) on previous schemes have sold their properties back to the Council by agreement, which is testament to the Council's efforts to negotiate.

17.4 In addition, to assist leaseholders who wish to sell their property earlier than we would normally seek to acquire the interests, the Council has also successfully implemented an advance acquisition pilot project. This allows leaseholders on the estate to sell their property to the Council by agreement ahead of the scheduled regeneration programme when otherwise their homes may well be blighted by the difficulty in selling their properties on the open market.

17.5 The steps the Council has taken is as follows:

- The Council has held consultation meetings to explain the options available to affected residents to reiterate the Council's preference to negotiate and acquire interests by agreement, and to explain the compensation on offer and additional support;

- The Council has produced a leaseholder booklet for residents which explains in detail the process the Council is following and where they can go for help and support;

- The Council has appointed First Call Housing who are an independent leaseholder and tenant advisory service to give to engage with residents and provide them with independent advice ;

- The Council has provided the option to leaseholder residents of selling to the Council by agreement well in advance of compulsory purchase through its advance acquisition scheme.

- The Council has provided a shared equity option to residents.

- The Council has offered, in addition to market value, compensation, for disturbance and loss payments (equivalent to that which would be receivable under the compulsory purchase compensation code) and fees;

- The Council has offered flexible payment terms such as lump sum disturbance payments to assist residents with moving and relocation expenses;

- The Council has offered tenancy at will arrangements to leaseholder residents to enable them to remain within their homes on a rent free basis for a limited period of time (6 months to one year) after the Council has acquired their interests, to give them time to find a suitable alternative property and make the transition of relocating easier.

- The Council relies on independent valuation advice from the District Valuation Service for the offer of compensation to leaseholders.

17.6 In connection with the three flats occupied by the objectors at Stuart Road, the Council has been in active negotiations to acquire their interests by agreement since April 2015. Currently, there are three leasehold properties that remain to be acquired at Stuart Road. One interest at Stuart Road (number 18) was acquired by agreement in May 2014 under the Council's advance acquisition pilot project.

17.7 Of the three remaining interests, Mr and Mrs Charles of 4 Stuart Road and Mr and Mrs O'Donnell of 26 Stuart Road are owner occupiers, whilst the third (Mr Aghamiri) is an investor-owner. Details of the negotiations conducted with the three leasehold objectors appears below.

Objector: Mr Seyed Ali Seyed Aghamiri in relation to 20 Stuart Road

17.8 Mr Seyed Ali Seyed Aghamiri is an investor-owner who acquired his property on 13th October 2003. It appears that the property was acquired as an investment and was, for a period, sub-let. The Council first engaged with Mr Aghamiri in April 2015 in connection with the purchase of his property by agreement.

17.9 Mr Aghamiri lives at 51 Stuart Road, South Kilburn, NW6, which is located on the same road as the subject property. He was first contacted by the Council's Property Team on 2nd April 2015 which is the date the Council delivered the leaseholder information booklet and to request permission for the Council to instruct the District Valuer to carry out a market value of his property. Following contact, the Council had engaged the District Valuer to prepare an independent valuation of the subject property to ascertain the market value of the property. The Council received the valuation report on 7th July 2015. Number 20 Stuart Road is a three bed flat located on the 2nd floor of a 4 storey block of flats which contains a total of 11 units comprising a mix of 2 and 3 bed properties.

17.10 On 13th July 2015 a verbal offer of compensation was made by the Council to Mr Aghamiri. The offer was equivalent to that which would be payable under a compulsory purchase, including compensation for the value of the property, a basic loss payment, disturbance payment and fees. This offer was rejected. Mr Aghamiri indicated that he was not interested in selling his interest unless the Council provided a like for like replacement thereby enabling

him to continue to receive the same rental income. Mr Aghamiri was seeking a sum in excess of the DV's market value assessment.

17.11 Recently (December 2016) the Council re-instructed the District Valuer to provide an updated valuation of the subject property and to negotiate an open market value with the leaseholder's agent. These negotiations are on-going between the District Valuer, acting on behalf of the Council, and Mr Aghamiri's agent. However, the Council has made a revised offer on 13th December 2016 to acquire the Mr Aghamiri's property by agreement. The offer is based on the updated valuation of December 2016 and is subject to Mr Aghamiri managing his sub-tenancy and providing vacant possession of his flat to the Council on completion should he wish to accept the offer.

17.12 The Council has acted in accordance with the Guidance in seeking to acquire this property by agreement and pay compensation in accordance with the statutory compensation code. Although the Council has actively negotiated with Mr Aghamiri's agent, no agreement on market value has yet been achieved to date. The Council will, however, continue to negotiate in the hope that an agreement on compensation can be achieved.

17.13 To provide further support, the Council has recently acquired a number of properties under its Private Rented Sector Programme. A number of these properties might be suitable for the Mr Aghamiri under a property swap arrangement with the Council. Some of these properties are within the South Kilburn area and there are also a number of properties that might be suitable which are in other parts of the borough, such as Wembley. If Mr Aghamiri would like to consider this option the Council will arrange for a meeting to take place so that the Council can provide further details of the available properties, and for those that are soon to be acquired, and also arrange viewings on shortlisted properties that are currently available. The property swap would be subject to an up to date valuation of both the Council's property and the leaseholder's property to ensure that this option is affordable. In other words, the Council would purchase the leaseholder's property at an agreed market value and the leaseholder would purchase the Council's property at an agreed market value. An initial assessment of the available properties that the Council owns shows that this option would be an affordable option. This option was offered to Mr Aghamiri's agent on 14th December 2016.

Objector: Joseph Charles and Merle Charles of 4 Stuart

17.14 Mr and Mrs Charles are leasehold owner-occupiers who have resided in their property since 2nd February 1987 and acquired their property under the RTB legislation direct from the Council. The Council had instructed the District Valuer to provide an independent valuation of the subject property in June 2015. The property is a two bed ground floor flat.

17.15 An offer was made to Mr and Mrs Charles on 6th August 2015 following receipt of the valuation report. The offer made included market value plus compensation for home loss and disturbance and fees assessed in accordance with the statutory compensation code. This offer was rejected by Mr and Mrs Charles who were seeking a higher market value above that assessed by the DVS. At this time it is understood that no agent was involved, other than First Call Housing who were assisting both parties with the negotiations.

17.16 Prior to this, Mr and Mrs Charles were offered the opportunity to acquire a shared equity unit in the adjoining new build development (known as Argo House) off plan. Mr and Mrs Charles registered an interest in taking a property at Argo House at that time and paid a deposit. The Council was pleased that they registered their interest in the scheme as the new home was very similar to their current property and provided the same number of bedrooms. The alternative property was a ground floor unit located in very close proximity to their current property. This would have enabled them to remain in the area, maintain links to friends and family and access amenities including those to be provided as part of the wider South Kilburn Regeneration Scheme. The Argo flat is 160 meters away from Mr and Mrs Charles' current home and therefore Mr and Mrs Charles would have access to the same amenities they currently have the benefit of.

17.17 The Argo House scheme is a small private scheme comprising approximately 96 residential units and some ground floor commercial space. Of these units 5 have been secured by Brent Council as shared equity units to be made available exclusively for South Kilburn leaseholders. The Council had also successfully managed to fix the sale price of the new shared equity units with the developer 6 months prior to completion which provided re-assurance to the leaseholders that prices would remain affordable within a then rising market.

17.18 On 18th February 2016, Mr Charles attended a presentation by Brent Council and the developer Home Group to explain the shared equity opportunity. Effectively, this provides leaseholders with the opportunity to be able to acquire a property within the South Kilburn area without the need to purchase an alternative property in competition with others on the open market.

17.19 Shared Equity is an offer which enables the leaseholder to acquire a replacement new property in the local area. The price paid by the leaseholder will be between 50% and 60% of the open market value of the new unit. This ensures that it is within the reach of the leaseholder in terms of affordability. The current market value of this property based on an initial 50% initial acquisition cost of the new shared equity unit would be affordable for Mr and Mrs Charles as this would represent approximately 58% of the total compensation offered by the Council. Unlike other discount schemes the leaseholder is not required to pay any rent or other contribution on the balance. The leaseholder can increase their stake in the property by acquiring an additional percentage or the leaseholder can simply leave their stake at 50% for the duration of their ownership of the property. At the time of sale the leaseholder would then receive an equivalent 50% of the then market value of the property with the other 50%, similar to a mortgaged property, returning to the holder of the charge.

17.20 The shared equity unit which Mr and Mrs Charles had placed a deposit on is a ground floor unit, comprising two bedrooms. This is similar to their current home. The new unit has an external patio space and is fully carpeted and the kitchen will be fitted with white goods so as to minimise the disruption to the ingoing leaseholder; these are gifted to the ingoing leaseholder as part of the overall package on offer.

17.21 In December 2016 Mr and Mrs Charles withdrew their interest in the shared equity offer at the Argo development. The Council has therefore proposed an alternative shared equity offer at Kilburn Quarter, which is also close to Mr and Mrs Charles' current property, and the offer has been made to Mr and Mrs Charles' agent on 13th December 2016.

17.22 The District Valuer is currently in negotiation with the leaseholder's agent on the market value of this property. The Council has acted in accordance with the Guidance, in seeking to acquire this property by agreement in accordance with the statutory compensation code. Although the Council has actively negotiated with Mr and Mrs Charles and their agent, no agreement on market value has yet been agreed to date. The Council will, however, continue to negotiate in the hope that an agreement on compensation can be achieved. As at 13th December 2016 the Council has made a revised offer to Mr and Mrs Charles' agent, this includes an enhanced disturbance package and also the option of a property swap as detailed in the next paragraph.

17.23 To provide further support, the Council has recently acquired a number of properties under its Private Rented Sector Programme. A number of these properties might be suitable for the leaseholder under a property swap arrangement with the Council. Some of these properties are within the South Kilburn area and there are also a number of properties that might be suitable which are in other parts of the borough, such as Wembley. If Mr and Mrs Charles would like to consider this option we will arrange for a meeting to take place so that the Council can provide further details of the available properties, and for those that are soon to be acquired, and also arrange viewings on shortlisted properties that are currently available. The property swap would be subject to an up to date valuation of both the Council's property and the leaseholder's property to ensure that this option is affordable. In other words, the Council would purchase Mr and Mrs Charles' property at an agreed market value and the leaseholder would purchase the Council's property at an agreed market value. Compensation would be payable assessed in accordance with the statutory compensation code, including land value, home loss, disturbance and fees. An initial assessment of the available properties

that the Council owns shows that this option would be an affordable option. Furthermore, to assist the Mr and Mrs Charles with the transition under this option (being owner-occupiers), the Council will refurbish the property under the swap, up to a certain value, to bring it up to a good condition and also provide a standard suite of white goods. This option was offered to Mr and Mrs Charles' agent on 13th December 2016.

Objector: Patrick John O'Donnell and Natasha O'Donnell of 26 Stuart Road.

17.24 Mr Patrick John O'Donnell and Mrs Natasha O'Donnell acquired their property on 19th May 2003 and are leasehold owner-occupiers. The Council first made contact with them on 2nd April 2015 to provide the leaseholder information booklet and to request permission for the Council to instruct the District Valuer to carry out an open market value of their property. The valuation report was received on 17th July 2015 and an offer was made to them on 22nd July 2015. The offer made included market value as assessed by the DV plus compensation for home loss and disturbance and fees as assessed in accordance with the statutory compensation code. This offer was rejected by Mr and Mrs O'Donnell who were seeking market value in excess of that assessed by the DV. At that time it is understood that their current agent was not involved. However, First Call Housing were involved in the negotiations and were acting for both parties.

17.25 Mr and Mrs O'Donnell were also offered a two bedroom flat on the ARGO House development but as they have three young children and their current property is a three bedroom flat the offer was rejected by Mr and Mrs O'Donnell. Unfortunately, no three bedroom flats are available at the Argo House development.

17.26 Recently, therefore, the Council has approached Network Housing Association who are bringing forward another new development on the South Kilburn Estate. Although this was not part of the original development agreement between Brent Council and Network Housing, the Council has been able to negotiate that a three bedroom unit will be made available to Mr O'Donnell on a shared equity basis. This offer has been made to Mr O' Donnell via his agent on the 17th November 2016.

17.27 The shared equity property offered to Mr and Mrs O'Donnell is approximately 300 meters away. The unit will comprise three bedrooms located on the ground floor. The current market value of this property, based on an initial 50% initial acquisition cost of the new shared equity unit, would be affordable for Mr and Mrs O'Donnell because this would represent approximately 73% of the total compensation offered by the Council. They would own the entire unit with the remaining 50% hold as a charge but with no additional payments required to be made against this charge.

17.28 Mr and Mrs O'Donnell have said that they are not interested in the offer but that the Council should put the offer in writing to his agent. The Council has since made the offer to the agent to discuss with Mr and Mrs O'Donnell. As yet the Council has not received a response from the agent acting for them. However, the Council remains hopeful that they will accept this offer as it will enable them to remain in the area and maintain links to friends and family in the area and access amenities they currently have the benefit of, including those to be provided as part of the wider South Kilburn Regeneration Scheme.

17.29 The Council has recently (in December 2016) instructed the District Valuer to provide an updated valuation of the subject property and to negotiate an open market value with the leaseholder's agent. These negotiations are on-going. As at 13th December 2016 the Council has made a revised offer to Mr and Mrs O'Donnell's agent, this includes an enhanced disturbance package and also the option of a property swap as detailed in the next paragraph.

17.30 To provide further support, the Council has recently acquired a number of properties under its Private Rented Sector Programme. A number of these properties might be suitable for the leaseholder under a property swap arrangement with the Council. Some of these properties are within the South Kilburn area and there are also a number of properties that might be suitable which are in other parts of the borough, such as Wembley. If Mr and Mrs O'Donnell would like to consider this option the Council will arrange for a meeting to take place at which

the Council can provide further details of the available properties, and for those that are soon to be acquired, and also arrange viewings on shortlisted properties that are currently available. The property swap would be subject to an up to date valuation of both the Council's property and the leaseholder's property to ensure that this option is affordable. In other words, the Council would purchase the leaseholder's property at an agreed market value and the leaseholder would purchase the Council's property at an agreed market value. Compensation would be payable assessed in accordance with the statutory compensation code, including land value, home loss, disturbance and fees. An initial assessment of the available properties that the Council owns shows that this option would be an affordable option. Furthermore, to assist Mr and Mrs O'Donnell with the transition under this option, the Council will refurbish the property under the swap, up to a certain value, to bring it up to a good condition and also provide a standard suite of white goods. This option has been offered to Mr and Mrs O'Donnell's agent on 13th December 2016.

17.31 The Council is keen to acquire the remaining interests by agreement. The Council has appointed the District Valuation Service to negotiate on the Council's behalf directly with the surveyor acting for the leaseholder objectors and these discussions are ongoing. It is hoped that the surveyors will come to an agreement with the Council on the market value of the interests to avoid a compulsory purchase. The Council also wishes to ensure that these residents remain within the area if they wish to do so and with this objective in mind is actively engaging with the leaseholder objectors and their agent to achieve this.

Mr and Mrs O'Donnell and Mr and Mrs Charles are on modest incomes and would not be able to raise a mortgage or buy another property or support a service charge or equity share in the area. The Council's CPO represents an unjustifiable interference with their human rights under Article 8 of the European Convention on Human Rights.

Council's response

17.32 The Council has worked with the objectors and their agent in order to understand their financial circumstances and requirements in relation to a replacement property should they wish to remain in the area. This has led to them being offered replacement properties tailored to their financial circumstances and requirements. Given the efforts the Council is making to assist them both practically and financially to enable a move to appropriate alternative premises within the development to be achieved, the Council believes that there is a good prospect of securing alternative housing accommodation in the area, should they wish to remain in the locality. As explained in this Statement, the Council has carefully considered the impact of the Council's proposals upon the objectors and considers that the Order would be lawful, in the public interest and proportionate, as the Council's Chippenham Gardens scheme would facilitate much needed new housing as well as bringing the wider benefits described.

Mr Aghamiri is an investment owner and relies on the income from the property and is unable to replace his investment in the area at the valuation offer.

Council's response

17.33 The Council is in discussions with Mr Aghamiri about the purchase of his interest, Compensation will be paid to him in accordance with the compulsory purchase compensation code. The position with regard to negotiations with Mr Aghamiri is explained above.

The Council's proposals will involve the wholesale demolition of all of the objectors properties which would not contribute to the social well-being of those on the Estate, but would instead destroy and scatter that community

Council's Response

17.34 In formulating its proposals, the Council has had regard to the social well-being of the inhabitants of the estate and also the people of the Borough who are in desperate need of suitable new housing accommodation. It is imperative that the Council delivers urgently needed new homes in the Borough in line with both national, regional and local planning

policy. The South Kilburn Programme has a target to deliver approximately 2,400 new homes of which 1,200 are made available to existing secure tenants of South Kilburn, a new high quality urban park, new health centre, new retail facilities, a new school for primary age provision, improved environmental standards and an enhanced public realm. A total of 943 new high quality homes will be completed in early 2017 and of these approximately 509 new homes have been or will be made available to existing secure tenants as part of the South Kilburn Regeneration Programme. Homes are also adapted to meet the occupational requirements of residents. Secure tenants have a choice with regard to some of the finishes (i.e. kitchen worktop colours, flooring colours, paint) for their new homes and are also gifted with white goods to help them have a more comfortable start. Leaseholders are also an important part of the community and offers of alternative housing have been made, as explained above. The Council recognises that achieving the delivery of new homes must be balanced against the potential adverse impacts and displacement of inhabitants of the estate may cause. It has therefore taken great steps to ensure that human rights and community impacts considerations are taken into account in formulating strategies and proposals to assist those members of the local community who wish to remain in the area to do so. All South Kilburn secure tenants who wish to stay in South Kilburn can do. All secure tenants in 4-26 Stuart Road (even numbers only) have been allocated a new home with some tenants having already moved to Queen's Park Place, with the remainder of secure tenants due to move early 2017.Leaseholders have also been made offers of alternative accommodation on the Estate.

No up-to-date valuation has been provided despite numerous requests and provision of the objectors valuation over 7 months ago. The Council has not exhausted negotiations in fact it has not attempted to negotiate a value. It appears they are using the CPO to further their own ends.

Council's Response

17.35 The Council has sought to negotiate with the agent acting for the objectors but without success. As noted above, valuations have been provided to the agent acting for the objectors and the Council is actively involved in negotiations with their agent for purchase of their interests. Further information regarding the current position on negotiations and offers of alternative accommodation is provided above. Paragraph 2 of the Guidance makes clear that it is perfectly acceptable to proceed with compulsory purchase processes at the same time as conducting negotiations. The Council has followed this advice in making the Order. The Order is not being pursued by the Council to further its own ends but to achieve the regeneration of the estate, for the overall benefit of the community and to deliver much needed new housing.

The proposed provision of ancillary leisure and recreational and religious facilities appears inadequate for the objectors' needs and residents affected by the scheme. The piecemeal approach to the development of the Estate which appears to allow a developer or developers to build housing without ensuring schools, public transport provisions and other community needs are met. The level of parking proposed is inadequate and would lead to problems of parking and congestion in roads through the area.

Council's Response

17.36 The Council has had regard to community needs in formulating its proposals for the Chippenham Gardens Scheme and the wider South Kilburn Regeneration Programme, so that existing public amenities and services and new ones to be provided as part of the proposals for the South Kilburn area may be accessed by the public. The Chippenham Gardens Scheme is part of the South Kilburn Regeneration Programme, involving the provision of 52 new high quality homes with an enhanced public realm and associated parking. The Chippenham Gardens Scheme does not itself give rise to the need for "ancillary leisure and recreational and religious facilities" as asserted by the objectors as it is merely part of the Council's wider proposals for the South Kilburn area, and is not of sufficient size to accommodate such facilities within the development. However, such community needs are met by existing facilities and new facilities to be provided as part of the South Kilburn Regeneration

Programme. A transport statement has been prepared which shows that Stuart Road will be adopted and a controlled parking zone will be introduced. Public transport is readily accessible in the area. A traffic survey was also completed to assess the need for parking and was included as part of the planning application considered by the Council. The Council believes that adequate parking provision is made, having regard to the development proposed. Chippenham Gardens sits within the wider Masterplan area and the programme has delivered and will continue to deliver alternative community facilities together with other necessary infrastructure. There are also a number of existing facilities which are in close proximity. The Masterplan has delivered new amenities, including a Marks and Spencer Simply Food which is opposite Queen's Park Station, Best Way has also opened on Albert Road which is part of Phase 1b in Falconbrook Court (Albert Road) and will be adjacent to the new Woodhouse Urban Park. The Peel project, for which a planning application has just been submitted, will deliver a new 2340m2 health centre that will house three GP practices, and will have a commercial and community offer as well as affordable housing and intermediate tenure. Queen's Park/Cullen House, which is due to come forward for redevelopment in 2017, has a retail offering of 985m2 which is also located adjacent to Queen's Park Station.

17.37 The proposed redevelopment of the Carlton and Granville site will include an Enterprise Hub and Community Space.

17.38 As part of the wider Masterplan Review 2016/17, which has now concluded, the Council proposes to deliver further commercial and retail space along Carlton Vale which is part of Gateway South Kilburn.

No opportunities have been offered for relocation within the development, nor any evidence given by the Council of an intention to comply with their duty to offer suitable opportunity for accommodation within the Estate, suitable for the objectors' reasonable requirements and on terms that they can afford. It scatters communities which they have built up over a period of time and makes no provision for their continuance in the area and discriminates unfairly against the objectors and their ethnic community.

Council's response

17.39 As explained above, the Council has worked with the objectors and their agent in order to understand their circumstances and requirements in relation to a replacement property should they wish to remain in the area. This has led to them being offered replacement properties tailored to their financial circumstances and requirements which in the Council's opinion they can reasonably afford. Given the efforts the Council is making to assist them both practically and financially to enable a move to appropriate alternative premises to be achieved, the Council believes that there is a good prospect of securing alternative housing accommodation in the area, should they wish to remain in the locality. The Council recognises that achieving the delivery of new homes, though vitally important, must be balanced against the potential adverse impacts displacement of inhabitants of the estate may cause. It has therefore taken great steps to ensure that human rights and community impacts considerations are taken into account in formulating strategies and proposals to assist those members of the local community who wish to remain in the area to do so, including the leaseholder objectors.

The likelihood is that the developer will seek to maximise profits from the residential development, resulting in a take-up by more affluent people who want easy access to the City, to the detriment of the present inhabitants. It is doubtful if many of the present owners would be able to acquire or even rent the accommodation being built. The consequence, far from being a diversification of housing types and tenures as envisaged by the Government, would be a "gentrification" of the area alien to the present community.

Council's Response

17.40 As mentioned above, the Council has formulated strategies and proposals to assist those residents who wish to remain in the area to do so. All secure tenants have been allocated a new home in the new Queen's Park Place development and the new Bronte and Fielding Development as part of the South Kilburn Regeneration Programme, many of whom have

already moved. Leaseholders have been made an offer of shared equity and other arrangements in relation to alternative accommodation in South Kilburn and within close proximity to their existing properties, should they wish to remain in the area. A key objective of the Chippenham Gardens Scheme and in deed the wider South Kilburn Regeneration Programme is to provide much needed new housing for the residents of the area in particular and to ensure that residents of the Estate who wish to remain are able to do so on an affordable basis.

The way the CPO powers are proposed to be used would involve a breach of the objectors' right to respect for their private and family life under Article 8 of the Convention on Human Rights and the protection of their private property under Article 1 of the First Protocol. The balance to be struck between the public interest and private interests should in this case be tilted in favour of doing everything possible to preserve the existing community. This is not incompatible with introducing more varied housing types and tenures but would be achieved by the displacement proposed by the Council. The apparent proposals to implement the CPO in an isolated fashion will contravene the objectors' human rights leaving them vulnerable in insecure accommodation,

Council's Response

17.41 As explained above, the Council has had regard to human rights and equalities impacts considerations in formulating its proposals for the Chippenham Gardens Scheme and the infrastructure and facilities to be provided. These have also been taken into account in formulating its strategies and proposals for ensuring that those residents who wish to remain in the area, including the objectors, are able to do so. Also, as mentioned above, the Council has made considerable efforts to ensure that Mr and Mr Charles and Mr and Mrs O'Donnell can remain within the locality if they wish.

The objectors economic and social well-being will be detrimentally affected as there are no offers of equity share or rehousing in the new scheme which accordingly adversely affects the schooling of their children, work prospects, transport and leisure and community involvement.

Council's Response

17.42 As explained above, the Council has taken considerable steps to offer replacement properties to all residents who whish to remain in the area on terms they can afford, including the objectors so that they may stay in close proximity to friends family, local hospitals, GP's and local schools and other infrastructure and amenities. The Council believes that satisfactory arrangements can be made with them should they decide that they wish to continue to reside in the area.

In addition to the above grounds, the separate letter from Ewan & Co on behalf of Mr Aghamiri also contains a specific objection regarding the loss of the Post Office which is valued by the residents of the area.

Council's Response

17.43 Woodville Properties Limited ("Woodville"), the freehold owners of 5-9 Chippenham Gardens and the Kilburn Park Post Office site (together the "Woodville Land") were interested in working with the Council to bring forward the comprehensive redevelopment of the Site and the Woodville Land. On 11 November 2013, the Executive delegated authority to the Strategic Director of Regeneration and Growth in conjunction with the Borough Solicitor and the Chief Finance Officer to enter into a collaboration agreement with Woodville. That collaboration agreement was entered into by the Council and Woodville on 19 December 2014 (the "Collaboration Agreement").

17.44 The current tenant of the Kilburn Park Post Office has negotiated an agreement to surrender their lease under which Woodville can require their tenant to complete the surrender and

vacate the Woodville Land within a reasonable timescale. The Council has advised Woodville that they will provide advance notice of when vacant possession is required in order to provide the Post Office enough time to be able to relocate and also to allow the local community to be made aware of the closure of the Post Office. The current tenant of the Kilburn Park Post Office has confirmed to the Council that they did not want to return to the new development due to the timescales of development coming forward and their intention to expand their business at much larger premises. The Council is working and has continued to work with Woodville to help support their current tenant to find alternative premises for the Post Office within the local vicinity. The Argo Development which is now completed and offering units for occupation is adjacent to the Site and has capacity to cater for B1 use, which could be a suitable location for the new Post Office. The Council has also provided further support to Woodville and the current tenant by providing information on other empty properties that maybe of interest such as the vacant commercial premises on Malvern Road opposite the Post Office. Through various means including the most recent Masterplan Review the Council have kept the community fully informed of the process and closure of the Post Office. There are also a number of alternative Post Offices in close proximity to Order Land which can be used by residents of the area (see *Appendix 2*). Alternative Post Offices are located at:

- 297 Kilburn Lane W9
- 24 Mozart Street W10
- 377 Harrow Road W9
- Sutherland Avenue W9
- Kilburn High Road NW6

South Kilburn Residents Association – Non-Statutory objection

Object to proposals made by the developers to acquire Chippenham Gardens under a CPO. Large areas of public land have been lost. There is an ugly red building occupying an expanse of land on which two buildings previously stood. Small areas of land that have not ben built upon are now fenced off segregating people from each other and causing feelings of resentment. During the development of Argo House which is partially completed the roads, pavements and grass verges have been damaged rendering them unsafe particularly during bad weather conditions. Street lighting on Stuart Road has not been restored which with other services, was interrupted whilst building works were undertaken. As long term residents the objectors are not averse to improvements within the local community but these should not be at the expense of losing facilities like the Post Office or having vast buildings imposed upon the objectors which deplete the green open spaces and obscure natural daylight. In an area that already has a number of local shops which more than adequately caters for the objectors needs, we understand that there are plans to open a new supermarket. Having already lost our local pub, "The Chippenham", the Secretary of State is asked to reconsider and address the objectors concerns in having the plans revised to help save the Post Office.

Council's Response

17.45 The Council has discussed these concerns with local residents and the objectors previously. The Chippenham Gardens Scheme includes a high provision of replacement amenity land for residents who reside at the new development and the wider community to enjoy. Improvements to amenity land are being made in response to feed-back received from residents as part of the Council's consultation process. The Masterplan Review (2016) also proposes increased provision of amenity land by the provision of 7 new pocket parks across the South Kilburn Regeneration programme and expansion, to a high standard, of the Kilburn Park open space located nearby. The introduction of new pocket parks represents an enhancement of that envisaged by the earlier 2005 Masterplan and provides additional tress

and shrubs, irrigation and an sustainable urban drainage system, sustainable infrastructure and increased bio-diversity, all of which will improve the environment in the longer term.

17.46 During construction works on site temporary fencing has been erected around work-sites in the interests of health and safety. This fencing will be removed upon completion of works. The damage caused to roads, pavements and grass verges as part of the Argo House development is the responsibility of the developer and will be remedied. Street lighting and other services will be restored once works are completed. Although the Post Office is to be closed, other Post Offices are available in the area. The Council has responded to this point in its response to the leaseholder objectors above. The Chippenham Gardens Scheme has planning permission. The development complies with local and national planning policy and the heights and densities are in accordance with those policies. Green infrastructure and trees are important consideration in the design and the Chippenham Gardens Scheme makes appropriate provision, which is complemented by other provision to be made available by the Council to residents of South Kilburn as part of the wider South Kilburn Regeneration Programme. Issues of interference with daylight and sunlight were considered and taken into account when planning permission for the Chippenham Gardens Scheme was granted. Impact on surrounding properties in terms of both daylight and sunlight was considered to be minimal. Parties who benefit from rights to light, who suffer any interference arising from the Chippenham Gardens Scheme, may be entitled to compensation under section 10 of the Compulsory Purchase Act 1965. Prior to the making of the objection, the Council was unaware of a body known as the South Kilburn Residents Association.

Mr D Walton, Vice Chair of South Kilburn New Deal for Communities Partnership Board - Non-statutory objection

This 29 page letter of objection raises a number of grounds of objection including the loss of public amenity land to make way for the development, failure to provide adequate replacement land and community facilities, that the scheme is being taken forward to facilitate developer gain and not with the interests of the community in mind, adverse impacts on community life; interference with human rights and failure to address adverse equalities impacts, failure to comply with local planning policies, failure to comply with former planning policies (particularly the 2004 Masterplan), failure to invest in the estate previously leading to its neglect and neglect of the community, loss of trees and adverse environmental impacts; failure to have regard to community wishes in relation to the development of the estate; loss of rights of way,

Council's Response

17.47 The Council has previously had many discussions with the author of the objection, Mr Walton. Mr Walton was known by the Council to be the Vice Chair of this organisation some years ago. However, the Council had understood that this body was now defunct. The objection raises issues beyond the scope of the Council's compulsory purchase order, which are not addressed in this response. Appropriate replacement public amenity land is being provided as part of the development and wider Masterplan (2016) proposals as outlined in the response to the objection made by the South Kilburn Residents Association above. There will be a new planting and landscape strategy as part of the Chippenham Gardens Scheme. The Masterplan Review concluded in December 2016. The Council is adopting a strategic approach to the delivery of open spaces and green infrastructure, new housing, energy solutions, community facilities, school and retail, and highway and transport issues as part of the wider South Kilburn Regeneration Programme so as to ensure that appropriate and sustainable infrastructure and facilities are provided to serve the local community. Mr Walton has attended all workshops relating to the review, which started in July of this year and has spent considerable time speaking to officers. He also submitted a Freedom of Information Request (FOI) regarding information on the Masterplan Consultant Brief and was provided with this information he requested.

17.48 The Chippenham Gardens Scheme is being taken forward for the reasons explained in this Statement, and not with a view to achieving developer gain. This development will provide much needed housing on the Order Land as well as delivering the other benefits described in this Statement, including enhancement of the environment and improvements to public realm.

17.49 In the Council's view, although the Chippenham Gardens Scheme will have some adverse community impacts, the overall benefits to the community are such that it is clearly in the public interest and outweighs the necessary interference with the private rights and interests in the Order Land. The Chippenham Gardens Scheme is very much needed and forms part of the wider South Kilburn Programme. There are considerable problems with anti-social behaviour around Chippenham Gardens and blank facades do not create any natural surveillance. The Chippenham Gardens Scheme has been designed in a way which will introduce a positive impact to the area, provide natural surveillance on every façade with front doors leading onto the public realm and balconies overlooking these areas. The project will deliver the very much needed housing for decant. The Chippenham Gardens Scheme has the benefit of planning consent and is in line with national, regional and local planning policy, as explained above.

17.50 With the passage of time, the 2004 Masterplan became out-dated and needed to be replaced to reflect planning policy and other material changes. The 2016 Masterplan review, undertaken in collaboration with the community, involved reviewing current phasing proposals, timescales, public realm and other issues to ensure that the revised Masterplan addresses current community needs, programme requirements, new phasing policies and latest standards set by institutions including the Greater London Authority. The proposals emerging from the Masterplan review represent an improvement on the earlier proposals and will lead to the introduction of an up-dated South Kilburn Supplementary Planning Document to be adopted by the Council in mid 2017.

17.51 An important element of the South Kilburn Regeneration Programme has been the continued community participation to help shape its evolution and the Council strongly believes that engaging the community throughout this process will help to make South Kilburn a better place to live.

17.52 As explained in this Statement, South Kilburn is an amalgam of Council housing from the 1950's and 60's including a number of different post-war social housing typologies in poorly designed and low-quality physical environment. The neighbourhood is located in the south of the borough and sits between Kilburn to the east; Queen's Park to the north-west and extends towards Maida Vale in the south. It is an area surrounded predominantly by privately-owned terraced Victorian and Edwardian housing that command high values. The Overground and Underground stations of Queen's Park, Kilburn High Road and Kilburn Park lie close to South Kilburn's borders.

17.53 The neighbourhood represents the largest concentration of social housing in Brent and amongst the largest in London. Much of the housing suffers from inherent internal design problems while the relationships between buildings, streets and spaces are also poor and indeterminate. The area is not amendable for maintenance or improvement and as a whole the estate presents significant management challenges. These physical conditions manifest themselves in some of the highest levels of social and economic exclusion in the borough (and are amongst the highest in the country); through regeneration of the Estate the Council looks to improve these issues.

17.54 The Chippenham Gardens Scheme is very much needed and forms part of the wider South Kilburn Programme. It represents a significant improvement over the existing situation and will deliver very much needed housing including housing required for decant. The Chippenham Gardens Scheme is in line with national, regional and local planning policy and has the benefit of planning permission.

17.55 The Estate has deteriorated over time and the Council has looked at options for its regeneration. In the Councils view, the Chippenham Gardens Scheme represents the best option since it will provide an increase in housing provision on the Order Land as well as bringing other benefits described in this Statement. Refurbishment was considered by the Council not to be economically viable and in any event would not achieve the Council's objectives for the Order Land.

17.56 No significant rights of way are lost as part of the Chippenham Gardens Scheme. As explained in this Statement, a small area of existing highway is to be stopped up to facilitate the Scheme. The provision of appropriate vehicular and pedestrian access is a key feature of development to ensure accessibility and permeability.

18. CONCLUSION

18.1 The Council believes there is a compelling case in the public interest that decisively justifies the proposed compulsory acquisition of the Order Land and the Council respectfully requests the Secretary of State to confirm the Order accordingly.

19. INQUIRIES PROCEDURE RULES

19.1 This Statement of Case is in discharge of the Council's obligations under the Compulsory Purchase (Inquiries Procedure) Rules 2007.

20. INFORMATION OF INTEREST TO PERSONS AFFECTED BY THE ORDER

20.1 A copy of the Order, Order Map and Schedule and this Statement of Case and the documents referred to in the attached list can be inspected during normal office hours at Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ; and at the Community Resource Centre, William Dunbar House, Albert Road, Kilburn, London, NW6 5DE.

20.2 Individuals seeking advice regarding the Order should in the first instance contact one or other of the persons listed below, depending on the nature of the query:

20.2.1 **For general queries about re-housing issues** contact the Estate Regeneration Team on 020 8937 6140 or by email: ERSK@brent.gov.uk

20.2.2 **For queries about legal issues** contact Debra Norman on 020 8937 1578 or by email: Debra.Norman@brent.gov.uk

20.2.3 **For queries about planning issues** contact Angus Saunders by email: Angus.Saunders@brent.gov.uk

20.2.4 **For queries relating to Leaseholders' interests** contact Denish Patel or Joao Da Silva by email: Denish.Patel@brent.gov.uk or Joao.DaSilva@brent.gov.uk

20.2.5 **For queries relating to Secure Tenants' interests** contact the Estate Regeneration Re-housing Team by email: ERSK@brent.gov.uk

21. RELEVANT DOCUMENTS FOR INQUIRY

21.1 The Council intends to refer to, or to put in evidence, the documents (or relevant extracts from those documents) which are listed below and which are referred to in this Statement of Case.

Planning and Policy Documents

21.2 The National Planning Policy Framework ("NPPF") paragraphs 7-10, 17, 32, section 6, section 7 and paragraphs 69 and 70

21.2.1 paragraphs 7-10

21.2.2 paragraphs 17

21.2.3 paragraphs 32

21.2.4 section 6

21.2.5 section 7

21.2.6 paragraphs 69 and 70

21.3 South Kilburn Supplementary Planning Document (2005)

21.4 London Housing Supplementary Planning Guidance November 2012

21.5 Supplementary Planning Guidance Note (SPG) 17 "Design Guidance for New Development"

21.6 Supplementary Planning Guidance Note (SPG) 19 "Sustainable Construction and Pollution Control"

21.7 Brent Core Strategy (Local Development Framework) (2010)

21.7.1 Policy CP1: Spatial Development Strategy

21.7.2 21.5.1 Policy CP2: Population and Housing Growth

21.7.3 21.5.2 Policy CP5: Placemaking

21.7.4 21.5.2 Policy CP6: Design & Density and Place Shaping

21.7.5 Policy CP9: South Kilburn Growth Area

21.7.6 Policy CP15: Infrastructure to Support Development

21.7.7 Policy CP21: A Balanced Housing Stock

21.8 Brent Borough Plan "Brent: Our Future 2010 – 2014"

21.9 Brent Borough Plan "Brent: Building a Better Brent Together 2015-2019

21.10 Regeneration Strategy for Brent 2010-2030

21.11 The London Plan 2011 consolidated with, Revised Early Minor Alteration to the London Plan (October 2013, Further Alterations to the London Plan (March 2015), Housing Standards Minor Alterations to the London Plan (March 2016 and Parking Standards Minor alterations to the London Plan (March 2016) is the spatial development strategy for London.

21.11.1 Policy 2.14: and Map 2.5

21.11.2 Policy 3.3: Increasing Housing Supply

21.11.3 Policy 3.4: Optimising Housing Potential

21.11.4 Policy 3.8: Housing Choice

21.11.5 Policy 5.2: Minimising Carbon Dioxide Emissions

21.11.6 Policy 5.5: Decentralised Energy Networks

21.12 Planning Obligations Supplementary Planning Document (2007)

21.13 Planning Obligations Supplementary Planning Document (2013)

21.14 Executive Decisions dated 11 November 2013, 26 January 2015 and 1 June 2015 approving the making of the CPO and Land Disposal

21.15 Mayor of London CIL Charging Schedule 1 April 2012

21.16 Council's CIL Charging Schedule 1 July 2013

21.17 Decision Notice – Planning Application No: 16/1191

21.18 South Kilburn Masterplan 2004 (2009 Revisions)

Legal documents/excerpts

21.19 Town and Country Planning Act 1990 – s.226(1)(a) and s.226(1A)

21.20 Acquisition of Land Act 1981

21.21 European Convention on Human Rights, Article 1 to the First Protocol and Article 6 and Article 8 of the Convention

21.22 Local Government (Miscellaneous Provisions) Act 1976, s.16

21.23 Housing Act 1985, s.32 and Schedule 2, Ground 10A

21.24 Human Rights Act 1998, s.6

21.25 Secretary of State's Consent on Ground 10A of Schedule 2 of the Housing Act 1985

21.26 Local Government Act 1988, s.25

21.27 Compulsory Purchase (Inquiries Procedure) Rules 2007 (SI 2007 No.3617)

21.28 Guidance on Compulsory purchase process and The Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion

Other Relevant Documents

21.29 Ground 10A Secretary of State Consent

21.30 Indices of Multiple Deprivation 2007

21.31 South Kilburn Developer Framework

21.32 South Kilburn Masterplan Review 2016 – Exhibition Boards

21.33 Equalities Impact Analysis

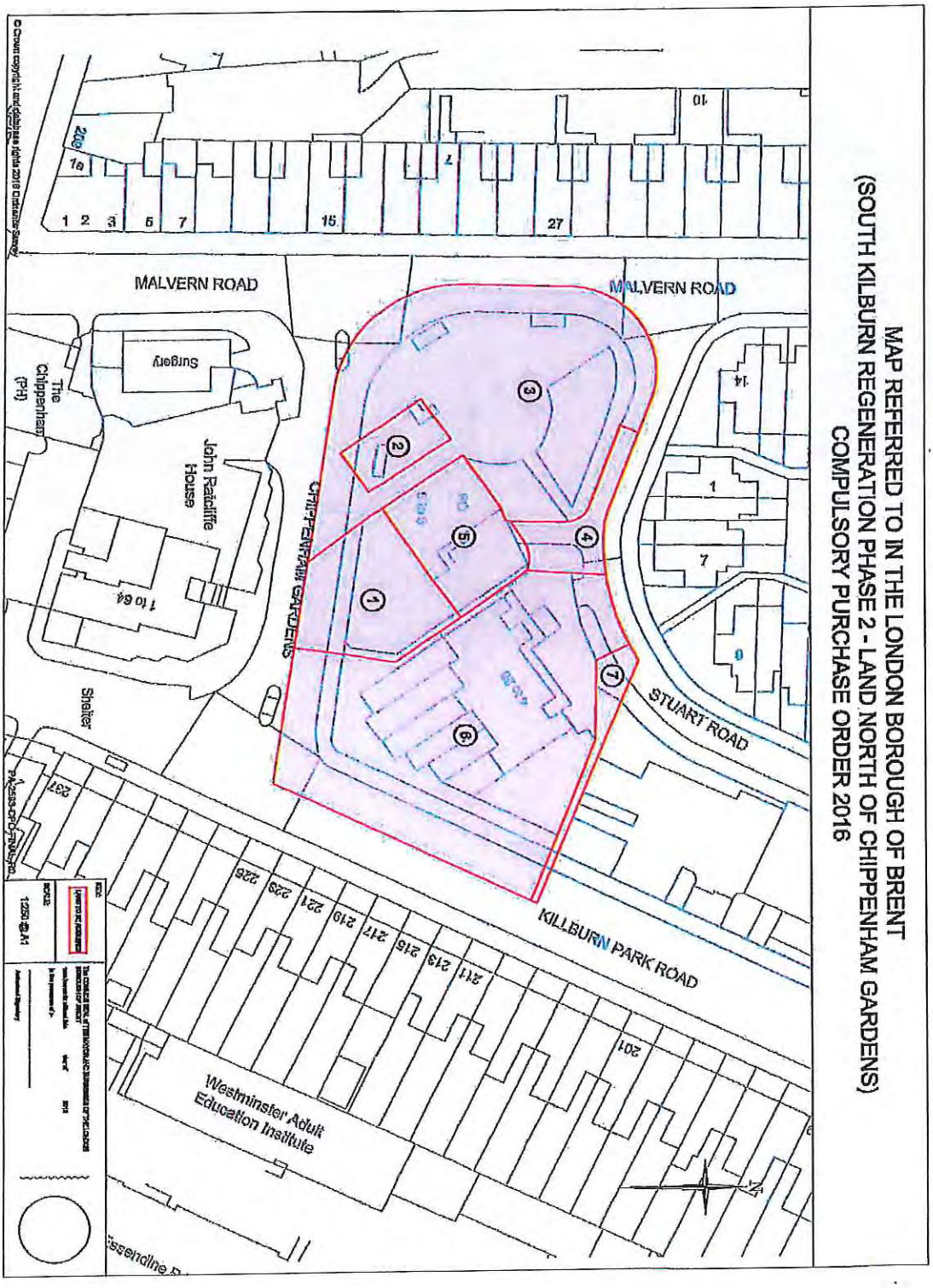
21.34 Leaseholder Booklet

Dated: 16 December 2016

Signed ..Pinsent Masons LLP.....
Pinsent Masons LLP

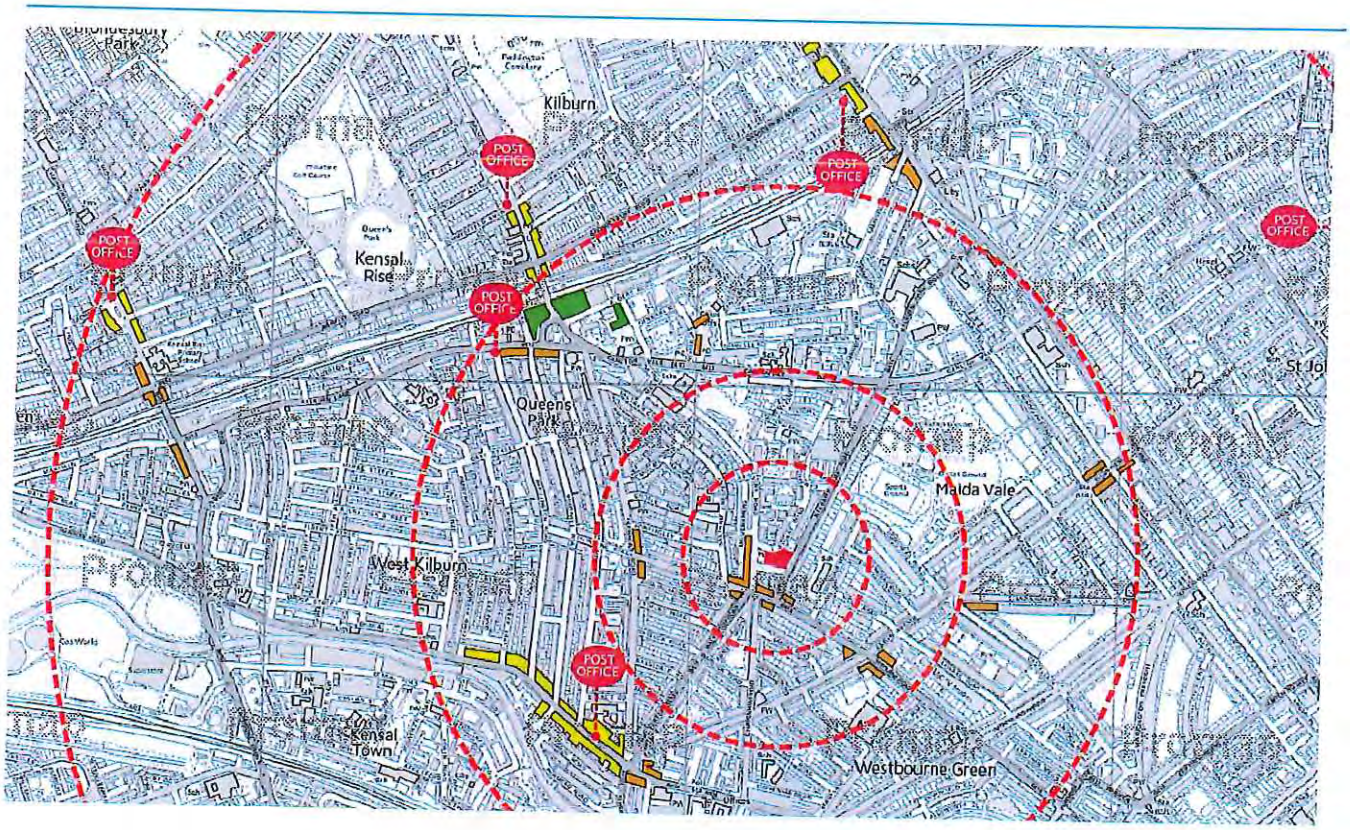
APPENDIX 1

MAP REFERRED TO IN THE ORDER



APPENDIX 2

PLAN SHOWING ALTERNATIVE POST OFFICES

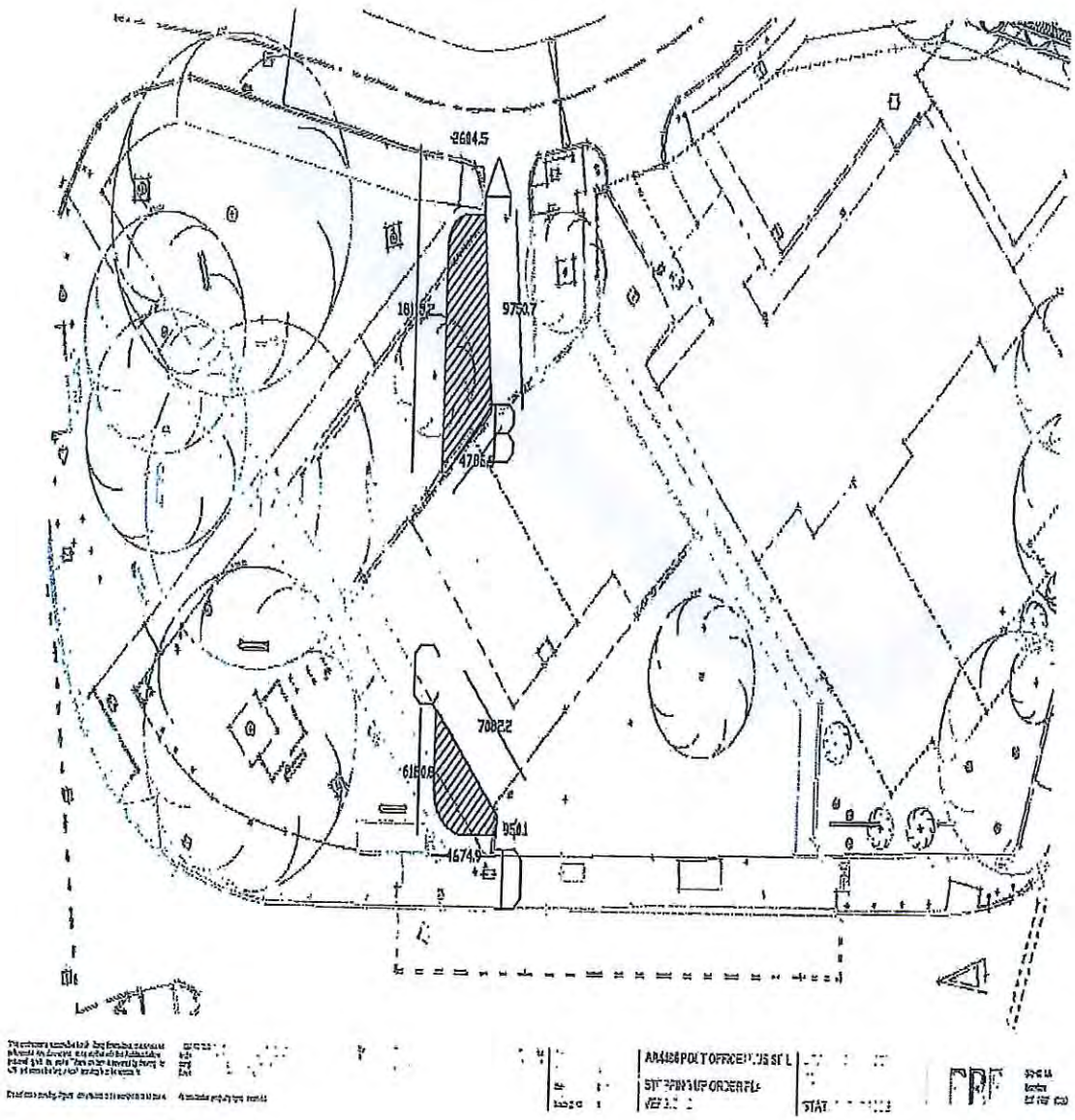


APPENDIX 3

PLAN SHOWING PROPOSED ADOPTION

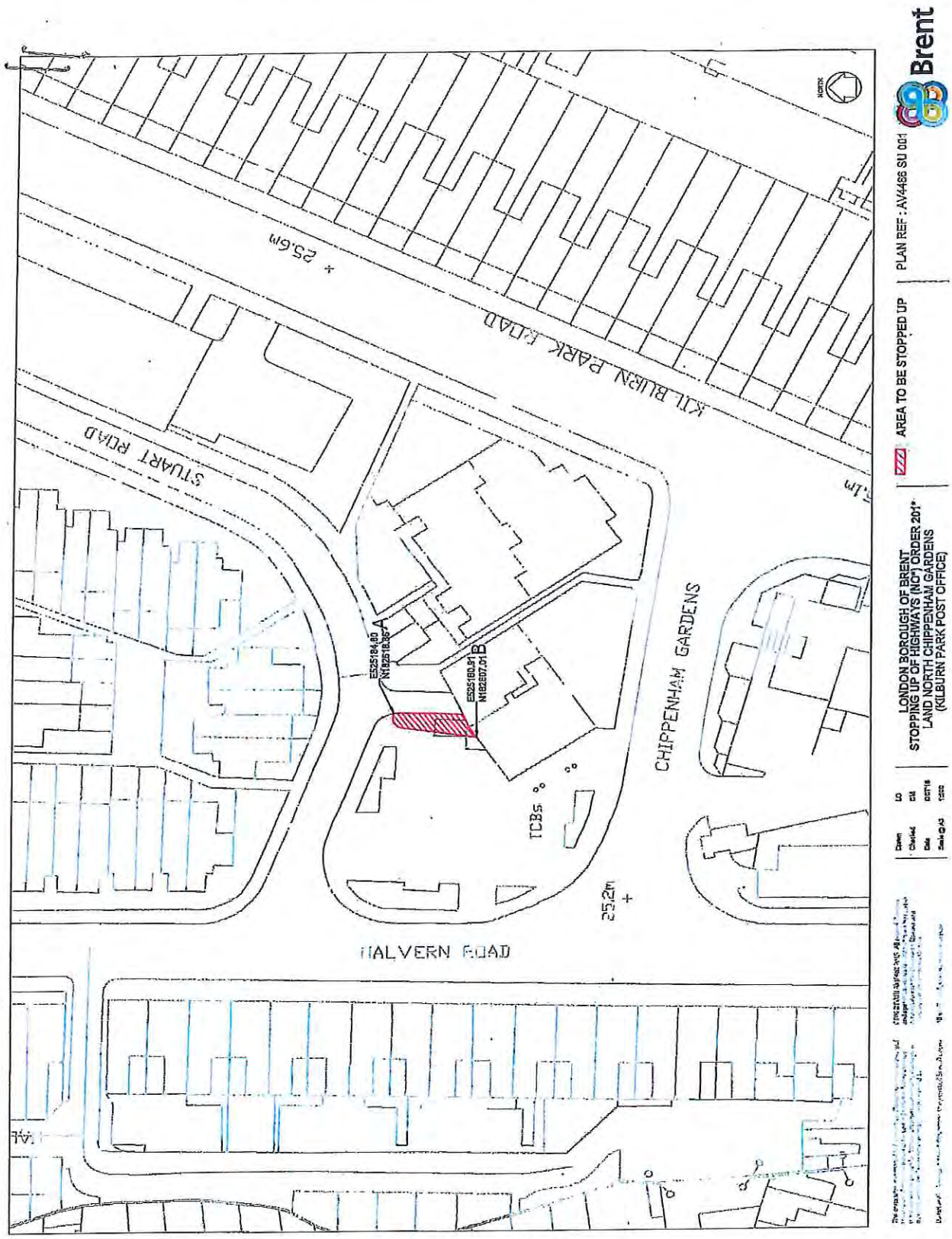
APPENDIX 4

PLAN SHOWING ORIGINAL STOPPING UP PROPOSAL



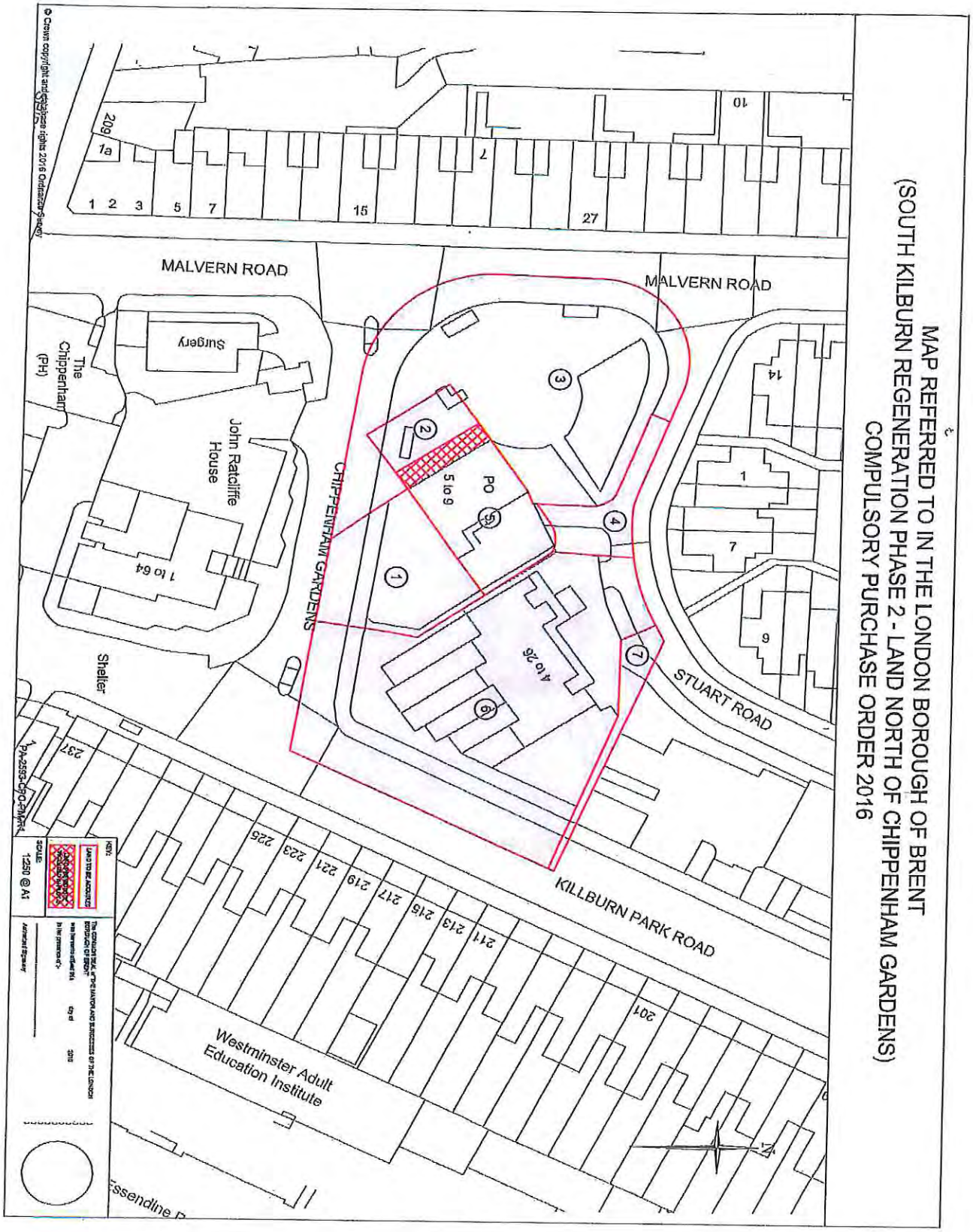
APPENDIX 5

PLAN SHOWING 'AS PUBLISHED' STOPPING UP PROPOSAL



APPENDIX 6

PLAN SHOWING THE PROPOSED MODIFICATIONS TO THE ORDER



Equality Analysis- Blank Form – Online EA System

Stage 1 Screening Data

1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.

This equality analysis has been prepared to assess the impacts of the recommendations that the Cabinet give approval to reaffirm and authorise all steps to make, confirm and implement the London Borough of Brent (South Kilburn Regeneration Land North of Chippenham Gardens) Compulsory Purchase Order.

2. Who is affected by the proposal? Consider residents, staff and external stakeholders.

The impact on those affected by this proposal will be the resident leaseholder and the investor landlord and his tenant, who will be required to vacate their current homes within 4 to 26 Stuart Road (even numbers only), to enable the block to be brought forward for redevelopment as part of the South Kilburn regeneration programme.

The only resident leaseholders are a couple both are aged over 65. Older leaseholders may suffer greater psychological effects, including stress and uncertainty, for example in relation to having to move and may rely more on neighbours and nearby family for support, and moving home may affect these support networks as they may have longer ties to the area and therefore may be more prone to the anxiety of moving and the unknown. The physical act of moving home may also impact more on this couple as acts such as packing, moving and unpacking is possibly to be more difficult for older people; although in this case the couple are both physically active and relatively fit although the man was recently taken ill for a short period of time.

The only other affected leaseholder is an owner investor who does not reside in the property. It may be considered that his impact may be in regard to the loss of income form the rent received from his property. This in itself if lost completely could lead to a change in his personal circumstances. He is a middle aged man and there are no physical issues as far as we have been able to ascertain. Unfortunately we have no information in regard to the sub-tenant. It is understood the leaseholder will give notice to the sub-tenant in the event that the Council is successful in its CPO and the person(s) will need to find alternative accommodation; depending upon their circumstances they will either need to seek alternative accommodation in the private sector or seek assistance from the Council's Housing Unit.

The Council has sought to mitigate the adverse impact on leaseholders by ensuring that the Estate Regeneration Team helped and supported each leaseholder with providing the relevant information through the negotiation process. A leaseholder consultation was held at the very start of the process. Face to face meetings have taken place and a regular dialogue has also taken place. The officers have identified their needs and requirements, informing them about the offers and continuously updated the leaseholders and continues to update them with the project timescales and supporting residents throughout the whole process. The Estate Regeneration Team have appointed a Leasehold Liaison Officer to assist with this process and make the transition of moving for leaseholders a more comfortable and stress free process. The Leasehold liaison officer is also a point of contact for support for the leaseholders listening and helping them with any concerns raised.

3.1 Could the proposal impact on people in different ways because of their equality characteristics?

No

3.2 Could the proposal have a disproportionate impact on some equality groups? If you answered 'Yes' please indicate which equality characteristic(s) are impacted

Yes - Elderly

3.3 Would the proposal change or remove services used by vulnerable groups of people?

The existing Kilburn Park Post Office will close as part of the redevelopment. Through various means including the most recent Masterplan Review the Council has kept the community fully informed of the process and closure of the Post Office. There are also a number of alternative Post Offices in close proximity to this site which can be utilised by residents of the area. Alternative Post Offices are located at:

- 297 Kilburn Lane W9
- 24 Mozart Street W10
- 377 Harrow Road W9
- Sutherland Avenue W9
- Kilburn High Road NW6

This was accepted by the Planning Officer and was consulted on extensively throughout the project lifecycle and information was clearly identified on our website.

3.4 Does the proposal relate to an area with known inequalities?

Yes

3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

No

3.6 Does the proposal relate to one of Brent's equality objectives?

?

Recommend this EA for Full Analysis?

Yes

4. Use the comments box below to give brief details of what further information you will need to complete a Full Equality Analysis. What information will give you a full picture of how well the proposal will work for different groups of people? How will you gather this information? Consider engagement initiatives, research and equality monitoring data.

Stage 2: Analysis

5. **What effects could your policy have on different equality groups and on cohesion and good relations?**

5.1 Age ***(select all that apply)***

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

The impact of the redevelopment is that leaseholders will have to move from their current homes, to enable the redevelopment of the subject block to come forwards, as part of the South Kilburn regeneration programme. The impact is also likely to be greater for older leaseholders. To mitigate this, the Council have offered resident leaseholders a unique shared equity opportunity to the elderly couple which is located at Bronte and Fielding House and also previously at the Argo Development as well as a number of alternative offers within the local vicinity, to ensure that they remain within the local area. One property is a five minute walk from existing residence and is a large 3 bedroomed property on a shared equity basis. This property is affordable for the leaseholder and meets their needs. The leaseholder has not at the time of this report accepted the offer but is giving it serious consideration. If they do not accept this offer then it is more than likely that they will need to identify their own alternative accommodation, if the CPO is successful, but the Leaseholder Liaison Officer will continue to try to assist and smooth this process.

The remaining leaseholder is an investor landlord who has also been made various offers by the Council of alternative investment opportunities. Again to date he has not accepted any so it is more than likely, if the CPO is successful, that he will be given financial compensation in line with the statutory regulations

5.2 Disability ***(select all that apply)***

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5.3 Gender Identity ***(select all that apply)***

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5.4 Marriage and civil partnership *(select all that apply)*

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5.5 Pregnancy and maternity *(select all that apply)*

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents**.**

5.5 Race *(select all that apply)*

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

Exact ethnicity data of those with homes within the 4-26 Stuart Road (even numbers) is not available. But it is understood the elderly couple who reside there are of Black/Caribbean heritage.

In the 2011 Census, 50.0% of the population of Kilburn were from black, Asian and minority ethnic (BAME) backgrounds lower than 63.7% in Brent as a whole. By contrast, 14% of people in England and Wales and 40% of people in London were BAME.

The largest BAME group in Kilburn were the Black/African/ Caribbean/Black British: African, 12.4% of Kilburn's population compared to 7.8% of Brent's population, followed by Black/African/ Caribbean/Black British: Caribbean 8.4%. The White: English/ Welsh/ Scottish/ Northern Irish/ British population at 28.3% was higher than the percentage for Brent 18.0%.

There was a lower proportion of Asian/Asian British: Indian or British Indian: 2.7% people compared to 18.6% in Brent and Asian/Asian British: Pakistani or British Pakistani: 1.7% in Kilburn compared to 4.6%in Brent. The Asian ethnic group percentage was smaller than those for Brent: 11.4% compared to 34.1%. There was a larger proportion of black ethnicities in Kilburn: 24.6% compared to Brent's 18.8%.

0.1% of Kilburn's population were White: Gypsy or Irish Traveller which was on par with Brent, London and national figures

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

As per the above chart, the impact of the recommendations being sought in relation to the South Kilburn regeneration programme may be felt by an above-average number of residents from Black and Minority Ethnic backgrounds, when compared with the ethnic profile of the borough. It is not considered that this impact, which is itself a statistical consequence of the ethnic profile of South Kilburn, can be mitigated in any practical way.

5.7 Religion or belief *(select all that apply)*

- [x] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

Religion or belief data of those with homes within the 4-26 Stuart Road (even numbers only) Site is not available.

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5.8 Sex *(select all that apply)*

- [ ] Positive
- [ ] Neutral
- [ ] Negative

Please give details:

The sex of those with homes within the Chippenham Gardens Site is not available. However, according to the Census 2011, South Kilburn has almost equal split between males and females (50.1% versus 49.9%). Thus the impact of the recommendations being sought are not likely to be greater for male secure tenants than female secure tenants. There is no evidence that male or female secure tenants will have any particular needs during the relocation process.

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5.9 Sexual orientation *(select all that apply)*

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

It is not anticipated that the recommendations being sought in relation to the South Kilburn regeneration programme would have any particular impact on residents with this protected characteristic as compared with other residents.

5.10 Other (please specify) *(select all that apply)*

- ☐ Positive
- ☐ Neutral
- ☐ Negative

Please give details:

6. Could any of the impacts you have identified be unlawful under the Equality Act 2010? Prohibited acts include direct and indirect discrimination, harassment, victimisation and failure to make a reasonable adjustment.

- ○ Yes
- ◉ No

7. **Please provide a brief summary of any research or engagement initiatives that have been carried out to formulate your proposal.**

There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of South Kilburn are developed and delivered. Leasehold Officers have been in regular consultation with the leaseholders identified within this report.

- Face to face communication –assessment visits, meetings with leaseholders, surveyor and leaseholder representative and independent resident advisor and consultation sessions on the design
- Written communication – letters, booklets etc.
- Viewings with the leaseholder

What did you find out from consultation or data analysis?

N/A

Were the participants in any engagement initiatives representative of the people who will be affected by your proposal?

Officers will use the information gathered to ensure that suitable offers will continue to be made for the remaining leaseholder.
There is one tenants of the investor leaseholder who will give notice to his tenant. We do not know much about the occupier other than this is an informal arrangement.

How did your findings and the wider evidence base inform the proposal?

N/A

STAGE 3: ACTION PLANNING

Now, you will respond to your findings from the analysis stage and complete an action plan. At this stage you need to think about how to remove or reduce all the negative impacts that you have identified and how to maximise any opportunities to promote equality. This might mean making changes to your proposal or to the way that it is implemented.

8. What actions will you take to enhance the potential positive impacts that you have identified?

Continue to support and make offers to Leaseholders in the hope that we can acquire by agreement. Out of the four leaseholders there are two remaining who officers are currently in negotiation with the remaining two and we are close to making a deal.

9. What actions will you take to remove or reduce the potential negative impacts that you have identified?

Continue to support and make offers to Leaseholders in the hope that we can acquire by agreement. Out of the four leaseholders there are two remaining who officers are currently in negotiation with and we are close to making a deal.

10. Please explain how any remaining negative impacts can be justified?

If the leaseholders can be bought by agreement and suitable offers be made which the Council believe strongly we strongly have done and will continue to do so, then the redevelopment of Land North of Chippenham Gardens can be brought forwards to deliver 52 new homes and 22 affordable for existing secure tenants of South Kilburn.

Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director of Regeneration & Environment**
	Wards affected:Kilburn

Approval to procure a Multi-Disciplinary Design Team for Neville House, 1-64 Winterleys and 113-128 Carlton House and Carlton Hall, as part of Phase 4 of the South Kilburn Regeneration Programme

1 Summary

1.1 The regeneration of South Kilburn is a fifteen year programme that is approximately half way through. It aims to transform the area into a sustainable and mixed neighbourhood and create a real sense of place and belonging. The programme will deliver around 2,400 new homes of which 1,200 will be made available for social rent for existing South Kilburn, secure council tenants. To date 1073 new homes have been delivered with 60% (639) new homes having been made available for existing secure tenants of South Kilburn. Woodhouse Urban Park was opened to the public in May 2016 and South Kilburn residents are able to utilise St Augustine's Sports Hall.

1.2 The Council's objective is to provide high quality new homes with values driven from market sales in order to maintain the viability of the Regeneration Programme in the long-term, and to achieve a substantial improvement in the living conditions of existing South Kilburn secure Council tenants.

1.3 The South Kilburn Masterplan review took place in 2016, and the community are at the heart of our decision making process. We have taken an inclusive and participatory approach to consultation and engaged with residents and stakeholders of South Kilburn with extensive local consultation from July through to December, which directly fed into the drafting of a revised South Kilburn Supplementary Planning Document 2017 (SPD). The SPD was adopted by Cabinet on the 19 June 2017 and will be an important document in determining how this area continues to transform over the next 10-15 years.

1.4 The South Kilburn Regeneration Programme also includes the delivery of a new larger high quality urban park and an improved public realm, a new local primary school, new health facilities, new retail facilities, an Enterprise Hub and Community Space, improved environmental standards and a South Kilburn District Energy System. The South Kilburn Programme has been recognised for exemplar design for new build homes as well as landscape projects and has won a number of prestigious awards.

1.5 This report seeks Cabinet approval to a procurement strategy for the appointment of an architecturally led multidisciplinary design team for the comprehensive redevelopment of Neville House, 1-64 Winterelys and 113-128 Carlton House and Carlton Hall, being part of Phase 4 of the South Kilburn regeneration programme and together defined as the Existing Site. (See appendix 1 – Existing Site Plan) *please note the development boundary between points A and B on the plan is at present indicative only, and may be subject to adjustment following detailed design work*.

2 Recommendations

That Members:

2.1 Approve the procurement of an architecturally led multidisciplinary design team to develop up to and including a RIBA Stage 3 detailed planning application and specification, with the option of taking the design to RIBA Stage 4, for comprehensive redevelopment of Neville House, 1-64 Winterelys and 113-128 Carlton House and Carlton Hall by either:

i) Calling off an appropriate OJEU compliant framework; and evaluating those tenders in accordance with the relevant Framework; or alternatively;

ii) Inviting tenders using a restricted procedure under the Public Contracts Regulations
2015 on the basis of the pre-tender considerations set out in paragraph 5.4, of this report and evaluating the tenders on the basis of the evaluation criteria set out in Appendix 2;

2.2 Delegate to the Strategic Director of Regeneration and Environment in consultation with the Lead Member Regeneration, Growth, Employment and Skills, the decision as to the procurement options detailed in paragraph 2.1 above for the reasons detailed in paragraph 3.8.

2.3 Note the intention to report back to Cabinet to seek approval to award the proposed contract, once a preferred design team has been identified.

3 Detail

Background

3.1 South Kilburn Estate is an amalgam of Council residential blocks from the 1950's and 60's including a number of different post-war social housing typologies in poorly designed and low quality physical environment. The estate is located in the south of the borough and sits between Kilburn High Road to the east, Queen's Park to the north-west and extends towards Maida Vale in the south. It is the Southern-most part of Brent and shares a boundary with the City of Westminster. It is an area surrounded predominantly by privately-owned terraced Victorian and Edwardian housing that command high values. The over and underground facilities of Queen's Park and Kilburn Park stations and Kilburn High Road over ground station lie close to the estate's borders.

3.2 The estate is the largest concentration of social housing in Brent and amongst the largest in London. Much of the housing suffers from inherent internal design

problems and the relationships between buildings, streets and spaces are poor and indeterminate. The area is not amenable for maintenance or improvement and as a whole the estate presents significant management challenges. These physical conditions manifest themselves in some of the highest levels of social and economic exclusion in the borough (and are amongst the highest in the country).

3.3 Neville House, 1-64 Winterleys and 113-128 Carlton House are more of the traditional 1950's Council blocks. Winterleys is a 12 storey block which now faces on to Woodhouse Urban Park, but is currently separated from the park by surface car parking. Neville House is a four storey block. Carlton House is a four storey residential block. Much of the development has poor definition of public and shared space and presents inactive frontages to the street and surrounding areas; Carlton Hall is a one storey detached community space currently occupied by the South Kilburn Trust.

3.4 A key principle of the phasing strategy for the South Kilburn regeneration programme is that the new affordable homes developed on each site will, where the relevant needs are met, be made available to existing secure tenants within sites earmarked for development in the next phase.

3.5 The extent of the regeneration to date has transformed part of the estate; South Kilburn is changing for the better and this additional project will bring forward further improvements to the physical area that is South Kilburn. Officers intend to procure a design team to prepare a RIBA 3 detailed planning application and specification, with the option of taking this to RIBA Stage 4 (Technical Design), for the comprehensive redevelopment of Neville House, Winterelys and Carlton House, to deliver a high quality residential development and public realm. This would help to ensure that there continues to be a pipeline of developments in South Kilburn, so that the delivery of much needed new homes in South Kilburn can continue at pace so as to meet the programme decant requirements and Masterplan timelines, which are highlighted in the South Kilburn Supplementary Planning Document 2017 approved at June Cabinet.

3.6 Prior to appointing the design team, officers will carry out feasibility work to refine the scope of the brief.

3.7 The procurement of a design team to RIBA 3 to develop a detailed planning application and specification, with the option of taking the design to RIBA Stage 4 (Technical Design), for the comprehensive redevelopment of Neville House, 1-64 Winterleys and 113-128 Carlton House and Carlton Hall will be undertaken by either:

i) Calling off an appropriate OJEU compliant framework; or alternatively
ii) Inviting tenders using a restricted procedure under the Public Contract Regulations 2015 ("PCR 2015") on the basis of the pre-tender considerations set out in Appendix 2, commencing by placing a notice in the Official Journal of the European Union (OJEU).

3.8 The procurement may not be commenced immediately as the options to procurement will be reviewed by officers. However to allow the project to commence this year Member level authority is being sought at this stage to the strategic decision to initiate this procurement with the technical decision on which of the procurement options to select to be taken by the Strategic Director

of Regeneration and Environment in consultation with the Lead Member closer to the likely date for commencement of the procurement. Officers will carry out feasibility work to include reviewing all existing and new frameworks that are currently being let before deciding the best procurement route to take.

3.9 Should calling off an appropriate framework, be the preferred procurement route, officers will conduct a mini-competition and delegate authority to award a contract with the successful tenderer to the Strategic Director of Regeneration and Environment in consultation with the Portfolio Holder for Regeneration, Growth, Employment and Skills, once a preferred design team has been identified.

3.10 Should using a Restricted procedure under the PCR 2015 be the preferred procurement route, in accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out at Appendix 2, for the approval of the Cabinet.

3.11 The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89 (Appendix 2).

4 Financial Implication

4.1 The financial model for the South Kilburn regeneration programme is to be self-financing within the funding envelope generated from on-going disposals. The capital receipts generated are reinvested back into the South Kilburn regeneration programme, to enable the rolling regeneration programme that delivers new homes.

4.2 The South Kilburn model has traditionally worked through a process of procuring delivery partners, who develop an existing site and generate high value properties. In return for this site, they build affordable and social housing, while also delivering capital receipts to support the capital programme. There is sufficient space in the budget to cover the cost of this contract in 2017/18.

4.3 Irrespective of the procurement process to be undertaken, it is anticipated that the value of the proposed contract will be in excess of £500k and thus classed as a High Value Contract under the Council's Standing Orders and Financial Regulations.

4.4 Therefore approval is been sought from Members to proceed with the procurement and award the proposed contract, once a preferred design team has been identified. The estimated cost to appoint a design team can be resourced from the South Kilburn programme budget. Depending on market conditions, it should be possible to recoup this cost when the redevelopment of Neville House, 1-64 Winterleys and 113-128 Carlton House and Carlton Hall site disposal takes place.

5 Legal Implications

5.1 As detailed in Recommendation 2.1, the options currently being considered by Officers for the procurement of a multi-disciplinary design team are either the use of a framework or procurement by way of a restricted procedure under the Public Contracts Regulations 2015 (PCR 2015).

5.2 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to PCR 2015 by another contracting authority and where call off under the framework agreement is recommended by the relevant Chief Officer (to include confirmation that there is sufficient budgetary provision for the proposed call-off). However, this is subject to the Chief Legal Officer advising that participation in the framework agreement is legally permissible and approval to participate in the framework being obtained from the Chief Legal Officer. Should calling off the an appropriate OJEU PCR 2015 compliant framework be the preferred procurement route, the Council would be required to operate a mini-competition in accordance with framework rules, to include evaluation using the criteria specified in the framework. Following the operation of a mini-competition the Council would be required to operate a mini-competition in accordance with framework rules, to include evaluation using the criteria specified in the framework. Following the operation of a mini-competition Cabinet approval is required for the award of a High Value Contract.

5.3 Should the use of the restricted procedure under the PCR 2015 be the preferred procurement route, the procurement will be subject to the Council's Contract Standing Orders applicable to High Value Contracts as the estimated value of the contract is over £500k. Accordingly, the Cabinet must approve the pre-tender considerations set out in Appendix 2 (Standing Order 89) and the inviting of tenders (Standing Order 88). Once the procurement process has been undertaken under the PCR 2015, officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

5.4 Given the value of this proposed procurement over its lifetime is higher than the EU threshold for Services, the procurement of the contract is governed in full by the PCR 2015. Should the use of the Restricted procedure under the PCR 2015 be the preferred procurement route, the Council must observe the requirements of the mandatory minimum ten calendar days standstill period imposed by the PCR 2015 before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing the prescribed information which includes the reasons for the decision and the characteristics and relative advantages of the winning bid. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

6 Equality Implications

6.1 The new affordable homes in South Kilburn are available to all secure tenants currently living in properties due for demolition as part of the South Kilburn regeneration programme within the neighbourhood. In regards to Neville House, 1-64 Winterleys and 113-128 Carlton House and Carlton Hall, secure tenants will be offered the opportunity to move into new affordable (social rent) units elsewhere within the South Kilburn Regeneration Programme area.

6.2 Every effort should be made to provide the secure tenants with suitable alternative accommodation and to reach mutually acceptable agreements with the leaseholders to buy their properties without seeking legal action. When

identifying the options and alternatives put forward, the Council should proactively engage with affected residents and leaseholders.

6.3 As with all other schemes that are part of the South Kilburn regeneration programme, full consideration must be given to residents and leaseholders with protected characteristics, particularly people with disabilities and / or other types of vulnerabilities due to older age, childcare and/or caring responsibilities, socio-economic status (lone parents and large families).

Race / Ethnicity

6.4 Due to the ethnicity profile of the area, full consideration must be given to the impact on black, Asian and minority ethnic individuals/groups. The Council must also ensure that the options put forward to secure residents and leaseholders, so far as possible, provide reasonable and affordable alternatives that enable them to remain in the area and maintain their family and community ties, as per Article 1 of the First Protocol and Article 8 of the European Convention on Human Rights.

Age/Carers/Disability/Pregnancy and maternity

6.5 The requirements for anyone who is older or with a disability, or those who are pregnant or on maternity to have to move from their current property (residential or commercial property) is likely to be more difficult and could suffer greater psychological effects, including stress. (This in turn has an impact on carers).

6.6 To mitigate this, for the secure tenants who are moving, the re-housing team provides help to secure tenants through the moving process, additional support and services to those who require it can be provided.

6.7 Resident leaseholders may be affected if they are seeking to acquire a similar sized property in the surrounding area as the value for a Local Authority property tends to be less than a non-Local Authority property. To counteract this resident leaseholders have been offered the option of shared-equity on the South Kilburn Estate. For those who move off the estate, they may have to increase/get a new mortgage agreement which could be difficult for older residents or those with caring/dependant children responsibilities. The Council is also in the process of recruiting an estate regeneration leaseholder liaison officer which will assist leaseholders by providing support and guidance as to the options available to relocate or sell their property

7 Staffing/Accommodation Implications

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

8 Public Services (Social Value) Act 2012

8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation.

8.2 It is considered that the services being procured will have the effect of improving the economic, social and environmental well-being of residents of South Kilburn through the development of this site. The new homes will improve living conditions of residents of South Kilburn.

8.3 Officers will also have regard to the Social Value Act in its procurement of a multi-disciplinary design team and seek to implement Social Value considerations where permitted an Equality Impact Assessment will be done and reported to Members when the Council is in a position to proceed with the procurement of a construction contract.

9 Background Papers

Appendix 1 – Existing Site Plan
Appendix 2 –Pre-tender considerations

10 Contact Officers

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AMAR DAVE
Strategic Director Regeneration & Environment

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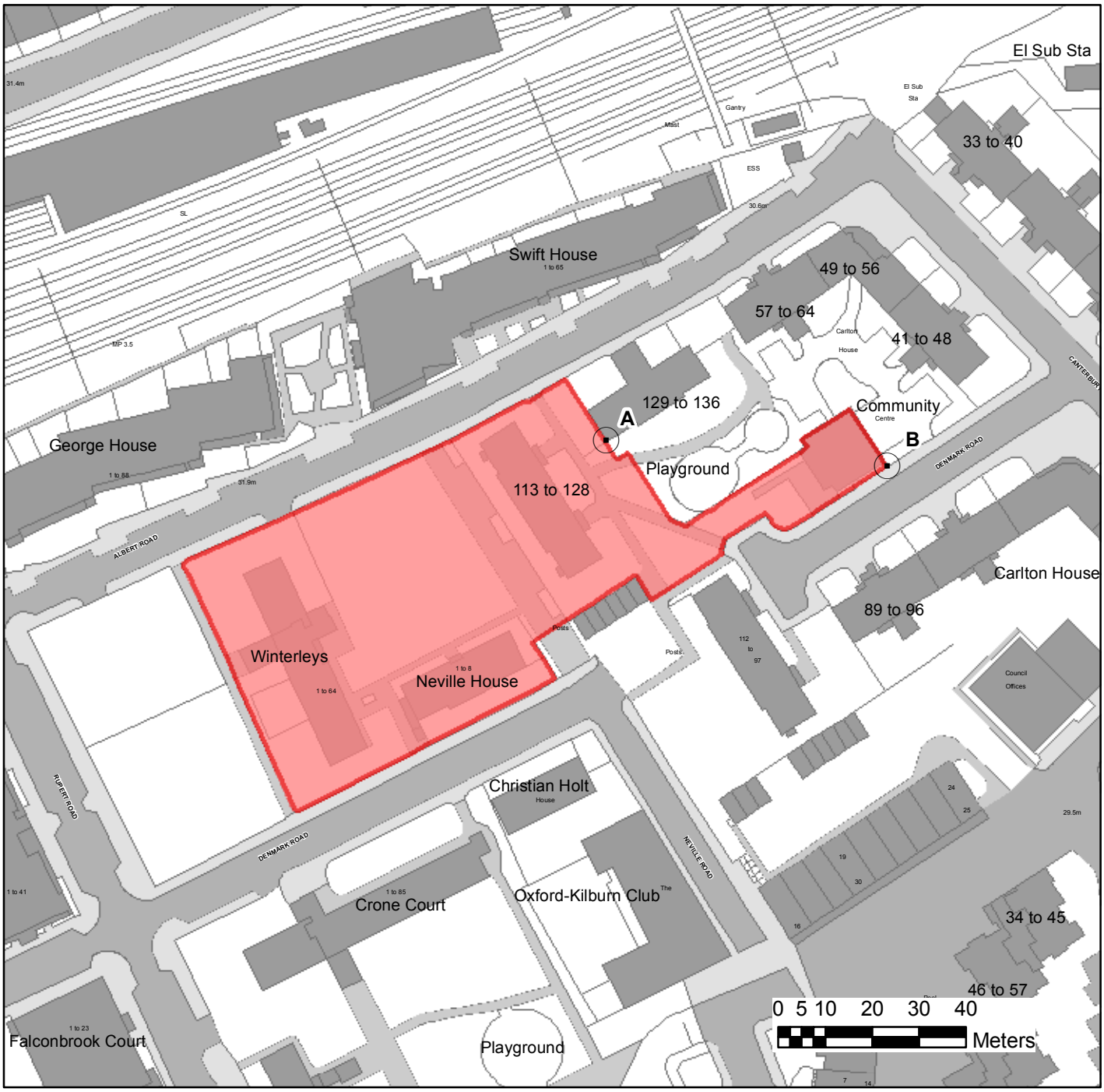
Winterleys, Albert Road, London, NW6 5DR; Neville House, Neville Road, London, NW6 5BT, Part Carlton House, Canterbury Terrace, London, NW6 5DU and Carlton House Hall, Carlton House, Canterbury Terrace, London, NW6 5DX



Site Extent

1:1,250

Plan to stated scale if printed at A4.

NORTH

Brent

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Ref.	Requirement	Response
(i)	The nature of the service/ works.	To procure an architecturally led multidisciplinary design team to prepare a detailed planning application for the comprehensive redevelopment of the Neville House, 1-64 Winterelys and 113-128 Carlton House and Carlton Hall redevelopment site.
(ii)	The estimated value.	The value of this contract will be determined through the competitive tender process but it is anticipated the value will be approximately £900k.
(iii)	The contract term.	The contract period will be approximately twelve months.
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted otherwise than by electronic means and whether there will be an e-auction.	PCR 2015 compliant restricted procedure procurement route, in which parts of the procedure may be conducted by electronic means but there will not be an e-auction.
v)	The procurement timetable.	The procurement would be undertaken during summer/autumn 2017. Indicative milestones/timescales are: • Contract Notice placed • Expressions of interest/Pre-Qualification Questionnaire (SQ) period – 30 days • Evaluation of SQ responses in accordance with the Council's approved criteria – 10 days • Invitation to tender period – 35 days • Panel evaluation, interviews and panel decision – 10 days • Seek Cabinet approval to award contract • Standstill period – 10 calendar days
(vi)	The evaluation criteria and process.	Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the SQ and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. Officers will evaluate the tenders from the shortlisted bidders on the basis of "most economically advantageous tender criteria" (MEAT) on the basis of percentage quality and percentage price, with a weighting of 40% applied to price and 60% applied to quality criteria. The quality criteria will consider how submissions perform in respect of:

Ref.	Requirement	Response
		- Design Approach and Vision - Expertise and Resource Allocation; and - Consultation and Stakeholder Management
(vii)	Any business risks associated with entering the contract.	The Council will ensure the form of appointment and collateral warranty with the preferred design team is drafted to minimise all business risks.
(viii)	The Council's Best Value duties.	The procurement process will seek to ensure best value is achieved.
(ix)	Consideration of Public Services (Social Value) Act 2012.	See Section 8 of the report.
(x)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(xi)	The relevant financial, legal and other considerations.	See Sections 4, 5 and 6 of the report. This proposed procurement process would be in line with the Council Standing Orders and the Public Contract Regulations 2015.

Cabinet
24 July 2017

Report from the Strategic Director Regeneration and Environment

All Wards affected:
All except parts of those wards in Tokyngton, Stonebridge, Harlesden, Kensal Green that fall within the Old Oak and Park Royal Development Corporation boundary

Article 4 Direction: Office, Light Industrial and Storage or Distribution Centre to Residential

1.0 Summary

1.1 Since 2010 Government has introduced a number of changes to town planning to introduce greater flexibility and speed of development delivery of new homes. This has included amendments to regulations to allow greater changes of use to residential dwellings through permitted development rights. There is now evidence that some of these changes have been prejudicial to the Council's proper planning of Brent as set out in policies in the development plan. Without potential intervention by the Council through means available to it to restrict this flexibility, they are likely to become increasingly so.

1.2 The report sets out the impact that the existing and proposed permitted development rights have had, or could have in the future. It proposes the making of an Article 4 Direction for parts of the Borough. This will remove permitted development rights for Office (B1(a)), Light Industrial (B1(b) and Storage or Distribution Centre (B8) to Residential (C3). It will reinstate the need for an express grant of planning permission and as such in the areas in which the Article 4 would apply, reinstate the primacy of the development plan in shaping the future development of the Borough.

1.3 The Article 4s will apply to the areas of Brent which are identified as Growth Areas, Strategic Employment Locations and Locally Significant Industrial Sites. This can only be where the Council is still the local planning authority. Nevertheless, the approach of the Old Oak and Park Royal Development Corporation (OPDC) is similar to that proposed in this paper. OPDC has already adopted a non-immediate Article 4 direction to prevent change of use of offices and light industrial to residential in its Strategic Industrial Locations (including those in Brent where OPDC is planning authority).

1.4 In order to reduce the potential claims for compensation, it is proposed that the Article 4 direction is non-immediate. It is proposed to come into force 12 months

after consultation commences. The Article 4 will require confirmation after consideration of consultation responses. It is proposed that consideration of the responses and the subsequent decision whether to confirm is delegated to the Director of Regeneration and Environment in association with the Lead Member for Regeneration, Growth, Employment and Skills.

2.0 Recommendations

2.1 Cabinet approve the issuing of an non-immediate Article 4 Direction removing permitted development rights for Office (B1(a)), Light Industrial (B1(b)) and Storage or Distribution Centre (B8) to Residential (C3) within Strategic Industrial Areas, Locally Significant Industrial Sites and the Alperton Growth Area

2.2 Cabinet approve the issuing of an non-immediate Article 4 Direction removing permitted development rights for Office (B1(a)) within the Wembley Growth Area

2.3 Cabinet delegate consideration of the consultation responses and the decision on whether to confirm the Article 4 direction to the the Director of Regeneration and Environment in association with the Lead Member for Regeneration, Growth, Employment and Skills.

3.0 Detail

Background

3.1 The need for additional homes nationally and in London in particular is recognised as a significant issue. More recently Government has through a number of different initiatives sought to increase the speed and amount of new dwellings built. This has included significant changes to the planning system, including to the General Permitted Development Order. The most recent revision of this was in 2016. The Order identifies where planning permission is and is not required for development.

3.2 In 2013 Government started to introduce increased flexibility in relation to changes of use to dwellinghouses. One of these changes was the introduction of permitted development rights for office (B1(a)) as identified in the Use Classes Order 1987 (as amended) to dwellinghouses (C3). This was initially for a period of 3 years. Through amendments made in 2016 however, this is now permanent . This change means that the express grant of planning permission is no longer required. Instead a prior approval process has to be submitted to the Council.

3.3 On 15th April 2015 Storage or Distribution Centre (B8) of less than 500 sq.m. to residential dwelling houses (C3) was introduced for a temporary period of 3 years. In 2016 light industrial (B1(c)) to residential dwelling houses (C3) was introduced to commence from 1st October 2017 also for a temporary period of 3 years.

3.4 The prior approval process is slightly different for all these types of development. For offices, it does not deal with the principle of the development but is limited to a few technical requirements, which most proposals can meet. This addresses:

a) transport and highways impacts of the development;
b) contamination risks on the site;
c) flooding risks on the site; and
d) the impacts of noise from commercial premises on the intended occupiers of the development.

3.5 For B1(c) and B8 the tests do pay greater attention to wider potential economic impacts. In addition to the above, prior approval is required if the change of use is likely to have an adverse impact on the sustainability a wider employment area/industrial estate. The Council can refuse a prior approval where it considers the change of use would otherwise have an adverse impact on the functioning of wider strategic business locations.

Article 4 Directions

3.6 Local Planning Authorities have the ability through Article 4 (1) of the General Permitted Development Order (GPDO) 2015 to remove permitted development rights. This is where they can justify that their inability to otherwise control development would have a significant impact on amenity, or prejudice their proper planning of an area. As a backstop the Secretary of State, who has to be notified on confirmation of an Article 4 direction, ultimately has the ability to intervene where they see fit. They can amend or remove an Article 4 direction proposed by a Local Planning Authority.

3.7 Historically most Article 4 Directions have been used to limit permitted development and protect the special character of conservation areas. This Council has confirmed a number of Article 4s over the last few decades. They apply within the majority of Brent's conservation areas, e.g. requiring planning permission for removing frontwalls and basement development.

3.8 The recent amendments to the GPDO, reducing the need for planning permission for a variety of development, has encouraged some Local Planning Authorities to start to take forward additional Article 4s where they feel they can be justified. Those seeking to require planning permission for office to residential development, particularly in London are on the increase. This has been for selected areas, rather than a blanket approach. The Secretary of State has previously intervened in and blocked some authorities attempts at a blanket approach.

3.9 Section 107 of the Town and Country Planning Act 1990 provides for property owners to claim compensation. This includes in certain circumstances where ordinarily planning permission is not required but then is subsequently refused, or conditions applied by the Local Planning Authority over and above those otherwise required. The compensation payable reflects the difference between development value in both scenarios and also additional costs associated with going through the planning process.

3.10 Regulations set out that in relation limitations placed by Local Planning Authorities on changes of use permitted by the GPDO. Compensation is not payable on any subsequent planning application decision after a period of 1 year following initial notification of an intention to adopt an Article 4 direction. This means that in order to avoid claims for compensation the majority of Article 4 directions issued by local planning authorities are non-immediate.

3.11 Regulations set out the extent to which a Local Planning Authority has to consult on an Article 4 Direction. After it decides on its intention to adopt an Article 4 Direction, the Council has to consult for a minimum of 28 days with those likely to be affected and statutory consultees. In this case it is proposed to issue a public notice and site notices within the areas proposed. Given the number of properties in the areas, it is not considered proportionate to serve an individual notice on each owner and

occupier. Once it has considered the consultation responses it has a period of up to 2 years to confirm the Direction after its initial notification of intention to adopt.

Impacts of Permitted Development Change Of Use Of Offices To Dwellinghouses

3.12 In terms of numbers, the prior approval process nationally has, initially at least, undoubtedly assisted in meeting Government's aspirations of increasing housing supply. Government has been aware of many Council's concerns about the quality of residential development it has enabled, particularly in London. It circumvents the need to meet London Plan space and accessibility standards and also affordable housing or S106 contributions that would otherwise be required. Nevertheless, Government has made the initial 3 year 'experiment' permanent without any changes to address these issues.

3.13 In Brent the impact has the potential to be significant. 2049 dwellings have attained permission through 84 B1(a) prior approvals. The initial 3 year deadline should have acted as a catalyst for early delivery. In Brent however, to date this hasn't been reflected in build out rates. 339 dwellings have been completed, whilst a further 89 are under-construction. This still leaves a further 1621 dwellings which in theory could come forward (although this year's housing completion survey has not yet been fully completed).

3.14 The office floorspace that this displaces amounts to 81,700 sq.m. which is a very sizeable amount. Employee floorspace requirements can vary tremendously depending on the type of business and the usability of the space. Assuming however, a generous 20 sq.m. per person to reflect the likely poorer quality of the stock lost, this would accommodate 4085 full time employees.

3.15 Notwithstanding this potential significant loss of office space, the actual impact on job displacement in the initial stages of the prior approval regime would mostly likely have been limited. The majority of early approvals essentially would be removing older, principally vacant redundant office stock. Realistically this office floorspace was unlikely to be fully occupied, if at all. Some had in any case been allocated as potential residential sites in the Site Allocations and Wembley Area Action Plans.

3.16 There is evidence that the prior approval process for some schemes might only have been used as a mechanism to reduce overall affordable housing contributions. It potentially provides an increased benchmark land value in redevelopment schemes to be argued as a fall back position, rather than reflecting any genuine desire on the part of the developer to pursue such approvals.

Prejudicial impact of the Office to residential permitted development rights on the Council's ability to plan for its area

3.17 As identified the amount of floorspace that has been through the Prior Approval process is significant. Whilst earlier schemes might have been dealing with essentially largely vacant or obsolete stock, more recently this has changed. The change of use of fully occupied office to residential would appear to still provide sufficient returns for it to be a viable proposition. Were the development to require planning permission, policies in the Local Plan would necessitate the developer showing that such space is unviable for business use before it could be released for other uses.

3.18 The recent prior approval for York House Wembley shows the scale of business displacement which is occuring. In this case an essentially fully occupied office block of over 10,000 sq.m. accommodating approximately 100 small businesses will be replaced with 360 micro-flats. This not only creates an issue in where these businesses that are displaced will now move to against a background of limited availability of other stock, but also affects the place-making aspect of the Wembley Area Action Plan. The area will lose a significant element of its daytime activity/ local spend.

3.19 Notwithstanding the diminished availability of office stock, rents do not curently appear to be sufficiently high enough to encourage significant new office building activity in the Borough, although there are some granted/proposed in the Wembley Action Area. Apart from the Civic Centre, there has not been any new office building of note in recent years. Like most of outer London, Brent is not recognised by commercial office developers as a priority location for investment. There seems no prospect of speculative office building occurring to address the needs of smaller businesses. If the loss is allowed to continue unfettered, it provides a significant risk to the proper planning of meeting Brent's employment needs as it has the potential to further displace such activity out of the Borough.

3.20 In addition to this loss of stock, there is also evidence that office to residential prior approval activity is potentially undermining delivery of site allocations identified in the development plan. This has been both through delaying their redevelopment through the need to deal with additional property owners once conversion has taken place. It has also undermined the extent to which sites are being delivered in a well planned manner, encouraging an efficient use of land as envisaged in planning policy; thus diminishing overall housing delivery. An example of this is within Alperton where the Liberty Centre has been subject to a number of prior approvals in the middle of a site allocation that envisaged comprehensive redevelopment.

3.21 There have also been 11 office to residential prior approvals occurring within Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS). This is having two impacts. Firstly it is resulting in loss of employment land in priority employment locations, otherwise heavily protected in policy terms. Secondly the introduction of residential dwellings into employment areas appears to be undermining the future investment in employment uses in those areas. Similar adjacent properties are being brought forward for prior approval or the new residential use is being used by applicants to justify the inappropriateness of existing employment allocations or long term viability issues due to the presence of residential properties, e.g. Heather Park Road.

3.22 Brent's Employment Land Study 2016 identified the necessity to retain SIL and LSIS sites for business purposes. The redevelopment of former employment sites to residential and economic growth after the recession has resulted in a greatly increased need for employment land over the last 5 years compared to the preceeding 5 years. As such there is a greater reliance on protecting the existing stock to meet needs. Brent's Development Management Policies Local Plan adopted in November 2016 identifies in Policy DMP14 that only 11.5 hectares of such employment land should be released to 2029. Currrent applications if approved would take Brent very close to this target. As such further future loss through prior approval activity in SIL and LSIS locations presents a significant risk to safeguarding longer term employment propects in some of the the principal locations for businesses in the borough.

3.23 In relation, to permitted development rights that allow B8 premises under 500 sq. metres to change to residential use, the level of activity in the Borough has to date been limited. Only one case has been permitted, which was not in SIL or LSIS designated employment areas. It is likely that potential applicants consider that the prospects of the Council granting a prior approval in designated employment locations is not very likely. Such proposals would obviously be more likely to be regarded as having an adverse impact on the sustainability of employment areas important for providing industrial services or storage or distribution services.

3.24 In relation to permitted development rights that allow B1(c) premises under 500 sq. metres to change to residential use the B1(c) premises this provision only starts on 1st October 2017, so obviously to date there has not been any prior approval applications. It could well be that as with B8 that potential applicants are unlikely to apply, as they will not consider prior approvals as being likely to be granted.

Proposed Way Forward

3.25 For SIL and LSIS (see Appendix 1 for boundaries) it is suggested that a non-immediate Article 4 direction is taken forward to deal with removing permitted development rights (subject to prior approval) for B1(a), B1(c) and B8 to residential. It is accepted that there has been little activity in terms of applications for B8 and there will also probably be little activity in relation to the B1(c) which has yet to commence due to the Council being able to refuse a prior approval due to its potential impact on the sustainability of employment areas. Nevertheless, whilst the B1(a) order is being made, it makes sense to provide clarity on B1(c) and B8 to give an indication that the Council gives weight to the employment allocations to stop potential wasted effort on the part of potential prior approval applicants.

3.26 In relation to the Growth Areas, Wembley has had the greatest level of activity of B1(a) to residential and still has numerous premises in office use that could change. It is therefore proposed that this area is subject to a non-immediate Article 4 for B1(a) to residential. The Alperton Growth Area has a mixture of employment types on allocated and non-allocated sites, it is recommended that for this area the same B1(a), B1(c) and B8 to residential non-immediate Article 4 Direction is applied. (See Appendix 1 for the Wembley and Alperton Growth Area boundaries).

3.27 The use of the Article 4 does not automatically mean that planning permission for what was previously permitted development will be refused. The Council still has to go through the same processes for determining a planning application, providing sound reasons for its decisions. It will however allow the Council to take account of the policies of the development plan, which for B1(a) to residential in particular is currently not taking place.

3.28 There is a risk in proposing a non-immediate Article 4 that it flushes out any potential developments who would otherwise lose the ability to use the prior approval process in the year in which notice has been given. This could exacerabate the issue of loss of premises to residential. Proposing an immediate Article 4 would overcome this issue. It would however leave the Council open to compensation claims, so is not considered an appropriate risk for the Council to take.

Confirmation of the Article 4 Directions.

3.29 The process of adopting a non-immediate Article 4 Direction is set out in paragraph 3.11. To reduce Cabinet's workload it is proposed that Cabinet delegate

consideration of the consultation responses and the decision on whether to confirm the Article 4 direction to the Director of Regeneration and Environment in association with the Lead Member for Regeneration, Growth, Employment and Skills.

Conclusions

3.30 Changes to permitted development rights for offices to residential has resulted in a significant number of prior approval applications. Approvals so far if implemented will result in the loss of 81,700 sq. metres of office floorspace. Whilst initially this floorspace lost would predominantly have been of mostly vacant, redundant space, more recently fully occupied premises are subject to proposals. It is not clear where the firms located in these premises will relocate to and they could well be displaced out of Brent. This, together with some approvals undermining wider outputs of allocations in Growth Areas has been and will continue to have the potential to become prejudicial to the Council's ability to properly plan for its area.

3.31 As such it is recommended that a non-immediate Article 4 is pursued to limit the opportunity for prior approval applications for B1(a), B1(c) and B8 to residential in SIL and LSIS where Brent remains the local planning authority and in the Alperton Growth Area, whilst a non-immediate Article 4 is for B1(a) to residential is pursued in the Wembley Growth Area.

4.0 Financial Implications

4.1 Where Article 4 directions result in a planning application needing to be submitted, the Council cannot charge an application fee. It is not considered that this will have significant financial implications for the planning division in terms of lost income, as prior approvals in any case have a lower fee than would ordinarily be attained through planning applications.

4.2 The cost of the implementation of the Article 4 direction will be met from existing planning budgets. Costs will be low, limited to a notice in the local press and production of site notices which will have to be displayed in the area affected.

5.0 Legal Implications

5.1 The process for Article 4 Directions is set out in Scehule 3 of the General Permitted Development Order 2015. The paper identifies the process for taking forward the Article 4 which will be consistent with the regulations.

6.0 Diversity Implications

6.1 The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Council must, in exercising its functions, have "due regard" to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

3. Foster good relations between people who share a protected characteristic and those who do not.

6.2 The removal of permitted development rights for B1(a), B1(c) and B8 will allow the Council to properly assess whether any proposed loss of employment space is acceptable. The protection of employment space allows for the potential for local jobs which will assist Brent residents who have a higher representation from black and minority ethnic groups, in lower paid jobs and therefore less likely to be able to travel to find work. Whilst it might reduce the amount of housing that comes forward, the majority of the housing that is delivered through this source is market housing which does not meet London Plan space and mobility standards.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None arising specifically from this report.

Background Papers

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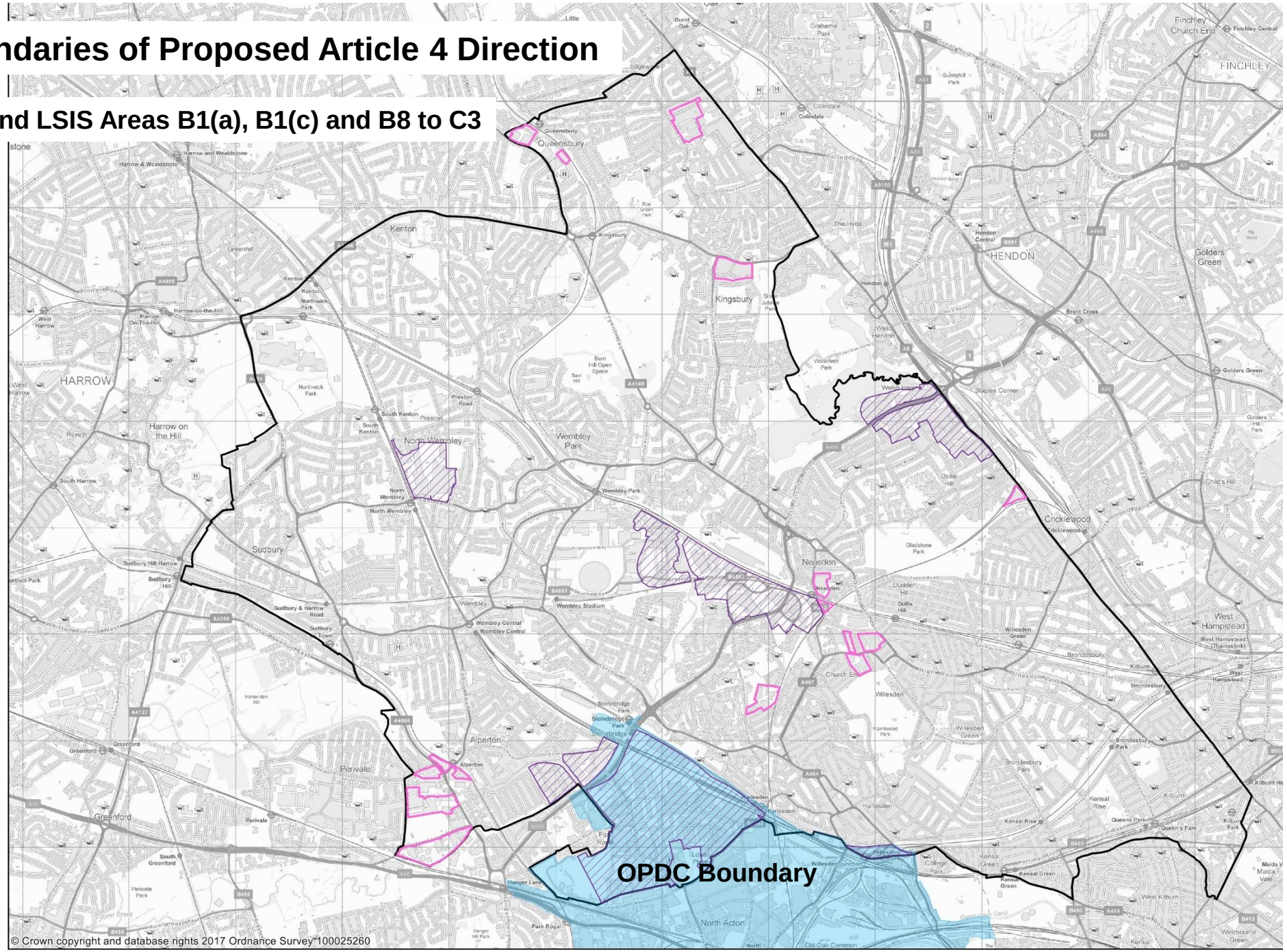
AMAR DAVE
Strategic Director Regneneration and Environment

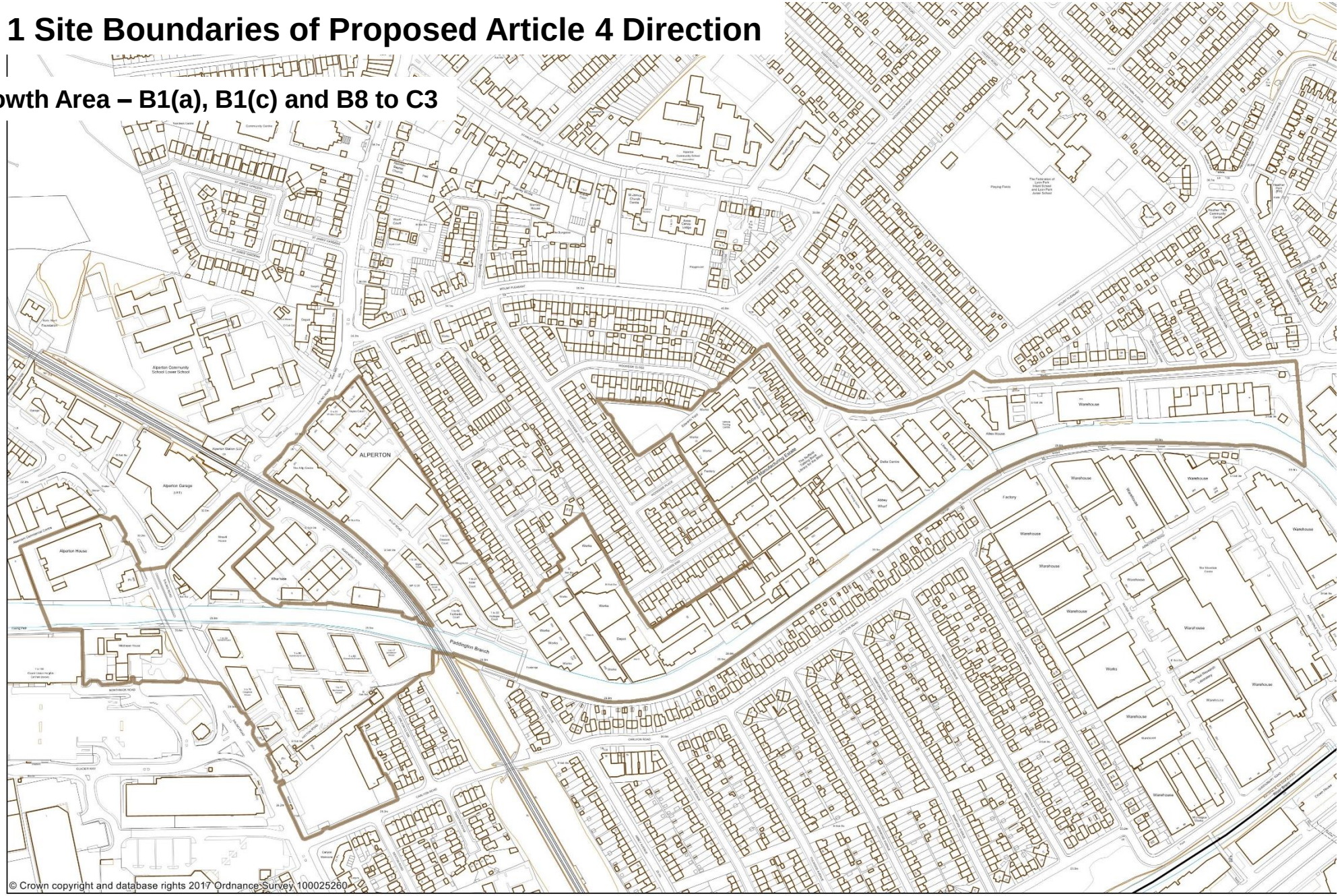
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Overview of Borough SIL and LSIS Areas B1(a), B1(c) and B8 to C3



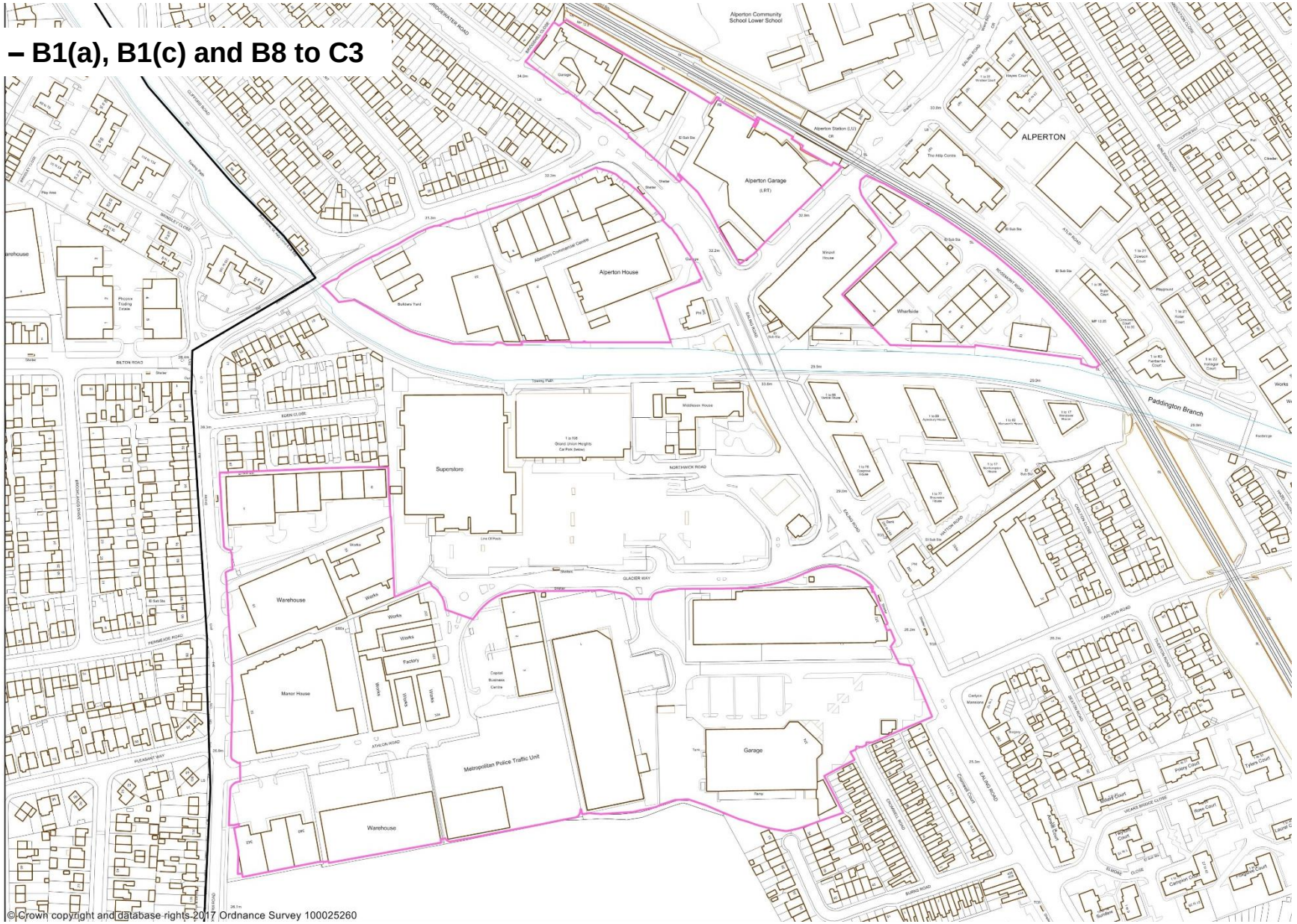
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Alperton Growth Area – B1(a), B1(c) and B8 to C3



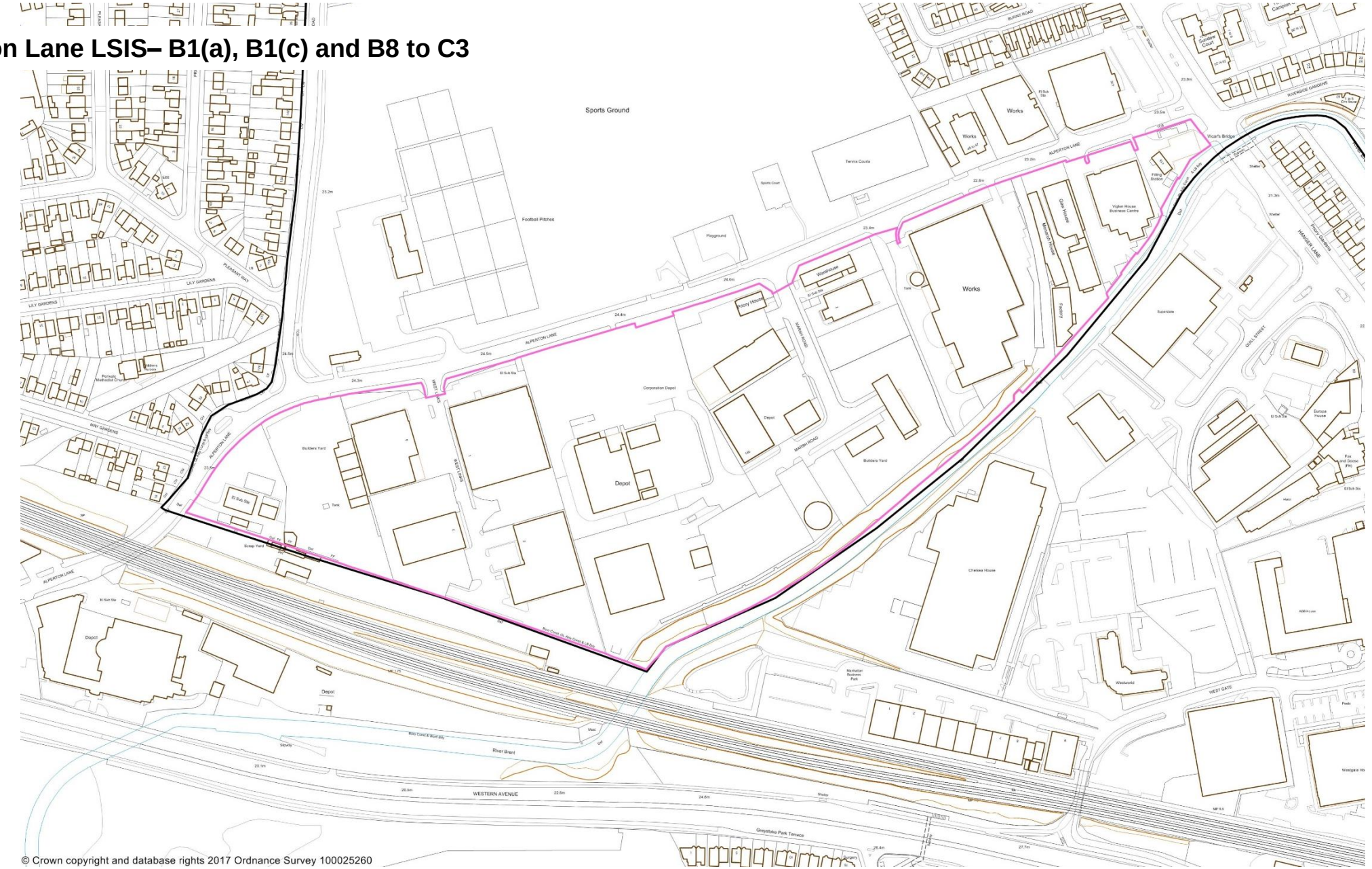
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Alperton LSIS – B1(a), B1(c) and B8 to C3



Appendix 1 Site Boundaries of Proposed Article 4 Direction

Alperton Lane LSIS– B1(a), B1(c) and B8 to C3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Football Pitches
Tennis Courts
Playground
Works
Depot
Corporation Depot
Builders Yard
ALPERTON LANE
WEST LANE
MARSH ROAD
WESTERN AVENUE
River Brent
Greystoke Park Terrace
WEST GATE
QUEX STREET
HANGER LANE
LILY GARDENS
MAY GARDENS
PLEASANT WAY
Chelsea House
Vigilen House Business Centre
Glen House
Bernard House
Fitzroy
Supersave
Wessworld
Manhattan Business Park
Ebenezer House
Vicar's Bridge
Waterhouse
Ebony House
Surrey Yard
Tank
El Sub Sta
Filling Station
Shelter
Pond
Pumping Station
Pitch
Tennis Court
Sports Court
Bowling Green
Cricket Pitch
Allotments
Cemetery
Primary School
Methodist Church
Mast
Slipway
Pedestrian Subway
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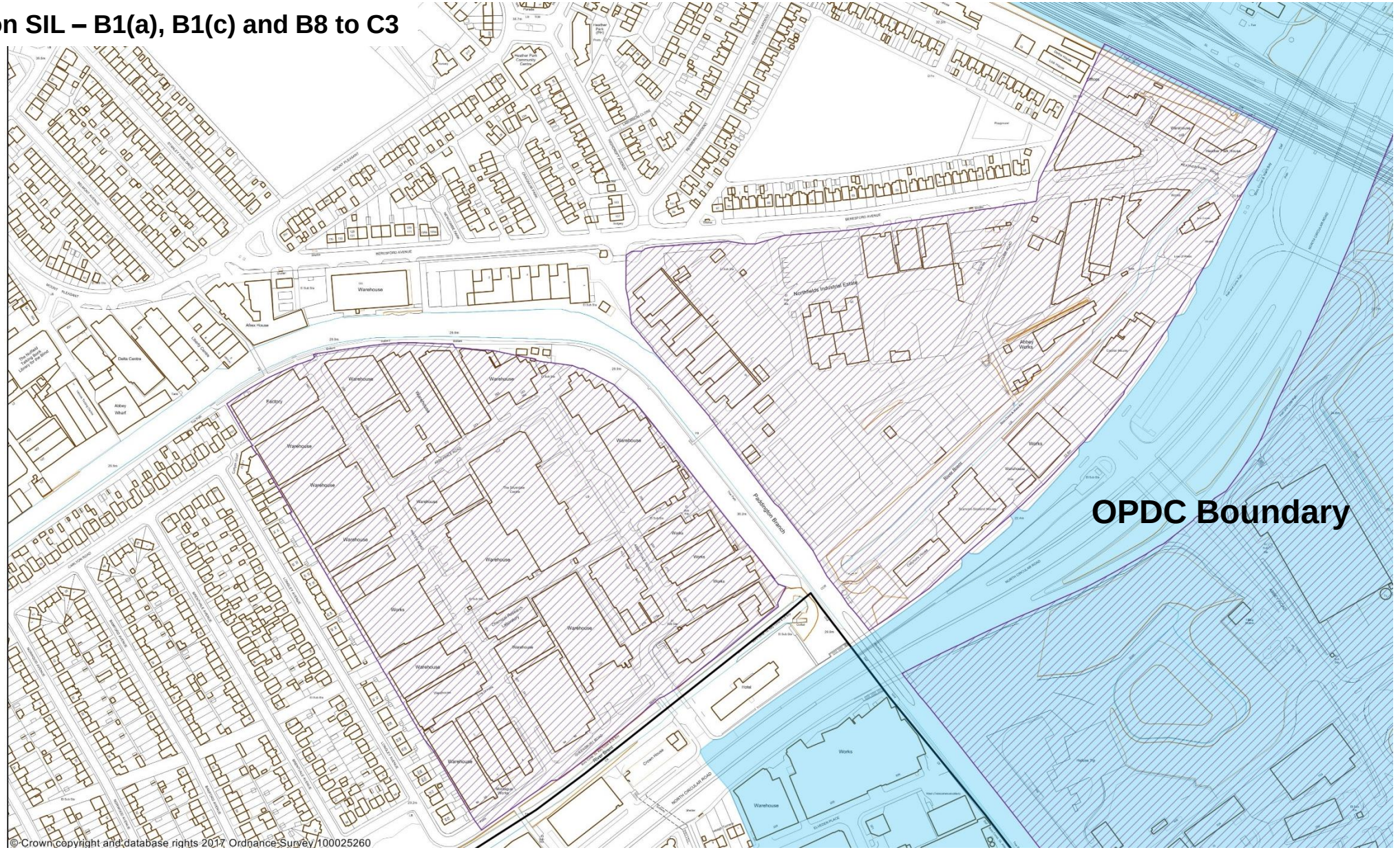
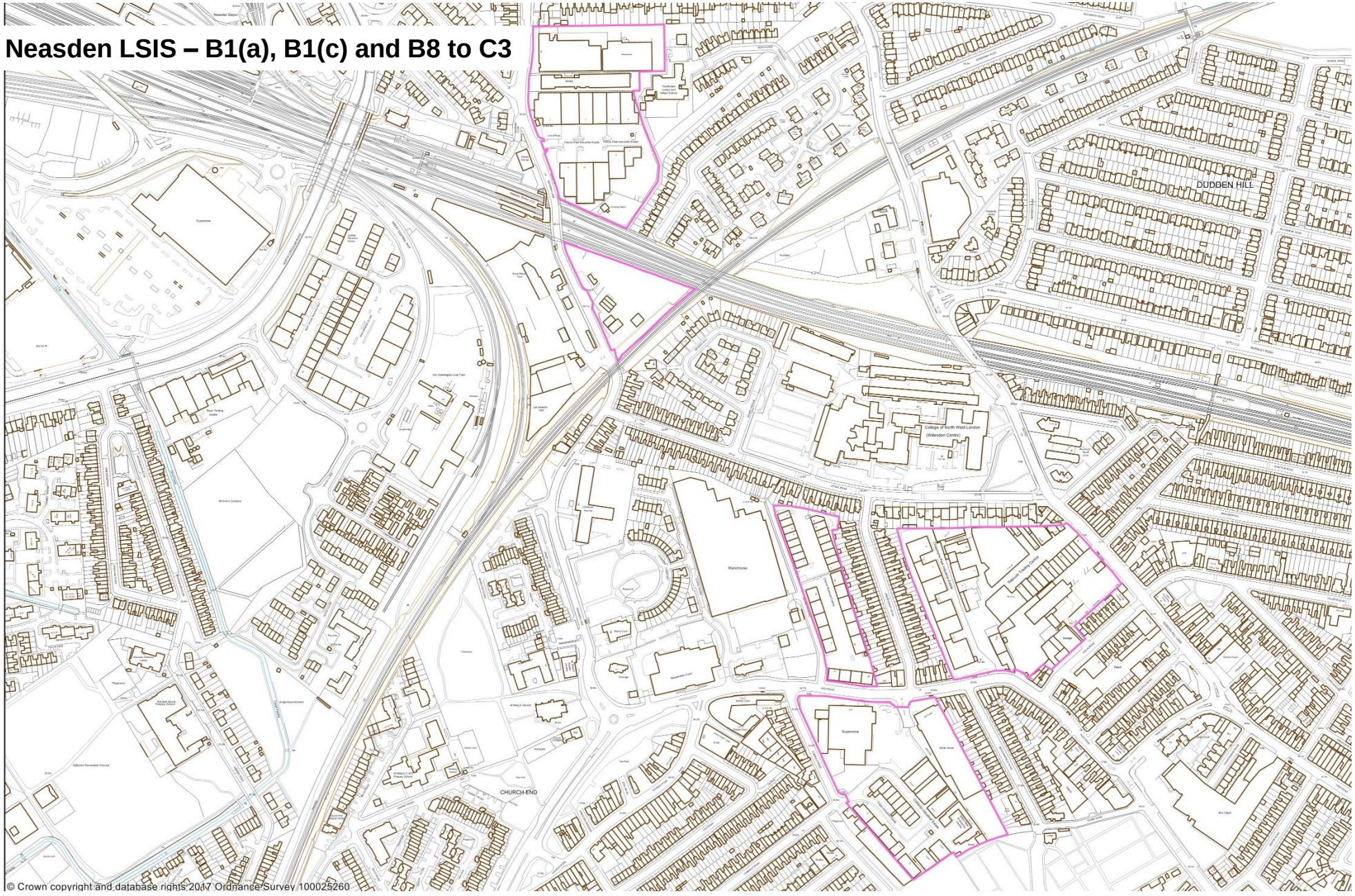
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Alperton SIL – B1(a), B1(c) and B8 to C3



Appendix 1 Site Boundaries of Proposed Article 4 Direction

Church End and Neasden LSIS – B1(a), B1(c) and B8 to C3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CHURCH END
College of North West London (Willesden Centre)
Warehouse
Superstore
Superstore
Bus Depot
Bus Depot
Neasden Depot
Neasden Depot
Gibbons Recreation Ground
Allotment Gardens
Playground
Playground
Mitchell Brook Primary School
St Mary's Church
St Mary's C of E Primary School
Bridge Road Allotment
Bridge Road Allotment
Neasden Control Centre
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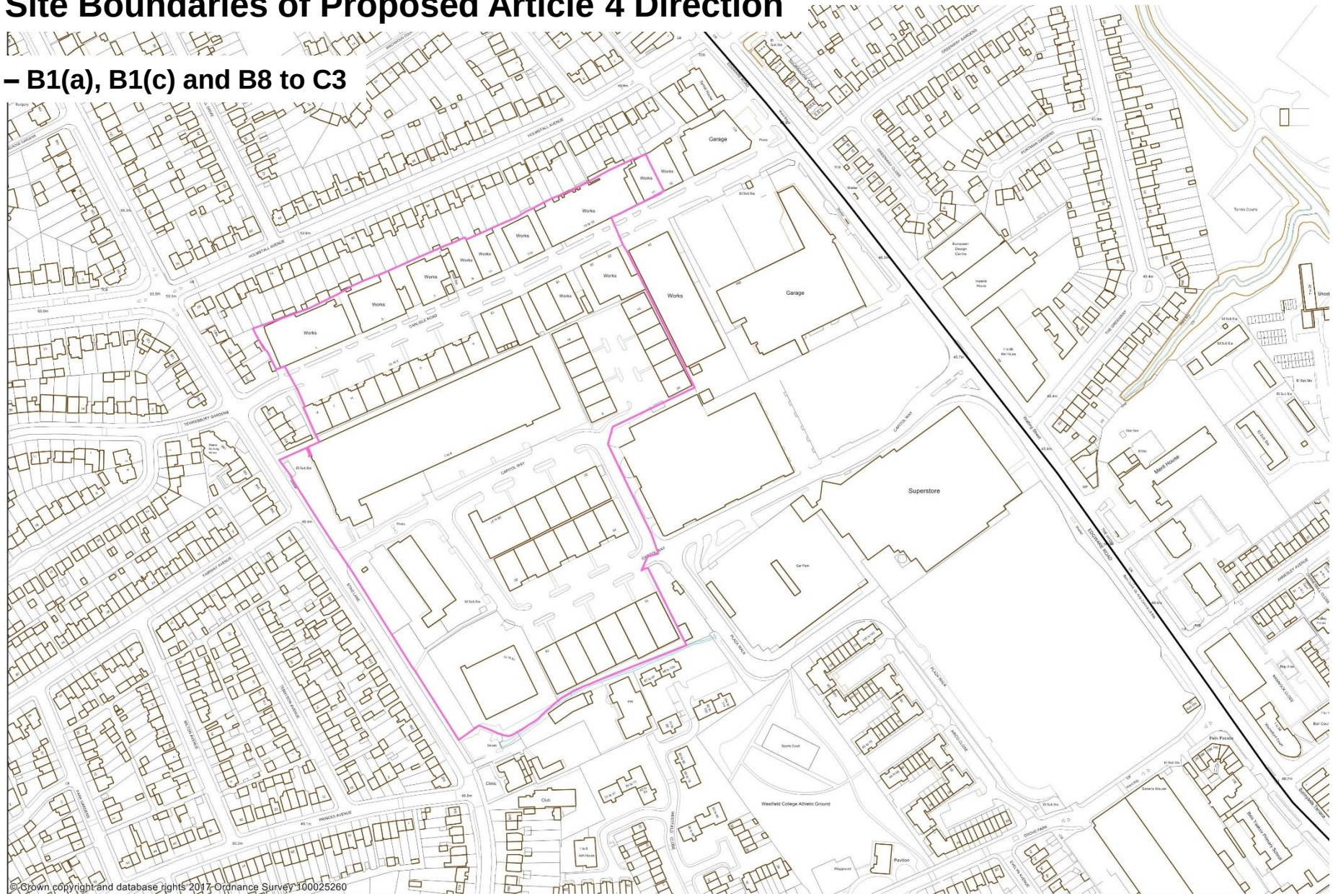
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Colindale LSIS – B1(a), B1(c) and B8 to C3



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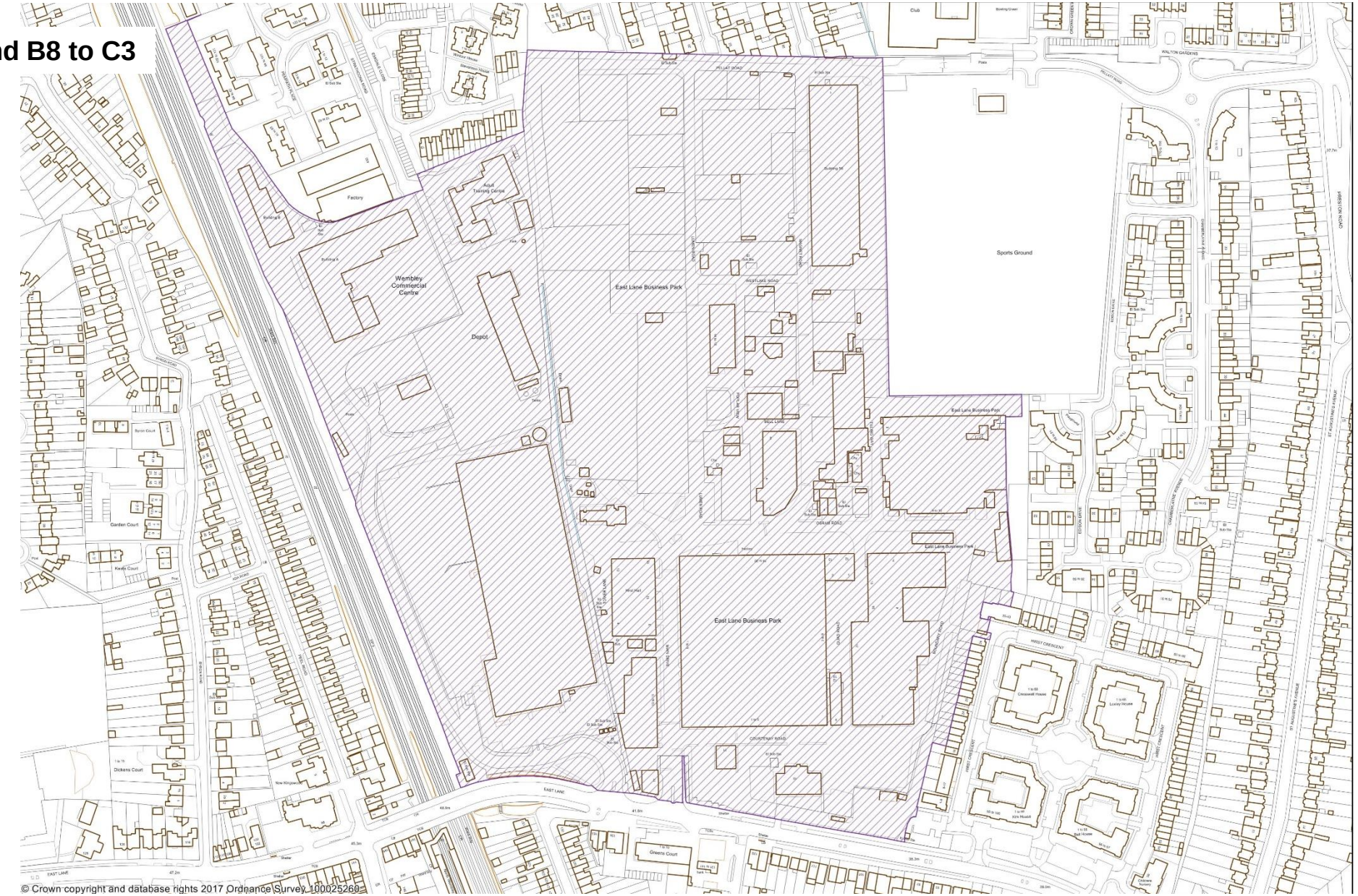
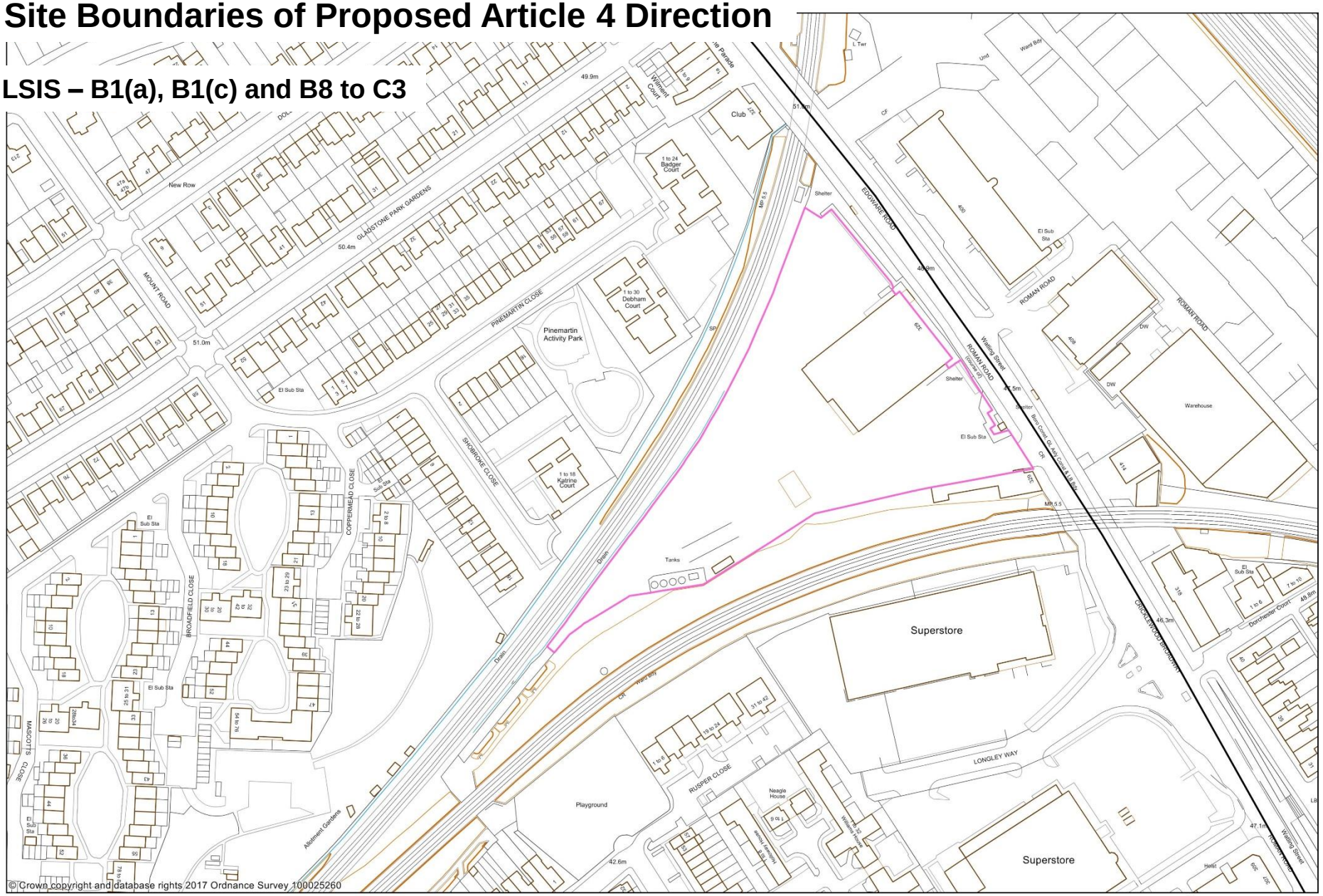
Appendix 1 Site Boundaries of Proposed Article 4 Direction

East Lane SIL – B1(a), B1(c) and B8 to C3



Appendix 1 Site Boundaries of Proposed Article 4 Direction

Edgware Road LSIS – B1(a), B1(c) and B8 to C3

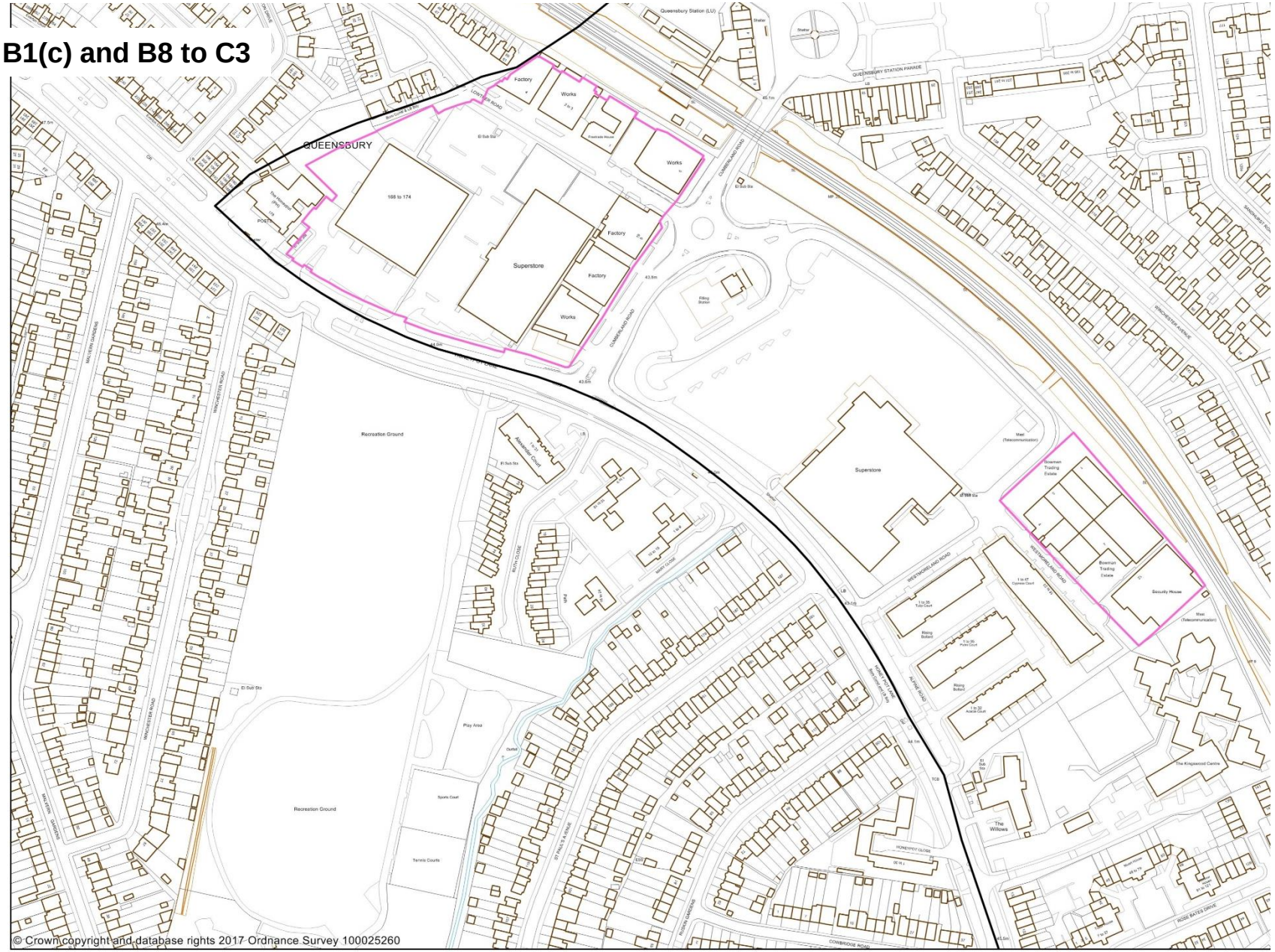


Appendix 1 Site Boundaries of Proposed Article 4 Direction

Kingsbury Road LSIS – B1(a), B1(c) and B8 to C3

Appendix 1 Site Boundaries of Proposed Article 4 Direction

Queensbury LSIS – B1(a), B1(c) and B8 to C3



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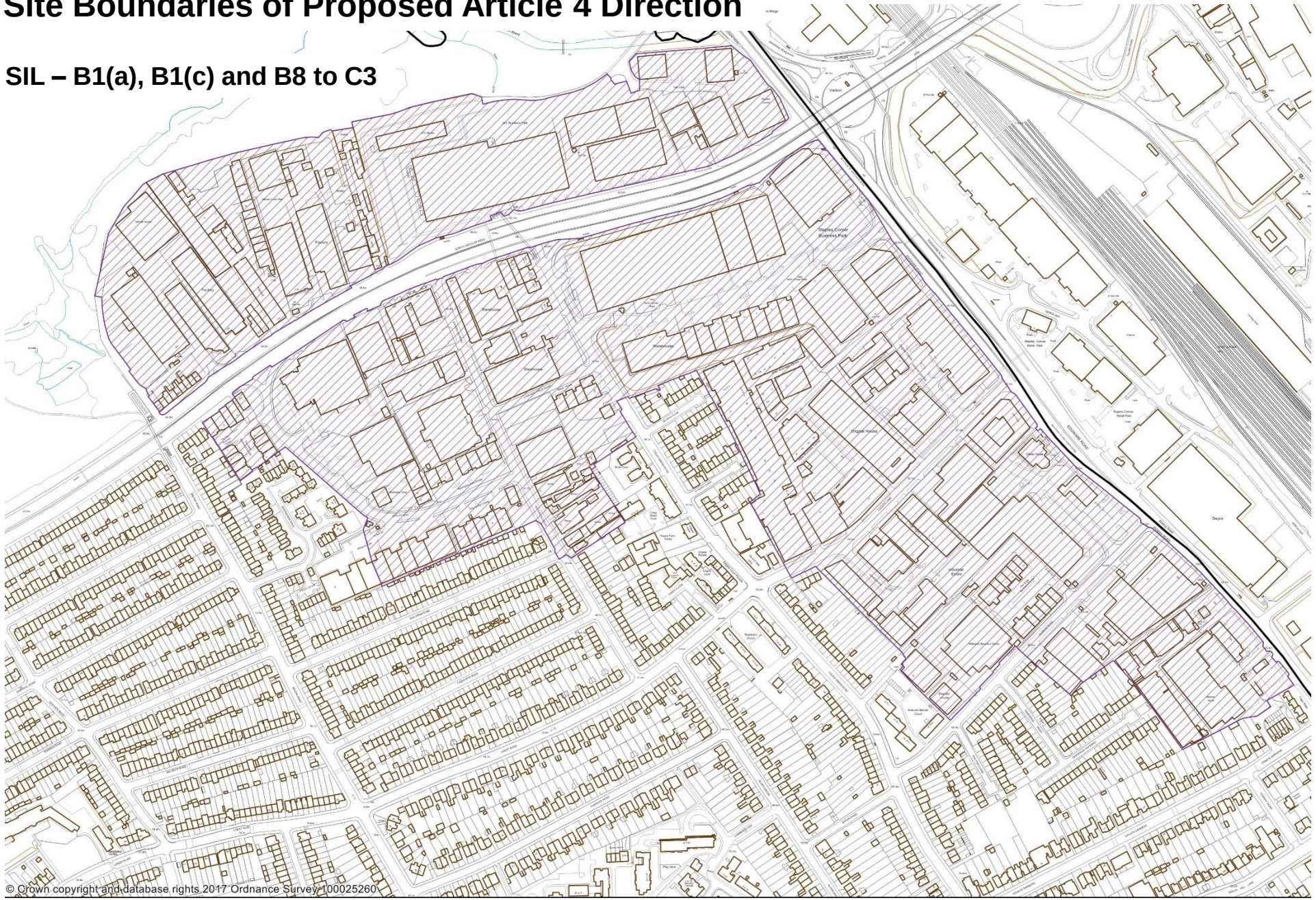
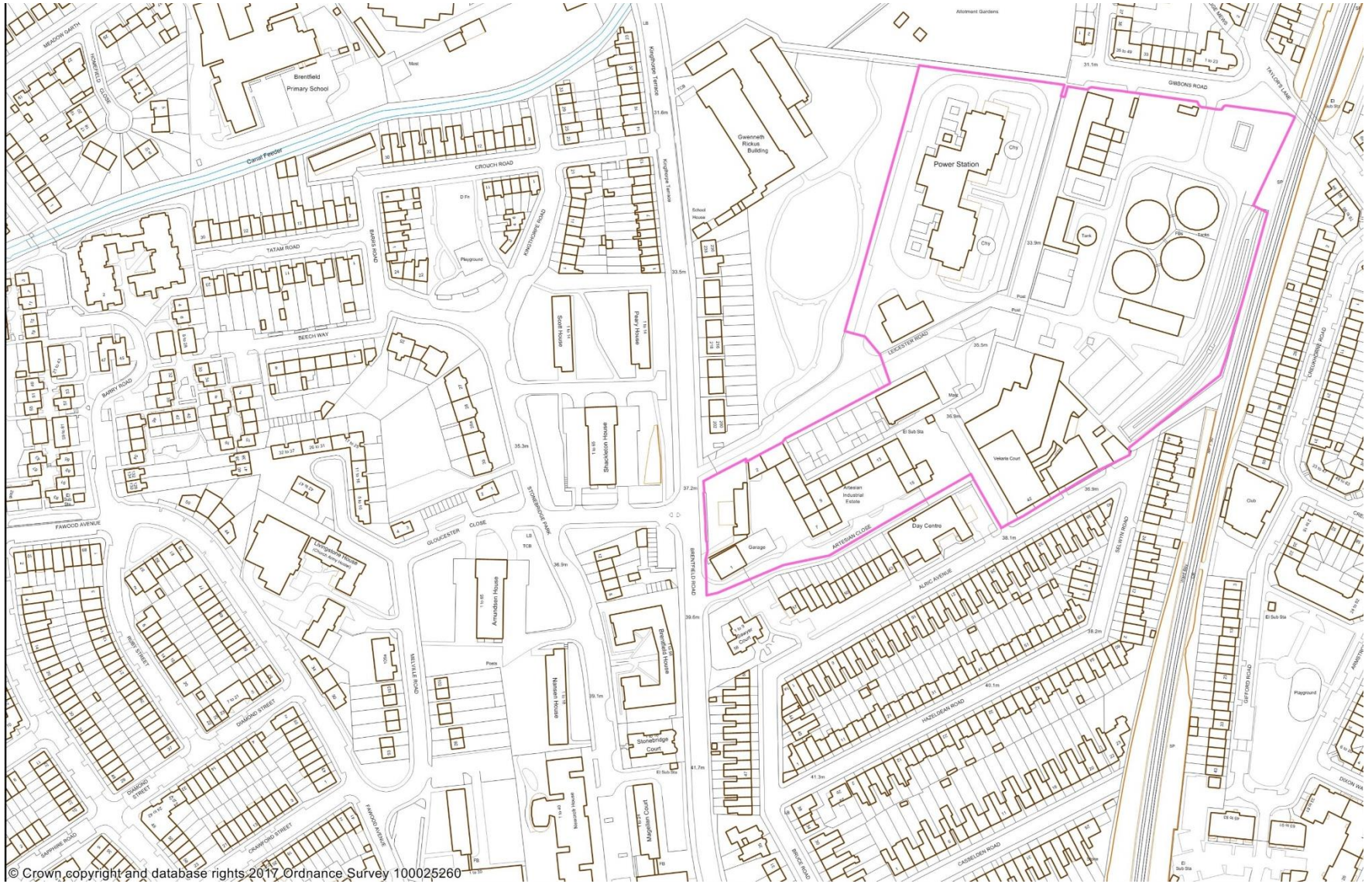
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Staples Corner SIL – B1(a), B1(c) and B8 to C3



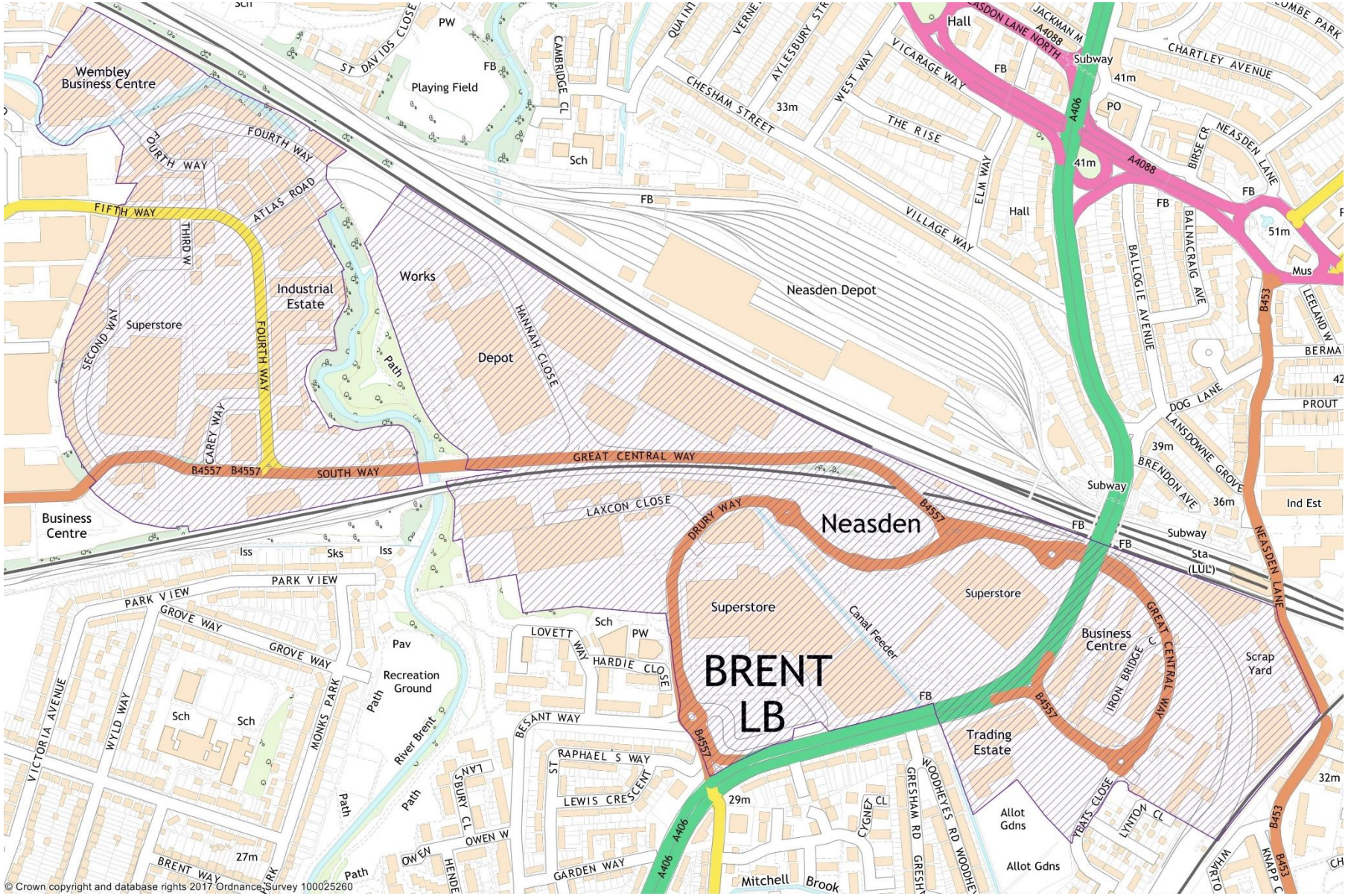
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Stonebridge LSIS – B1(a), B1(c) and B8 to C3



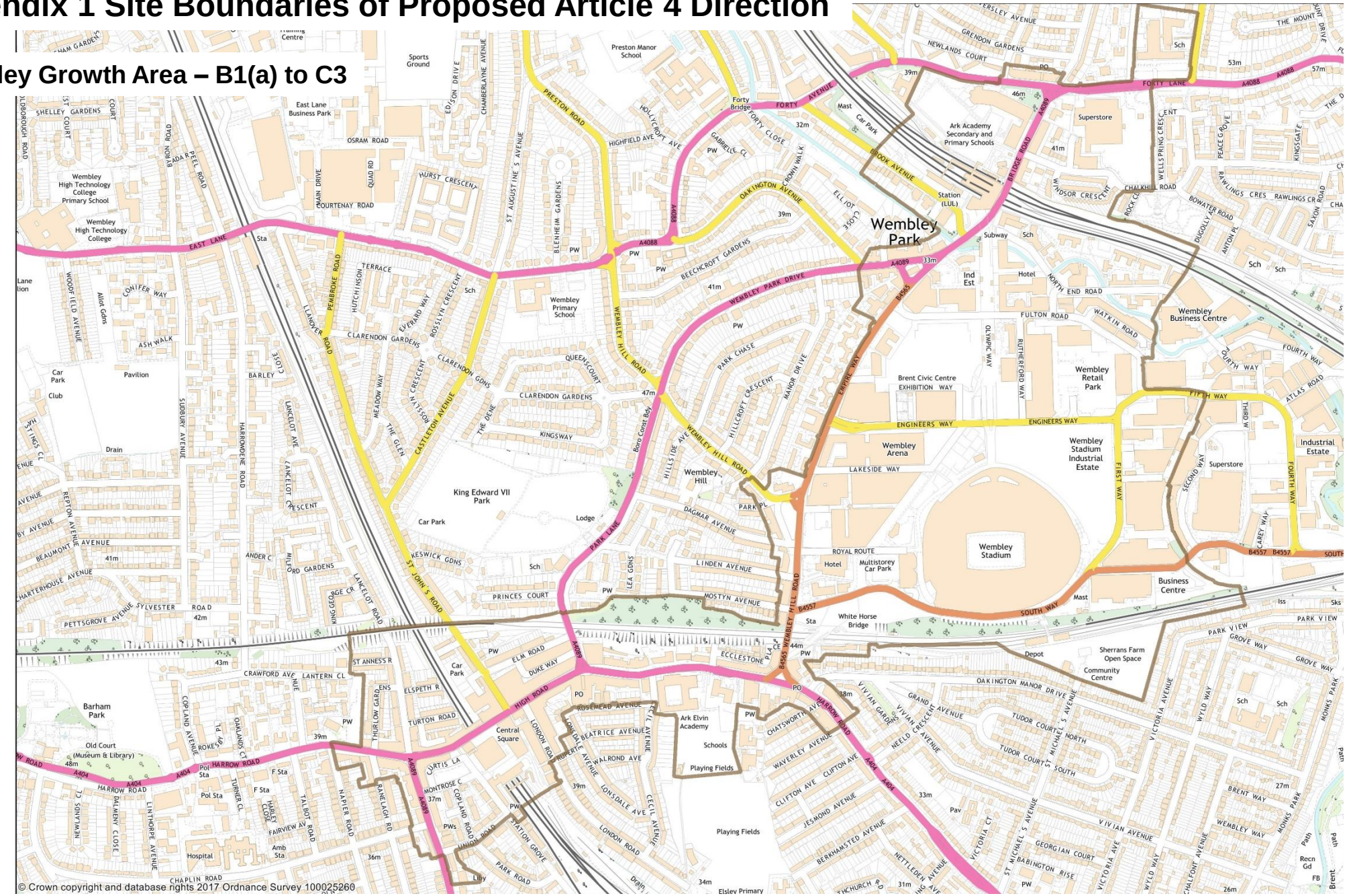
Appendix 1 Site Boundaries of Proposed Article 4 Direction

Wembley SIL – B1(a), B1(c) and B8 to C3



Appendix 1 Site Boundaries of Proposed Article 4 Direction

Wembley Growth Area – B1(a) to C3


Wembley Park
Wembley Stadium
Wembley Arena
Wembley Retail Park
Wembley Stadium Industrial Estate
Brent Civic Centre
Wembley Business Centre
Wembley Primary School
Wembley High Technology College
Ark Academy Secondary and Primary Schools
Preston Manor School
King Edward VII Park
Barham Park
Ark Elvin Academy
Central Square
Sherrans Farm Open Space Community Centre
Industrial Estate
Business Centre
Wembley Hill
White Horse Bridge
Multistorey Car Park
Superstore
Station (LUL)
Subway
Hotel
Ind Est
Sports Ground
East Lane Business Park
Training Centre
Pavilion
Car Park
Club
Drain
Lodge
Hospital
Old Court (Museum & Library)
Playing Fields
Schools
Depot
Community Centre
Elsley Primary
Liby
Amb Sta
Pol Sta
F Sta
PO
Sch
Sta
PW
Mast
Pav
Recn Gd
FB
Path
Iss
Sks
PARK VIEW
GROVE WAY
WEMBLEY WAY
BRENT WAY
MOMKS PARK
EAST LANE
WEMBLEY PARK DRIVE
WEMBLEY HILL ROAD
PARK LANE
HIGH ROAD
HARROW ROAD
PRESTON ROAD
FORTY AVENUE
FORTY LANE
BRIDGE ROAD
OAKINGTON AVENUE
BEECHCROFT GARDENS
BROOK AVENUE
CHALKHILL ROAD
ENGINEERS WAY
LAKESIDE WAY
FULTON ROAD
WATKIN ROAD
NORTH END ROAD
EMPIRE WAY
OLYMPIC WAY
RUTHERFORD WAY
FIRST WAY
SECOND WAY
THIRD WAY
FOURTH WAY
FIFTH WAY
ATLAS ROAD
SOUTH WAY
ROYAL ROUTE
PRINCES COURT
LINDEN AVENUE
MOSTYN AVENUE
DAGMAR AVENUE
PARK PL
KINGSWAY
CLARENDON GARDENS
CASTLETON AVENUE
KEYSWICK GDNS
ST JOHN'S ROAD
ELM ROAD
DUKE WAY
ECCLESTONE
OAKINGTON MANOR DRIVE
TUDOR COURT NORTH
TUDOR COURT SOUTH
VIVIAN AVENUE
VIVIAN GARDENS
GRAND AVENUE
NEELD CRESCENT
CHATSWORTH AVE
WAVERLEY AVENUE
CLIFTON AVE
JESMOND AVENUE
BERKHAMSTED AVENUE
GEORGIAN COURT
BABINGTON RISE
ST MICHAEL'S AVENUE
VICTORIA AVENUE
WYLD WAY
CHALFONT AVENUE
NETTLEDEN AVENUE
ROSEMEAD AVENUE
LONSDALE AVE
CECIL AVENUE
LONDON ROAD
STATION GROVE
PARK ROAD
UNION ROAD
COPLAND ROAD
MONTROSE C
CURTIS LA
TURTON ROAD
ELSPETH R
THURLOW GDNS
ST ANNESS R
CRAWFORD AVE
LANTERN CL
COPLAND AVENUE
DARLANDS CT
BROKES CT
HARROW ROAD
PETTSGROVE AVENUE
SYLVESTER ROAD
BEAUMONT AVENUE
CHARTERHOUSE AVENUE
REPTON AVENUE
ANDER C
MILFORD GARDENS
KING GEORGE CR
LANCELOT ROAD
LANCELOT CRESCENT
HARROWDENE ROAD
SUDBURY AVENUE
BARLEY CLOSE
CONIFER WAY
ASH WALK
WOODFIELD AVENUE
Allot Gdns
PEMBROKE ROAD
LLANOVER ROAD
HUTCHINSON TERRACE
EVERARD WAY
ROSLYN CRESCENT
CLARENDON GDNS
MEADOW WAY
NATSBOROUGH CRESCENT
THE GLEN
THE DENE
QUEENSCOURT
PARK CHASE
MANOR DRIVE
HILLCROFT CRESCENT
HILLSIDE AVE
Boro Const Roy
WEMBLEY HILL ROAD
B4557
B4565
A4089
A4088
A4090
A404
A5
SHELLEY GARDENS
COURT
ROXBOROUGH ROAD
PEEL ROAD
ADA ROAD
BLOOM ROAD
MAIN DRIVE
QUAD RD
OSRAM ROAD
COURTENAY ROAD
HURST CRESCENT
EDISON DRIVE
CHAMBERLAYNE AVENUE
ST AUGUSTINE'S AVENUE
BLENHEIM GARDENS
HOLLYCROFT AVE
GABRIELE CL
FORTY CLOSE
BROWN WALK
ELLIOT CLOSE
WINDSOR CRESCENT
ROCK CL
WELLSPRING CRESCENT
PEACE GROVE
KINGSGATE
BOWATER ROAD
DUGDILL AVE
ANTON PL
RAWLINGS CRES
RAWLINGS CR
SAXON ROAD
THE MOUNT DRIVE
GRENDON GARDENS
NEWLANDS COURT
ERSLEY AVENUE
HARROW ROAD
ROAD
CHAPLIN ROAD
HARLEY CLOSE
FAIRVIEW AV
TALBOT ROAD
NAPIER ROAD
RANELAGH RD
TURNER CL
DALMENY CLOSE
LINTHORPE AVENUE
NEWLANDS CL
ST CUTHBERTS CL
ENUE
AVENUE
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Cabinet
24 July 2017

Report from the Strategic Director Regeneration and Environment

Wards affected:
All except parts of those wards in Tokyngton, Stonebridge, Harlesden, Kensal Green that fall within the Old Oak and Park Royal Development Corporation boundary

Adoption of Statement of Community Involvement

1.0 Summary

1.1 The Statement of Community Involvement explains how the Council will involve local communities and other interested parties when it prepares its planning policies and determines planning applications. The existing Interim Statement of Community Involvement was adopted in 2006. Changes in planning legislation and the forthcoming review of the Local Plan necessitated its update.

1.2 A draft Brent Statement of Community Involvement underwent consultation between 30th March and 4th May 2017. This report sets out the results of the consultation feedback, officer responses and where necessary recommended changes to the document. It seeks the agreement of Cabinet to adopt the amended Statement of Community Involvement.

2.0 Recommendations

2.1 Cabinet consider the consultation representations received on the draft Statement of Community Involvement, officer responses and recommended amendments to the document as set out in Appendix 1 of this report.

2.2 Cabinet approve the adoption of the Statement of Community Involvement as set out in Appendix 2 of this report.

2.3 Cabinet revoke the Interim Statement of Community Involvement issued in 2006.

3.0 Detail

Background

3.1 The Statement of Communtiy Involvement (SCI) forms part of the Local Plan. It explains how the Council will involve local communities and other interested parties when preparing our planning policies and determining planning applications. It is a requirement for all Local Planning Authorities to have an SCI, and for their consultations to accord with it.

3.2 The Council originally adopted an SCI in June 2006. One of the drivers in updating the SCI is to support the development of the Local Plan. Cabinet agreed to review the Local Plan on 13th February 2017, and community engagement will be a central part of the process. Key reasons for updating the SCI are to:

a) *Allow for innovation.* Since the SCI was adopted in 2006, new and innovative consultation methods have been developed. Social media has helped to change the way the Council can interact with the community. The SCI has been amended to allow for greater flexibility. A wider range of methods can now be used and tailored depending on the nature of the consultation.

b) *Provide guidance to developers*. The National Planning Policy Framework encourages applicants to work closely with those directly affected by their proposals to evolve designs. It states that proposals that can demonstrate this should be looked on more favourably. The updated SCI promotes best practice by providing developers with a recommended approach to engaging stakeholders at pre-application stage. It also sets out the Council will expect the applicant to demonstrate how the community has been engaged.

c) *Take account of Neighbourhood planning*. Neighbourhood planning was introduced under the Localism Act 2011. It enables neighbourhood forums to produce a neighbourhood plan for their area. Once adopted the neighbourhood plan forms part of the Local Plan. There are requirements on the forum to engage the wider community in the development of their plan. The SCI has been updated to provide guidance to forums on the consultation process. It clarifies which responsibilities sit with the forum and which with the Council. In addition, the SCI sets out how forums will be consulted on planning applications and policy development.

Consultation on the draft Statement of Community Involvement

3.3 In advance of the formal consultation, comments on an early draft were sought from the Council's Consultation Team, Head of Equalities, neighbourhood forums and the Chair of Planning Committee. This resulted in a number of changes including:

a) the addition of further consultation methods;

b) inclusion of reference to the Council's commitment to considering impacts on socio-economic groups;
c) reference added to Community Voluntary Sector Brent; and
d) the onus Planning Committee places on community engagement at pre-application stage.

3.4 The document underwent formal consultation for a 6 week period ending 4th May 2017. The consultation was publicised via:

a) website
b) social media
c) paper copies in libraries
d) individuals, statutory consultees, residents' groups and interested parties consulted by email
e) Community E-newsletter
f) Member's news bulletin

3.5 Twelve responses were received ranging from statutory consultees, locally active organisations and individual residents. The majority of the responses were overall positive about the contents of the draft document, although there were suggestions for further improvements.

3.6 A schedule of the responses received, officer consideration and recommended changes to the draft SCI are set out in Appendix 1. This also identifies some minor changes, such as cross referencing and clarification.

4.0 Responses – brief overview

4.1 The following key matters were raised:

a) Inclusive engagement;
b) Duty to co-operate;
c) Viability assessments, CIL & Section 106 - need for transparenacy;
d) Neighbourhood forums – reference to specific forums by name and their policies;
e) Consultation at pre-application stage – to involve statutory bodies and neighbourhood forums;
f) Consultation on planning applications – need for the Council to support community in commenting; and
g) Feedback and monitoring following consultation

Inclusive Engagement

4.2 The importance of inclusive engagement and engaging with hard to reach groups was highlighted in consultation responses. This was an important factor in developing the SCI. Guidance was sought from the Head of Equalities to ensure the SCI promotes the use of new and creative consultation methods to ensure all groups, including protected groups under the Equality Act 2010 and socio-economic groups, are engaged. Consultation materials will use visuals, be clear, concise and avoid technical language as far as possible. The SCI specifies accessible locations will be used, hard to

reach groups targeted, and documents will be available in Brent libraries as well as online at no cost.

Duty to Co-operate

4.3 The Clinical Commissioning Group commented reference should be made to the duty to co-operate introduced under the Localism Act 2011. This introduced a legal duty on local planning authorities to engage constructively, and on an ongoing basis on strategic cross borough issues. It is agreed that the SCI is a document which supports the Council in meeting this duty, and accordingly reference has been added.

Viability assessments, CIL & Section 106

4.4 One resident commented the Council should operate an open book policy relating to any pre-application advice provided to developers, and public bodies and on negotiations around viability of schemes. The Council is considering its approach regarding making viability assessments publicly available. Subject to approval, this would be taken forward through changes to the validation checklist, which sets out the documentation required for a planning application to be validated. Therefore no changes have been made to the SCI in this regard.

4.5 A number of statutory bodies stated they wished to be engaged in determining the allocation of CIL and Section 106. The allocation of CIL/Section 106 is outside the scope of the SCI therefore no change has been made in this regard. However, comments have been shared with the Principal Development Funds Officer.

Neighbourhood Forums

4.6 Concerns were raised that the SCI does not specify clearly the responsibilities of forums, and does not reiterate existing neighbourhood plan policies. Chapter 4 of the SCI sets out responsibilities of the Council and neighbourhood forums in undertaking public consultation. Guidance on roles and responsibilities within neighbourhood planning more generally is set out on the Council's website www.brent.gov.uk/neighbourhoodplanning, which is cross-referenced in the document. The SCI does not create new planning policy, as such it does not repeat existing Local Plan policy, including those in neighbourhood plans.

4.7 In addition, it was commented Brent's existing forums should be listed by name. Neighbourhood Forums are not listed by name as this is subject to continual change, however, cross-reference has been added to the Council's website which provides an up-to-date list of forums.

Consultation at Pre-application Stage

4.8 It was commented that the community need to be protected from poor consultation by developers. The Environment Agency, Sudbury Town Neighbourhood Forum, Network Rail and the Clinical Commissioning Group stated their wish to be engaged at pre-application stage.

4.9 Table 2 of the SCI sets out a recommended approach to pre-application

engagement for developers to follow. This seeks to promote best practice. In addition, it highlights that the developer will be expected to demonstrate how the community has been involved in the formulation of the proposal. For the avoidance of doubt clarification has been added to this table. It now states that neighbourhood forums are one of the local interest groups developers should seek to engage with. It also states that on major development, statutory bodies should be engaged.

Consultation on Planning Applications

4.10 Wembley National Stadium request they are notified and consulted on all major planning applications in the Wembley Stadium area. This is the current approach and comments have been noted by officers in Development Management. The SCI does not seek to set out detailed requirements for the consultation of all specific and general consultation bodies, nor would it be practical to do so. Therefore no change has been made to the SCI in this regard.

4.11 It was commented the Council should assist the community in responding to planning applications. The SCI includes guidance as to how to comment on a planning application. The planning pages on the website also set out some guidance on how to comment on an application, and gives general advice as to what are relevant planning considerations' to be taken into account, and what are not. As Local Planning Authority the Council must remain neutral in determining planning applications, it would therefore not be appropriate for the Council to provide detailed advice on commenting on specific applications.

4.12 Examples were given where it was felt the views of residents were not considered in determining a planning application. The planning process seeks to balance the rights of applicants to develop or use their land as they wish, with the rights of neighbours to continue to enjoy the use of theirs. It also has to consider the wider public good, government guidance and planning policies. It should be noted an application may not be refused simply because many people are opposed to it. The SCI assists residents and businesses in responding to applications by providing guidance on what constitutes a planning matter.

Feedback and Monitoring

4.13 It was commented the Council should assess and monitor the effectiveness of its strategies around community involvement, and set out how the Council will incorporate the views of the community having consulted them.

4.14 In the case of policy documents, comments received and the Council response are set out in detail in a consultation statement, and a summary included in the Cabinet report. In the case of planning applications this is set out in the officer's report. Both documents are made publicly available. This is set out in the SCI, however, for clarification an additional paragraph has been added to the introduction of the SCI on feedback and monitoring.

Conclusions

4.15 The feedback on the SCI has generaly been positive. In response to comments a number of points in the document have been further clarified.

4.16 On the basis of the consultation representations received, officer responses and recommended changes, the proposed revised SCI 2017 is set out in Appendix 2 and recommended to Cabinet for adoption. It is also recommended that the now superseded, existing SCI 2006 is revoked by Cabinet.

5.0 Financial Implications

5.1 The cost of adopting the SCI (staff time,printing costs etc.) will be met from existing planning policy budgets.

6.0 Legal Implications

6.1 Local Planning Authorities must produce a Statement of Community Involvement under the Planning and Compulsory Purchase Act 2004 (as amended).

6.2 The SCI is in conformity with The Town and Country Planning (Development Management Procedure) Order 2015 which establishes requirements for consultation on planning applications, and the Town and Country Planning (Local Planning) (England) Regulations 2012 which set out minimum standards for community engagement in the development of planning policy. In addition, the Localism Act 2011 introduced a legal duty on local planning authorities to engage constructively, and on an ongoing basis on strategic cross borough issues, and to support neighbourhood forums wishing to take forward neighbourhood plans.

7.0 Diversity Implications

7.1 The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Council must, in exercising its functions, have “due regard” to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

3. Foster good relations between people who share a protected characteristic and those who do not.

7.2 An Equalities Impact Assessment screening opinion has been undertaken which identified the SCI is consistent with the Council’s duties under the Act, and did not identify a disproportionate impact on any equality groups.

8.0 Staffing/Accommodation Implications (if appropriate)

8.1 None arising specifically from the draft SCI.

Background Papers
Brent Statement of Community Involvement 2006

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Strategic Director Regeneration and Environment

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Appendix 1 Summary of Responses to the Statement of Community Involvement and Proposed Changes

Consultation responses and proposed changes to the document are set out in the recommendations below. Additions to text are underlined whilst with deletions are highlighted with ~~strikethrough~~.

General	
Respondent	Natural England
Response	We are supportive of the principle of meaningful and early engagement of the general community, community organisations and statutory bodies in local planning matters, both in terms of shaping policy and participating in the process of determining planning applications.
Officer Response	Support noted.
Recommendation	No change needed.
Respondent	Network Rail
Response	Where proposals are likely to increase footfall at railway stations the Local Planning Authority should consider a developer contribution (either via CIL, S106 or unilateral undertaking) to provide funding for enhancements to stations as a result of increased numbers of customers.
Officer Response	Noted. The allocation of CIL/Section 106 is outside the scope of the SCI therefore no change needed to text.
Recommendation	No change needed.
Respondent	Clinical Commissioning Group
Response	It would be helpful if the SCI could also refer to infrastructure planning in the context of CIL, ensuring that the CCG is engaged when the local authority in deciding how to prioritise CIL receipts.
Officer Response	Noted. The allocation of CIL/Section 106 is outside the scope of the SCI therefore no change needed to text.
Recommendation	No change needed.
Respondent	Clinical Commissioning Group
Response	It would be beneficial for the CCG to brief planning officers on healthcare requirements, as they are not always able to participate in pre-application advice. It is important that developers approach the CCG rather than local practices as their premises are paid for by the NHS.
Officer Response	Agreed. We would welcome a meeting to discuss the most effective way of engaging with the CCG.
Recommendation	No change needed.
Respondent	Wembley High Road and Business Association Chair
Response	Concern interests of local residents and businesses were not listened to in determining the planning application regarding additional matches at Wembley Stadium.
Officer Response	Concerns raised by local residents and businesses through the consultation process resulted in changes to the planning application. For example Wembley had originally requested permission for an additional 31 full capacity

	events but this was reduced to 22 prior to the application coming to committee. In addition, reflecting the concerns of the community the application was approved subject to a number of additional measures being put in place, including ones designed to deal with the impacts of increased numbers of people in the area. These include controlling parking and traffic, signage, street cleaning, event management and control of public safety including aspects such as alcohol sale and street trading. It should be noted an application may not be refused simply because many people are opposed to it. The planning process seeks to balance the rights of applicants to develop or use their land as they wish, with the rights of neighbours to continue to enjoy the use of theirs. It also has to consider the wider public good, government guidance and planning policies. The SCI assists residents and businesses in responding to application by providing guidance on what constitutes a planning matter.
Recommendation	No change needed.
Respondent	Mr Cox
Response	The Council should operate an open book policy relating to any pre-application advice provided to developers, and public bodies and on negotiations around viability of schemes.
Officer Response	The Council is considering its approach regarding making viability assessment publicly available. This would be taken forward through changes to the validation checklist. Where pre-application information is commercially sensitive and confidential, it is exempt to the Environmental Information Regulations 2004, meaning the Council cannot commit to always making pre-application advice public.
Recommendation	As this would be taken forward through the validation checklist, no changes are required to the SCI.
Respondent	Mr Cox
Response	Those representing community groups and others at community involvement events should be able to show that they are authorised to speak for their individual organisations or networks of organisations.
Officer Response	In a workshop setting it can be challenging to distinguish between views given as an individual, and those agreed by and made on behalf of an organisation. For this reason alongside workshops, comments will also be sought formally in writing. This gives an opportunity for comments to be approved by the organisation before being formally submitted.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Involvement should be a continuous two-way process for all interested parties and feedback provided.
Officer Response	The SCI sets out a process to ensure engagement is on-going and feedback is provided at relevant stages.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Where technical or professional advisers or private consultants are employed as independent facilitators to manage

	involvement processes, they should have a client duty of care to all parties equally.
Officer Response	Where independent facilitators are used their independence and duty of care will be assessed through the procurement process.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Arrangements should be made for the community involvement process to begin at the formative stages of plan-making and for all parties to meet at the early 'ideas' stage of the plan or development proposal process.
Officer Response	Agreed and the approach set out in the SCI promotes early engagement at issues and options stage.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Best endeavours should be made to reach consensus, making it clear and specific how far the involvement has resulted in agreement to adopt or to alter proposals. Where agreement has not been possible, the reasons and the scale of disagreement should be made clear and specific.
Officer Response	The consultation statement is the mechanism by which the council will highlight and areas where consensus has not been reached, and the justification for the final decision.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Define the remit and responsibilities of Brent Council in involving the community in terms of planning policy and determining planning applications.
Officer Response	The SCI defines these responsibilities.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Policy documents to be accompanied by a consultation statement. Participants may provide a written statement of omissions and corrections which will be reported and considered by Brent Council along with the consultation statement.
Officer Response	This is the case and is set out in the SCI. In the case of Neighbourhood Plans and Development Plans, at the final stage of consultation responses are supplied to the Examiner/Inspector in full, meaning there is no scope for omissions. However, if it is felt there are omissions in the Consultation Statement this can be raised at Examination.
Recommendation	No change needed.
1.0 Introduction	
Respondent	Environment Agency
Response	The SCI should refer to the Duty to Cooperate as set out in the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) which requires active and constructive engagement with the CCG. It is also important to address strategic cross boundary issues which affect neighbouring CCGs.

Officer Response	Agreed.
Recommendation	Para 1.2 amended to: In addition, the Localism Act 2011 introduced a legal duty on local planning authorities to engage constructively, and on an ongoing basis on strategic cross borough issues. Where appropriate we will go beyond these standards and will seek to involve stakeholders at an early stage in policy development and on an on-going basis.
Respondent	Mr Sabaratnam, Sudbury Town Neighbourhood Forum
Response	Social media engagement limited to Facebook and Twitter. Nextdoor (the Streetlife replacement) and Google+ omitted.
Officer Response	Clarification added that this is not intended as a comprehensive list of all forms of social media.
Recommendation	Table 1 amended to: We will use social media, such as ~~our~~ Facebook and Twitter, ~~accounts~~ to publicise consultations.
Respondent	Mr Cox
Response	Consultation documents should be attractive and legible to make it accessible. Diagrams should be simple and background colours contrasting
Officer Response	Agreed. Section 1.2 highlights that the Council will seek to produce clear and concise consultation documents. Explicit reference to be added to legibility.
Recommendation	Para 1.2 amended: Ensure consultation materials use visuals, are legible, clear and concise, avoiding technical language as far as possible.
Respondent	Mr Cox
Response	The SCI should set out how it will effectively utilise the rich wealth of knowledge and understanding of existing communities within Brent in formulating planning policy.
Officer Response	The introduction of the SCI acknowledges that by engaging the community the Council benefits from detailed local knowledge and expertise.
Recommendation	No change needed.
Respondent	Mr Cox
Response	The SCI should set out precisely how it will involve communities in developing planning policy - particularly hard-to-reach groups or people who do not usually engage and use words such as collaboration, co-creation and pro-active involvement. Events should be held in accessible locations and target hard to reach groups. Consultation documents should be available free of cost.
Officer Response	The SCI sets out a framework for how communities will be engaged, and the methods which will be drawn upon. Within this framework each consultation will be tailored depending on the scope of the document, its coverage and content. The SCI specifies accessible locations will be used, hard to reach groups targeted, and documents will be available in Brent libraries as well as online at no cost.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Set out how the Council will incorporate the views of the community having consulted them.

Officer Response	Agreed. An additional paragraph has been added to clarify that the Council will produce a consultation statement alongside planning policy documents, summarising consultation responses and how they have influenced policy. In the case of planning decisions comments will be summarised through the officer's report.
Recommendation	Additional paragraph 1.5 added: **1.5 Feedback and Monitoring** It is important stakeholders are aware of how their input has influenced policy development and planning decisions. A consultation statement will be produced alongside planning policy documents and updated. This will set out the comments and issues raised and how they are being addressed. In the case of planning decisions, the officer's report will include a summary of comments received and the reason for the decision. Both documents will be made publicly available.
Respondent	Mr Cox
Response	The Council should assess and monitor the effectiveness of its strategies around community involvement.
Officer Response	In practice this does happen, however, to formalise this arrangement reference to be added to section 1.5.
Recommendation	Additional paragraph 1.5 added: **1.5 Feedback and Monitoring** Levels of community engagement will be measured and monitored through the consultation statement. Lessons learnt will inform future engagement.
2.0 Development Plan Documents	
Respondent	Transport for London
Response	Section 2 outlines the consultation process for Development Plan Documents. TfL suggests that the column for 'Audience' in the preparation stage could include "Where relevant, specific and general consultation bodies" – similar to that stated in preparation of Supplementary Planning Documents as outlined in section 3. TfL would welcome the opportunity for early dialogue or being informally consulted during the early stages of plan preparation to ensure that the evidence base is adequate for any issues which are relevant for TfL.
Officer Response	Agreed.
Recommendation	Amendment to table on page 11 under Audience: Where relevant specific and general consultation bodies (appendix 1)
4.0 Neighbourhood Plans	
Respondent	Mrs Kaul, Sudbury Town Neighbourhood Forum
Response	The document does not specify clearly what forums are responsible for and what the Council is responsible for.
Officer Response	Chapter 4 of the SCI sets out responsibilities of the Council and neighbourhood forums in undertaking public consultation. Guidance on roles and responsibilities within neighbourhood planning more generally is set out on the Council's website www.brent.gov.uk/neighbourhoodplanning, which is cross-referenced in the document.
Recommendation	No change needed.
Respondent	Mrs Kaul, Sudbury Town Neighbourhood Forum
Response	There is no mention that Sudbury has a Neighbourhood Plan which was adopted by Brent Council in September 2015.
Officer Response	The SCI explains how we will involve local communities and other interested parties when we prepare our planning policies and determine planning applications. It does not create new planning policy; as such it does not repeat

	existing Local Plan policy, including the Sudbury Town Neighbourhood Plan.
Recommendation	No change needed.
5.0 Planning Applications	
Respondent	Environment Agency
Response	Pleased to note that the Environment Agency is listed as a specific consultation body. Would consider it useful if you were to include engaging with statutory consultees pre-application services.
Officer Response	Agreed.
Recommendation	Table 2 major developments amended to 'Discuss proposal with statutory bodies, neighbours and other nearby occupiers / owners of properties / land/ local interest groups (e.g. neighbourhood forums and residents associations) at earliest possible stage in developing the proposal.'
Respondent	Mr Sabaratnam, Sudbury Town Neighbourhood Forum
Response	Limited mention of Neighbourhood Forums. At the pre-application stage there is mention of contacting 'local interest groups' and 'interested parties' but STRA feel that Neighbourhood.
Officer Response	Clarification added that 'local interest groups' include neighbourhood forums and residents associations.
Recommendation	Table 2 on page 31 amended to: Discuss proposal with neighbours and other nearby occupiers / owners of properties / land/ local interest groups (e.g. neighbourhood forums and residents' associations) at earliest possible stage in developing the proposal.
Respondent	Mr Sabaratnam, Sudbury Town Neighbourhood Forum
Response	There is a lot of vague wording in this statement like 'earliest possible stage' and 'will be consulted' rather than 'shall be consulted'. In STRA's opinion all instances of 'will' should be replaced by 'shall' where appropriate.
Officer Response	'Shall' and 'will' have the same meaning. 'Will' is used with second and third person pronouns, so is appropriate in this instance. The SCI cannot prescribe timescales for pre-application consultation, and this would not be practical as consultation should be tailored to reflect the scale and nature of the development. It is therefore felt more appropriate the SCI instead promotes early engagement as best practice.
Recommendation	No change needed.
Respondent	Mr Sabaratnam, Sudbury Town Neighbourhood Forum
Response	Table 3 does not list the consultant letter recipients from page 31.
Officer Response	Agreed. This needs clarification.
Recommendation	Table 3 under major, minor and Listed Building Consent column Where relevant, neighbourhood forums and residents' associations.
Respondent	Wembley National Stadium
Response	We welcome the Council's proposal for WNSL to be consulted on major and minor planning applications that have a shared ownership boundary, albeit this is dependent on the nature and the scale of the proposal. However, we request that WNSL is notified and consulted on all major planning applications in the Wembley Stadium area. We consider the

	relevant area to be roughly triangular shaped, defined by Wembley Park Station, Wembley Triangle/Stadium Station and Fourth Way.
Officer Response	Noted. The SCI does not seek to set out detailed requirements for the consultation of all specific and general consultation bodies, nor would it be practical to do so. The SCI sets out 'Owner/occupiers of land which has a common boundary with the application site and those close by; the extent will depend on the nature and scale of the proposal. Development Management Officers determine the full extent of the consultation area taking into account the scale and nature of the proposal. These comments have been shared with officers in Development Management.
Recommendation	No change needed.
Respondent	Mr Cox
Response	The community should be protected from poor consultation by developers. The aim should be to set out options or choices that are possible in the way that specific development is carried out, including those suggested by the community and that reflect the community's needs, ambitions and experience.
Officer Response	To promote good practice the SCI sets out a recommended approach to engagement for developers to follow.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Define and review what is meant in practice by a major development.
Officer Response	What constitutes a major development is defined nationally in the General Development Management Order. This is repeated in the SCI. However, in acknowledgement that 'major developments' is a wide category, the definition is broken down further in the SCI to small major, medium major and significant major.
Recommendation	No change needed.
Respondent	Mr Cox
Response	Require a community involvement statement as a supporting document to planning applications. Participants may provide a written statement of omissions and corrections which will be reported and considered by Brent Council along with the Community Involvement Statement.
Officer Response	This is the case and is set out in the SCI. The developer's summary of community engagement will be available for comment alongside the planning application, and participants may highlight any omissions at this stage.
Recommendation	No change needed.
Appendix 1	
Respondent	Network Rail
Response	Should a planning application proposal be adjacent to the existing operational railway, developers are encouraged to consider the impact upon any railway boundary treatments and the railway infrastructure itself. Provides guidance on when Network Rail should be engaged.
Officer Response	Noted. The SCI highlights Network Rail as a specific consultation body, and they are consulted in line with the regulations. In addition the SCI encourages developers to engage with relevant statutory bodies at the earliest possible

	stage.
Recommendation	No change.
Respondent	Highways England & Transport, Brent Council
Response	Reference to Highways Agency should be updated to Highways England.
Officer Response	Agreed.
Recommendation	Appendix 1 corrected to Highways ~~Agency~~ England
Respondent	Mr Sabaratnam, Sudbury Town Neighbourhood Forum
Response	Neighbourhood Forum should be listed by name under General Consultation Bodies in annex 1.
Officer Response	Neighbourhood Forums are not listed by name as this is subject to continual change, however, cross-reference to be added to the Council's website with the current list of forums.
Recommendation	Page 38: Voluntary bodies some or all of whose activities benefit any part of the local planning authority's area, including residents associations and neighbourhood forums (see www.brent.gov.uk/neighbourhoodplanning)
Appendix 2	
Respondent	Mr Cox
Response	Brent Council will provide support and guidance to the community to assist them in responding to planning applications.
Officer Response	The SCI includes guidance as to how to comment on a planning application. As Local Planning Authority the Council must remain neutral in determining planning applications, it would therefore not be appropriate for the Council to provide detailed advice on commenting on specific applications.
Recommendation	No change needed.

STATEMENT OF COMMUNITY INVOLVEMENT

Brent

Adoption July 2017

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1.0

Introduction

1.0 Introduction

1.1 What is a Statement of Community Involvement?

This Statement of Community Involvement (SCI) explains how we will involve local communities and other interested parties when we prepare our planning policies and determine planning applications. By engaging the community the Council benefits from detailed local knowledge and expertise, and community commitment to the future development of the borough.

The SCI forms part of Brent's Local Plan, which sets the strategy for future development in the borough. The Local Plan is made up of a number of documents as illustrated in figure 1. These include:

- **Development Plan Documents** - which set out both strategic and detailed planning policies which will be used when making decisions on planning applications.
- **Supplementary Planning Documents** - provide detailed guidance on how our planning policies will be implemented for specific topics.
- **Neighbourhood Plans** - these are produced by neighbourhood forums with support from the Council. These set out planning policies for a neighbourhood area.

Both the Council and neighbourhood forums are required to produce consultation statements, which set out how the consultation process followed is consistent with this SCI. It is also recommended developers follow the guidance in this SCI before submitting planning applications.

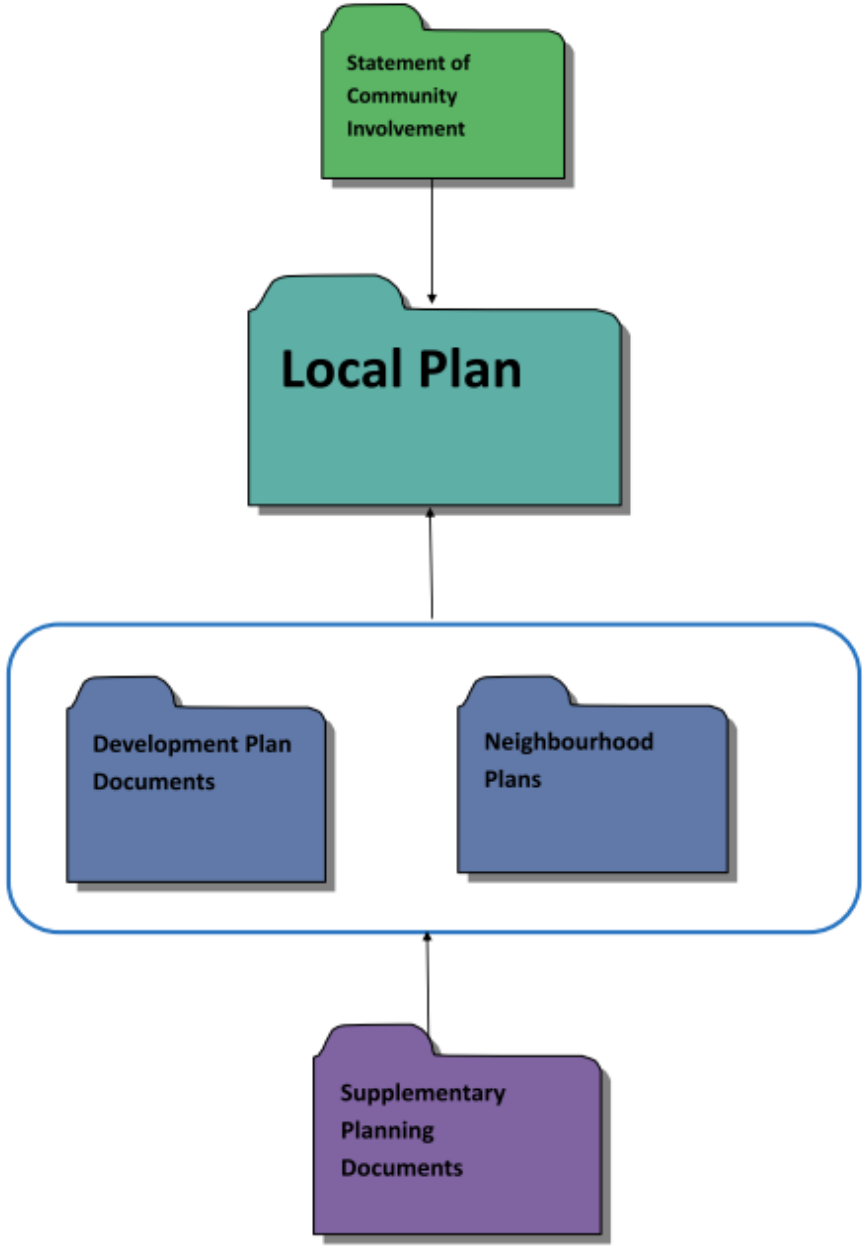

Figure 1

1.2 Approach to Engagement in Brent

The Town and Country Planning (Development Management Procedure) Order 2015 sets out guidance for consultation on planning applications and the Town and Country Planning (Local Development) (England) Regulations 2012 sets out minimum standards for community engagement in the development of planning policy. In addition, the Localism Act 2011 introduced a legal duty on local planning authorities to engage constructively, and on an ongoing basis on strategic cross borough issues. Where appropriate we will go beyond these standards and will seek to involve stakeholders at an early stage in policy development and on an on-going basis.

It is important all members of Brent's diverse community are able to influence its future. The Equality Act 2010 identifies nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Although socio-economic status (people on low incomes, young and adult carers, people living in deprived areas, groups suffering multiple disadvantage, etc) is not a characteristic protected by the Equality Act 2010, we are committed to considering the impact on socio-economic groups and wherever possible improving their prospects and quality of life. Under the Act in exercising its functions we must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

To ensure all groups have an equal opportunity to participate in consultation we will:

- Seek to use new and creative forms of community engagement so that all of those who live, work and carry out business in the borough - including under-represented groups - can participate.
- Ensure consultation materials use visuals, are legible, clear and concise, avoiding technical language as far as possible.
- Undertake consultation events in accessible venues, at a range of times.
- Where appropriate provide assistance in translating materials, including British Sign Language.
- Seek to ensure local groups representing the protected characteristics are included on the Consultation Database.
- Engage with partners including Community Voluntary Sector Brent.

1.3 Engagement Methods

A range of consultation methods will be used, tailored to the particular consultation. A summary of the main methods is included in table 1.

Method	Explanation
Council Publications	Council publications such as magazines and newsletters are a useful method of publicising consultations in a targeted way.
Community Events	We will raise awareness of consultation activity at community events, where appropriate.
Direct Mail/Emails and letters	We will use emails as our main method of communication to raise awareness of consultations and, where appropriate, provide updates on progress. Letters will be used where electronic communication is not possible. A Consultation Database of interested individuals and organisations is maintained by the development management and policy teams.
Drop in Events/ Exhibitions	To display specific proposals. These will be located in areas which receive a high footfall (e.g. Brent Civic Centre, transport hubs, religious buildings, supermarkets, libraries etc.) and can be manned.
Documents	Making consultation documents available in prominent locations such as libraries and the civic centre.
Press Notices/ Press Releases	To raise awareness through adverts and/or articles in newspapers, such as the Kilburn Times.

Harlesden Neighbourhood Forum Workshop

Table 1

Method	Explanation
Social media/ Digital	We will use social media, such as Facebook and Twitter, to publicise consultations.
User Forums	We have a number of user forums which were set up to give local people a say about issues which matter to them. These include Area Forums and a Citizen Panels. Further information on how to become a member is available at: www.brent.gov.uk/your-community/brent-connects
Questionnaires/ Surveys	These are a means for gathering feedback on emerging policies at drop-in events, exhibitions or by mail drop.
Website	All planning policy documents, consultations and supporting information will be available on our planning policy website (www.brent.gov.uk/ localplan). In addition information on planning applications can be found on the development management website (www.brent.gov.uk/services-for-residents/planning-and-building-control/ planning-and-building-control-searches). It is possible to receive notifications about planning applications.
Workshops	Workshops and facilitated events to discuss issues in detail and engage a wider range of individuals.

Method	Explanation
Meetings	To meet with groups and organisations relevant to the document being prepared, to gain their input. This can be used to target groups who do not normally respond to planning consultations. These could take the form of planning for real exercises, one-to-one meetings, focus groups,
Site Notices	For some planning applications site notices are displayed on and around the site. This is to further raise awareness of the application in the

1.4 Consultation Groups

The Regulations sets out the organisations and groups to be consulted in the development of planning policy. This list is included in appendix 1. We are committed to going beyond the requirements of the regulations, and will regularly update the planning policy consultation database to include those who have requested to be consulted. Groups or individuals with an interest in the borough who wish to be consulted on future policy document should notify the planning policy team at: planningstrategy@brent.gov.uk.

1.5 Feedback and Monitoring

It is important stakeholders are aware of how their input has influenced policy development and planning decisions. A consultation statement will be produced alongside planning policy documents and updated. This will set out the comments and issues raised and how they are being addressed. In the case of planning decisions, the officer's report will include a summary of comments received and the reason for the decision. Both documents will be made publicly available.

Levels of community engagement will be measured and monitored through the consultation statement. Lessons learnt will inform future engagement.

2.0

Development Plan Documents

2.0 Development Plan Document

2.1 What is a Development Plan Document

Development Plan Documents (DPDs) are planning policy documents which make up the Local Plan. They help to guide development within the borough by setting out strategic and detailed planning polices, which the Council use to make their decisions on planning applications.

Within London the Mayor's London Plan also forms part of the development plan.

2.2 Process

The consultation process of a DPD can broadly be broken down into five stages:

- **Preparation** - this involves informal consultation to gather evidence and collect information on issues and options.
- **Preferred options** - public consultation inviting comments on a draft plan.
- **Publication stage** - at this stage of consultation comments are invited on the 'soundness' of the plan. This is whether it has been positively prepared; justified by evidence; effective (deliverable); and consistent with national policy.
- **Examination** - undertaken by an independent Inspector to test the soundness of the plan. This will normally involve a public examination, where evidence can be given verbally.
- **Adoption** - providing the plan is found 'sound' at examination it can then be adopted by the Council.

Figure 2

Preparation			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• Awareness raising • Identifying issues and options • Evidence gathering • Identifying interested parties	-	• At this stage we will gain in-depth qualitative data on issues and options using methods such as workshops, meetings and community events • This can be supplemented with qualitative data from surveys/ questionnaire • Raise awareness through press release, website, social media, exhibitions and events, as appropriate	All stakeholders - councillors, residents, businesses, local interest groups Where relevant specific and general consultation bodies (appendix 1)

Preferred Option (Reg. 18)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• To refine the Plan • To allow informed decision-making • To provide feedback as to how consultation has informed the revised DPD, through the Consultation Statement	• Make the draft DPD, Sustainability Appraisal, Consultation Statement and details on how to submit comments, available at Brent Civic Centre, on the website and other locations where appropriate • Consult the general and specific consultation bodies (as identified in appendix 1)	• Consult those on Local Plan Consultation Database • Where relevant undertake further workshops, exhibitions and drop-in sessions, and attend community events • Raise awareness through press release, website, social media, exhibitions and events, as appropriate	Specific and general consultation bodies All stakeholders - councillors, residents, businesses, local interest groups

Publication of draft (Reg. 19)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• To allow any person or body to make comments on the draft DPD within a minimum six week consultation period • To provide feedback as to how consultation has informed the revised DPD, through the Consultation Statement	After publication of the new or revised DPD and before submitting to the Secretary of State (SoS): • Make the revised DPD, Sustainability Appraisal, Consultation Statement and details on how to submit comments, available at Brent Civic Centre, on the website and other locations where appropriate • Send details to the general and specific (as identified in appendix 1) consultation bodies on where, when and how the revised DPD can be viewed and how to make comments	• Send details of the consultation to those who commented previously and those on the Local Plan consultation database • Raise awareness through press release, social media, as appropriate	Specific and general consultation bodies All stakeholders - councillors, residents, businesses, local interest groups

Publication of draft (Reg. 22)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• To raise awareness • To provide feedback as to how consultation has informed the revised DPD, through the Consultation Statement	Following submission of the DPD to the SoS, as soon as reasonably practicable: • Make the DPD, Sustainability Appraisal, submission policies map and Consultation Statement submitted to the SoS available at Brent Civic Centre, on the website and other locations where appropriate • Make copies of representations and supporting documents available at Brent Civic Centre, on the website and other locations where practicable • Make available on website and in Brent Civic Centre details of where, when and how the DPD and other information can be viewed • Inform the general and specific consultation bodies where, when and how the DPD and other information can be viewed • Notify anyone who requested to be notified of the submission of the DPD	• Publicise through press release, social media, as appropriate	Specific and general consultation bodies All interested parties

Examination (Reg. 24)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• To fully understand the views of those concerned and give them the right to be heard by an independent body • To test the soundness of the DPD	At least six weeks before the opening of a hearing session: • Make details of the date, time and place of where the examination will be taking place and the name of the person carrying out the examination available at Brent Civic Centre, on the website and other locations where appropriate • Notify anyone who commented at publication (reg 19) stage and has not withdrawn that comments of the time and date of the examination	• Publicise through press release and social media, as appropriate	All interested parties, including those who have submitted comments

Adoption (Reg. 26)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
Raise awareness of adoption	On receipt of the Inspector's report, as soon as practicable: • Make the report available at Brent Civic Centre, on the website and other locations where appropriate • Give notice to those who requested to be notified Once the DPD has been adopted, as soon as practicable: • Make the DPD, finalised Sustainability Appraisal and an Adoption Statement available for viewing on our website, at Brent Civic Centre and in all local libraries • Send the Adoption Statement to anyone who has asked to be notified of the adoption of the DPD • Send a copy of the Adoption Statement to the SoS	• Notify those on Local Plan Consultation Database • Publicise via press release and social media	All interested parties, including those who have submitted comments

3.0

Supplementary Planning Documents

3.0 Supplementary Planning Document

3.1 What is a Supplementary Planning Document?

SPDs provide more detailed guidance which elaborates on policy in a development plan document. They may be used to cover a whole range of issues where we feel additional guidance is needed. For example character appraisals and design guides for conservation areas, topics such as household extensions, or the development of a particular site or area.

3.2 Process

SPDs follow a different process to development plan documents, as they are not subject to an independent examination. However, they should still be subject to rigorous procedures for community involvement. The process is summarised in figure 3 and set out in detail on the following pages.

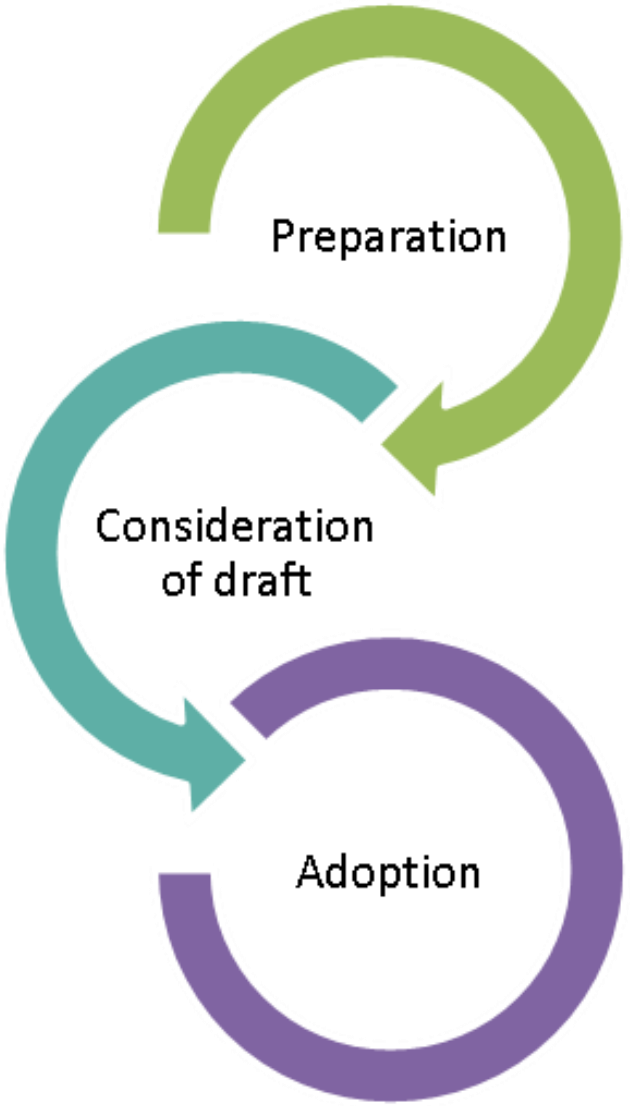

Figure 3

Preparation			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• Awareness raising • Identifying issues and options	• Consult Historic England, Environment Agency and Natural England to identify if a Sustainability Appraisal is needed (SEA Screening)	Where appropriate: • raise awareness through Brent magazine, website, social media and publicity materials • engage with affected groups through meetings and workshops	Relevant local community and partners Where relevant specific and general consultation bodies

Consideration of Draft (Reg. 13)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• Formal consultation to receive comments on draft SPD for a minimum of 4 weeks	• Make document and details of how to respond (known as SPD Matters) available at Brent Civic Centre and on website • Publish Consultation Statement setting out consultation to date	• Consult those on Local Plan Consultation Database Where appropriate: • Make document available in local venues such as libraries • Raise awareness through local press, website, social media and events • Where relevant engage with affected groups through meetings	Relevant local community and partners Specific and general consultation bodies (appendix 1)

Adoption (Reg. 14)			
Purpose	**Required by law**	**Council's additional commitments**	**Audience**
• Raise awareness of adopted SPD • Set out how consultation comments have informed final version	• Publish final SPD, Adoption Statement and Consultation Statement • Make documents available at Brent Civic Centre and on website • Send documents to those who requested to be notified	Where appropriate: • Advise relevant individuals, including those who submitted comments • Make document available in local venues such as libraries • Raise awareness through local press, website, social media and events	Relevant local community and partners Specific and general consultation bodies (appendix 1)

4.0

Neighbourhood Plans

4.0 Neighbourhood Planning

4.1 What is a Neighbourhood Planning?

Neighbourhood Planning was introduced under the Localism Act 2011. It enables people to help shape development in their local area. Neighbourhood plans are a community-led process delivered by 'neighbourhood forums.' However, forums will require the support of the Council to progress their plan. Once a neighbourhood plan is adopted it forms part of the Local Plan and sets out planning policies for the neighbourhood area.

4.2 Process

The process a neighbourhood plan follows to adoption can broadly be broken down in 5 stages, as summarised in figure 4 and set out in detail on the following pages. The neighbourhood forum is responsible for many aspects of the consultation, however, this SCI sets out how and where we will provide support.

This SCI and our Neighbourhood Planning Protocol will help to guide forums to ensure they undertake appropriate consultation. Further information on neighbourhood planning is available at: www.brent.gov.uk/neighbourhoodplanning.

Figure 4

Designation (part 1)			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• Establish an appropriate neighbourhood area boundary • Ensure the wider community are supportive of the proposal for a neighbourhood forum	In advance of submitting an application consult on a draft boundary and proposal for a forum. A variety of methods should be used such as mail drops, meetings, drop in sessions, exhibitions, and awareness raising via a website and social media.	Once formally submitted, the Council will consult on the neighbourhood area and forum applications for 6 weeks. The applications, details of how to make representations and the consultation deadline will be publicised as follows: • consult those on the Local Plan Consultation Database • information in local library • site notices • website, social media and press release	Those who live, work, carry out business in the neighbourhood area, and ward councillors Consultation bodies Local interest groups All other interested parties

Designation (part 2)			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• Publicise designation or refusal of application	-	As soon as possible after designating or refusing an application: • publicise on website and via social media • make hard copies of the decision available in Brent Civic Centre and the nearest local library	As above

Preparing the draft Plan (part 1)			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• Awareness raising • Identifying issues and options to help formulate policies and inform draft plan	Recommended engagement methods include workshops, surveys/questionnaires, face to face interviews, regular meetings. The forum should seek to engage with groups operating in the neighbourhood area such as residents associations, business associations and faith groups.	-	Those who live, work, carry out business in the neighbourhood area, and ward councillors

Preparing the draft Plan (part 2)			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
A 6 week consultation on the draft plan led by the forum to gain the views of the wider community	The forum must publicise, in a manner that is likely to bring the plan to the attention of people who live, work or carry out business in the neighbourhood area: • details of where and when the plan may be inspected • details of how to make representations and the deadline for representations Recommended methods include those outlined above and social media, a dedicated website, local newspapers and radio, exhibitions/stalls at local events and venues.	• Consult those on Local Plan Consultation Database on behalf of the forum • Consult Environment Agency, Natural England and Historic England on need for sustainability appraisal. • Publicise by press release, social media and on the Council's website • Make a copy of the document available in Brent Civic Centre and local libraries	Those who live, work, carry out business in the neighbourhood area, and ward councillors Consultation bodies Local interest groups Consultation bodies

Submitting the Plan			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• A 6 week consultation on the revised plan led by the Council • To collect comments, which will then be submitted alongside the draft plan to an independent examiner for consideration • Provide information on how consultation has informed the revised plan in a Consultation Statement	Submit relevant documents to the Council including the draft neighbourhood plan and a Consultation Statement. Promote the consultation via their website, social media and other contacts.	As soon as possible following receipt of the proposed plan, the Council must publicise: • the plan proposal • details of where and when the plan proposal may be inspected • details of how to make representations • a statement that any representations may include a request to be notified of the Council's decision • a deadline for the representations The above will be made available on the Council's website, in Brent Civic Centre and the local library where relevant. Those on the Local Plan Consultation Database and any body referred to in the consultation statement will be informed via email or letter. Where appropriate the consultation will be publicised by press release and social media.	Those who live, work, carry out business in the neighbourhood area, and ward councillors Consultation bodies

Examination			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• To raise awareness of the examination and allow participation of interested parties • Publicise Inspector's report and Council's decision	-	• Publicise examination on website • Where the Examination includes a hearing session, notify those who commented by email or in writing As soon as possible after making a decision, publicise on the Council's website and make available for inspection at Brent Civic Centre: • the examiner's report • the Council's decision in light of the report and reasons for it (known as the decision statement) • inform those who requested to be notified	Those who live, work, carry out business in the neighbourhood area, and ward councillors Consultation bodies

Referendum			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• To enable those in the neighbourhood area to vote on the neighbourhood plan. If the majority of voters support the plan it can then be adopted by the Council. • Raise awareness of the outcome of the referendum	-	• Organise and publicise the referendum including publicising documents and information statements for at least 28 working days (56 working days when a business referendum is also to be held) and make plan available for inspection during the referendum period • Publicise the outcome of the referendum via the Council website, press release and social media	Those who live, work, carry out business in the neighbourhood area, and ward councillors Consultation bodies Interested parties

Adoption			
Purpose	**Forum's Responsibilities**	**Council's Responsibilities**	**Audience**
• Raise awareness of adoption of plan, or decision not to adopt	Raise awareness of adoption via their website, social media and other contacts	As soon as possible after making the plan, publicise on the Council website, via a press release and social media: • the decision and reason • details of where the decision can be inspected • if made, the plan and details of where it can be inspected The plan and decision will be made available for inspection at Brent Civic Centre and the nearest local library where relevant. A copy of the decision will be sent to the Forum, any person who has asked to be notified, and any person who asked where the plan may be inspected.	Those who live, work, carry out business in the neighbourhood area, and ward councillors Consultation bodies Those who asked to be notified of the decision

5.0

Planning Applications

5.0 Planning applications

5.1 Process

A planning application is the means by which someone applies for permission from the Council to develop land. The requirements for consulting on planning applications are set out in the Town and Country Planning (Development Management Procedure) Order 2015. We are committed to going beyond the minimum legal publicity requirements and promoting best practice. The planning application process can broadly be broken down into four stages as illustrated by figure 5.

- **Pre-application** - developer prepares the development proposal. Early engagement with the Council and community is strongly encouraged.
- **Planning application -** we consult on the planning application.
- **Decision making** - the decision is determined either by planning committee or delegated to a planning officer.
- **Appeals** - the applicant has a right to appeal where they disagree with the decision of the local planning authority to refuse permission, or to a condition attached to a consent. An independent Planning Inspector acting on behalf of the Government will then review the decision.

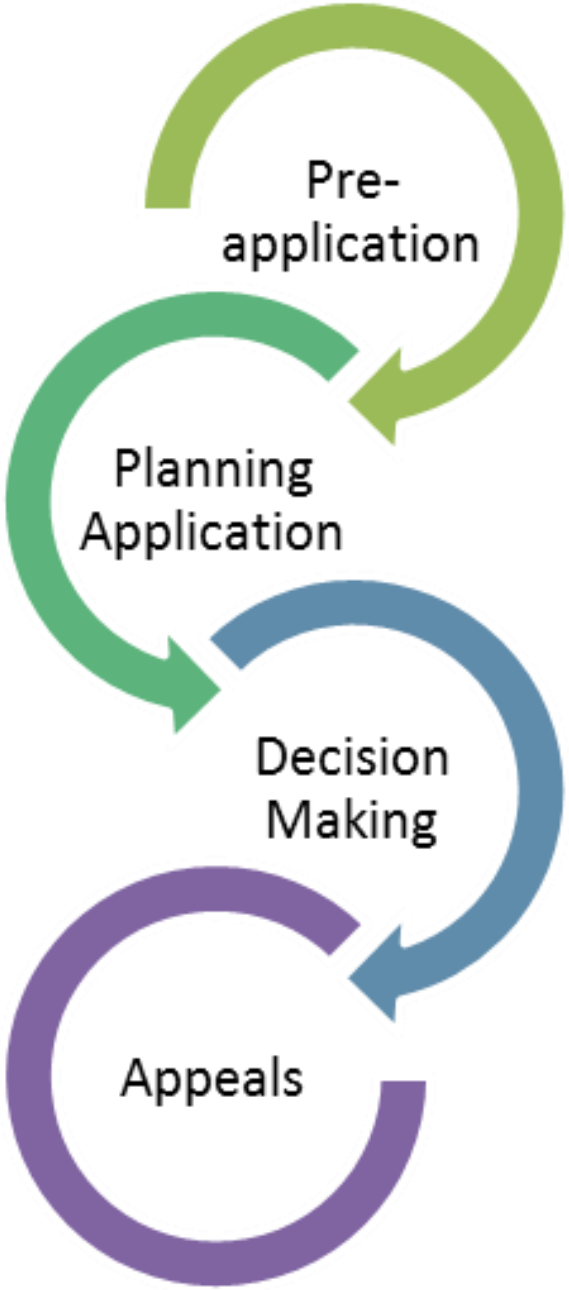

Figure 5

5.2 The pre-application process

We strongly encourage applicants to involve local communities at the pre-application stages. The Government's National Planning Policy Framework emphasises the importance of planning applicants carrying out community engagement on their emerging proposals and states:

'Applicants will be expected to work closely with those directly affected by their proposals to evolve designs that take account of the views of the community. Proposals that can demonstrate this in developing the design of the new development should be looked on more favourably.'

Table 2 sets out our recommended approach to proportionate community engagement, to be undertaken by the applicant at pre-application stage. This is a guide and further engagement may be needed where development has the potential to be sensitive. During pre-application discussions with the Council the applicant will be expected to demonstrate how the community has been involved in the formulation of the proposals at this stage. For major applications, an explanation of the community engagement at the pre-application stage, is likely to form part of the Committee discussion.

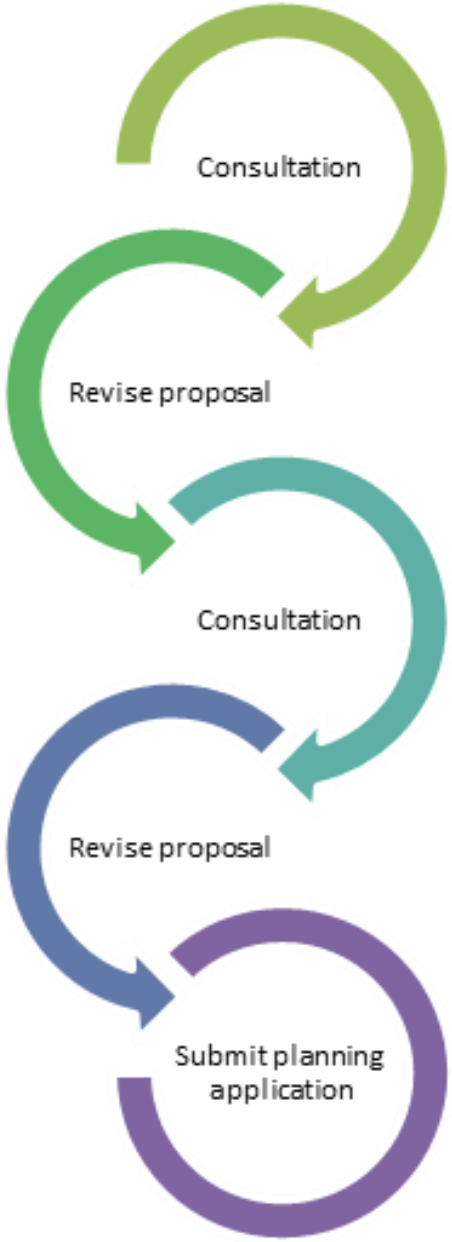

Figure 6. Recommended process for significant applications

Pre-application stage consultation to be undertaken by the applicant	
Nature of Application	**Recommended pre-application engagement**
Householder & Small business Development within the curtilage of a house (or a single flat) requiring planning permission. E.g. extensions, conservatories, loft conversions, dormer windows **or small business premises (main property is up to 300m^2)**	Discuss proposal with neighbours and other nearby occupiers / owners of properties / land/ local interest groups (e.g. neighbourhood forums and residents associations) at earliest possible stage in developing the proposal. The use of Brent Council's pre-application advice service is encouraged.
Minor development This is defined as: • Less than 10 homes, including the change of use to flats • Less than 1000 m^2 of non-residential floorspace	Discuss proposal with neighbours and other nearby occupiers / owners of properties / land/ local interest groups (e.g. neighbourhood forums and residents associations) at earliest possible stage in developing the proposal. The use of Brent Council's pre-application advice service is encouraged.
Small Major developments This is defined as: • 10 - 24 homes • 1,000 m^2 - 4,999 m^2 of non-residential floorspace	Discuss proposal with statutory bodies, neighbours and other nearby occupiers / owners of properties / land/ local interest groups (e.g. neighbourhood forums and residents associations) at earliest possible stage in developing the proposal. Flyers/mail drop to interested parties. The use of Brent Council's pre-application advice service is strongly encouraged.
Medium Major developments This is defined as: • 25 - 150 homes • 5,000 m^2 - 14,999 m^2 of non-residential floorspace	Discuss proposal with statutory bodies, neighbours and other nearby occupiers / owners of properties / land/ local interest groups (e.g. neighbourhood forums and residents associations) at earliest possible stage in developing the proposal. Public meeting with interested parties. Public exhibition and drop in session in an accessible local venue. Publicise via website, local press, social media and flyers. The use of Brent Council's pre-application advice service is strongly encouraged.
Significant Major developments • 151 or more homes • 15,000 m^2 or more of non-residential floorspace or on a site of at least 2 hectare • Waste development	Two rounds of consultation. Workshop/public meeting with statutory bodies, nearby occupiers, businesses, ward councillors and local interest groups (e.g. neighbourhood forums and residents associations). Public exhibition and drop in session in an accessible local venue. Publicise via website, local press, social media and flyers. The use of Brent Council's pre-application advice service is strongly encouraged.

Table 2

5.3 Once a planning application is submitted

The Council expects that applications will include a statement demonstrating that the views of the local community have been sought and taken into account in the formulation of development proposals. The level of detail provided should reflect the scale of the development.

Each application has an initial statutory consultation period of 21 days. The methods of consultation include:

- **Neighbour Notifications** - where required, notifications of planning applications will be sent to properties that are immediately adjacent to an application site and/or directly affected by an application
- **Site Notices** - where required, a site notice will be put up nearby
- **Press Notices** - where required, a public notice will be placed in the local press
- **Council website** - information is displayed online
- **Designated Neighbourhood Forums** - where an application is within a neighbourhood area the forum will be consulted
- **Residents Associations** - residents associations will first need to register with us by demonstrating they are representative of their area. i.e. adhere to a constitution and membership reflective of the area. They will be consulted on applications as agreed

A more detailed summary of the consultation process at planning application stage is included in table 3. Anyone wishing to be notified about planning applications can register online. Further guidance on how to register and comment on an application is included in appendix 2.

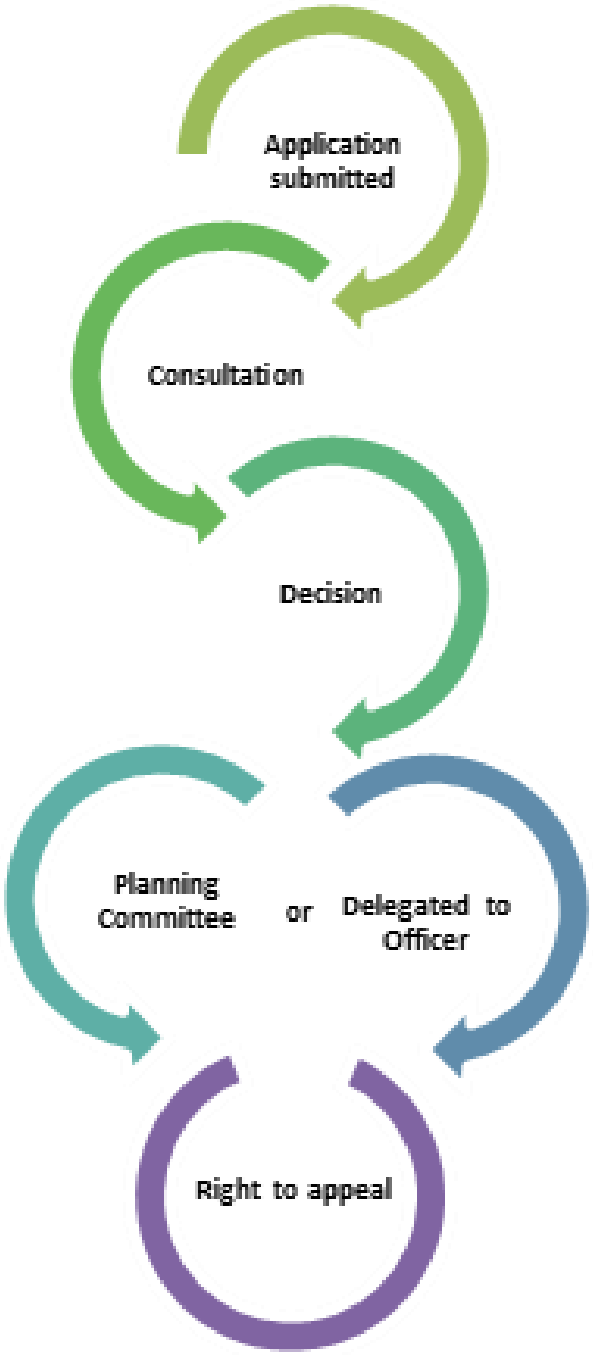

Figure 7

Application Submitted - summary of requirements				
Nature of Application	**Website**	**Site Notice**	**Newspaper Advert**	**Consultation Letter**
A. Major applications † B. Departures from the Development Plan C. Any application affecting a public right of way or footpath/way (but excluding pavement crossovers, new/revised vehicular or pedestrian accesses) D. Development where the application is accompanied by an Environmental Statement E. Any planning applications (either for development or demolition) that would affect the character or appearance of a Conservation Area	✓	✓	✓	Occupier(s) of the application property. Owner/occupiers of land which has a common boundary with the application site and those close by; the extent will depend on the nature and scale of the proposal. Where relevant, neighbourhood forums and residents associations
Minor applications* where criteria B to E do not apply	✓	Only if within a conservation area; Statutory Listed Building; or affecting the setting of a Statutory Listed Building		Occupier(s) of the application property. Owner/occupiers of land which has a common boundary with the application site and those close by; the extent will depend on the nature and scale of the proposal. Where relevant, neighbourhood forums and residents associations

† 10 or more homes, or on a site of at least 0.5 hectares; 1,000 m^2 or more of non-residential floorspace or on a site of at least 1 hectare; waste development

* Less than 10 homes, including the change of use to flats; less than 1000 m^2 of non-residential floorspace

Table 3

Application Submitted				
Nature of Application	**Website**	**Site Notice**	**Newspaper Advert**	**Consultation Letter**
Applications for Listed Building Consent	✓	✓	✓	Dependant on the scale and potential impacts of the proposed development. Where relevant, neighbourhood forums and residents associations
Advertisement consent within a conservation area, a Statutory Listed Building, or affecting the setting of a Statutory Listed Building	✓	✓	✓	As above
Applications to remove or vary conditions	✓	✗	✗	Notify anyone who made comments on the original application.
Approval of details reserved by condition	✓	✗	✗	✗
Reserved Matters Application	As appropriate.			
Work to trees in conservation areas and TPOs	✓	✓	✗	The owner or occupier of the land on which the tree stands will be consulted.
Advertisement consent – on shop fronts or business premises	✓	✓	✗	✗
Advertisement consent - hoardings on flank walls and boundaries	✓	✓	✗	✗

Application Submitted				
Nature of Application	**Website**	**Site Notice**	**Newspaper Advert**	**Consultation Letter**
Prior Approval - telecommunications	✓	✓	✗	✓
Prior Approval - other	✓	✗	✗	Only in relation to larger extensions built under the increased permitted development rights.
Certificates of Lawfulness	✓	✗	✗	✗
Revisions to applications	Where an application has been amended before a decision is made, we will decide whether further publicity and consultation is necessary. In deciding whether this is necessary we will follow the assessment set out in Planning Practice Guidance which states the following considerations may be relevant: • were objections or reservations raised in the original consultation stage substantial and, in the view of the local planning authority, enough to justify further publicity? • are the proposed changes significant? • did earlier views cover the issues raised by the proposed changes? • are the issues raised by the proposed changes likely to be of concern to parties not previously notified? Where it is considered that re-consultation is necessary, the timeframe for responses will be shorter than the initial 21 days, usually 14 days.			

5.4 Making a decision on a planning application

Following the end of the consultation period, we consider relevant planning comments received and makes a decision on the planning application having regard to development plan policies and all other relevant planning considerations.

Some applications are decided by planning officers using authority delegated by the Council. The officers report includes a summary of comments received and the reason for the decision. This is made available on the Council website.

The Constitution sets out which proposals will be decided by Planning Committee. Generally larger scale and /or particularly sensitive or controversial development proposals go to committee. This is a public meeting with the opportunity for members of the public to speak by prior arrangement. Any comments and objections will also be summarised in a publicly available report submitted to that meeting.

5.5 Appeals

The applicant has a right to appeal where they disagree with the decision of the local planning authority to refuse permission, to a condition attached to a consent, or where a decision is not reached within the statutory time period. When we have been notified of an appeal by the Planning Inspectorate, we will notify all interested parties of the appeal and provide a copy of all comments made on an application to the Inspectorate. Interested parties are advised of how they can be involved in the appeal process.

If an appeal is to be considered at an informal hearing or public inquiry, we will also notify all interested parties of the venue and time of the hearing in line with the Planning Inspectorate's requirements. The venue will be accessible and inclusive.

Please note that should a householder application become the subject of an appeal dealt with by written representation, there may be no opportunity under the fast track Householder Appeal Service procedure to make further comment at the appeal stage. Comments received at the application stage will be forwarded to the Planning Inspectorate.

Appendix 1

Consultees

Appendix 1: Consultees

As defined in the Town and Country Planning Regulations (2012) as amended.

Specific Consultation Bodies

- The Coal Authority
- The Environment Agency
- Highways England
- Historic England
- Marine Management Organisation
- Natural England
- Network Rail
- Neighbouring Local Planning Authorities (Barnet Council, Camden Council, Ealing Council, Hammersmith & Fulham Council, Harrow Council, Old Oak and Park Royal Development Corporation, Westminster Council, Royal Borough of Kensington & Chelsea)
- Utilities Providers
- Homes and Communities Agency
- Greater London Authority
- Transport For London
- Brent Clinical Commissioning Group
- Local Wildlife Partnership
- Local Economic Partnership

General Consultation Bodies

- Voluntary bodies some or all of whose activities benefit any part of the local planning authority's area, including residents associations and neighbourhood forums (see www.brent.gov.uk/neighbourhoodplanning)
- Bodies representing the interests of different racial, ethnic or national groups in the local planning authority's area
- Bodies representing the interests of different religious groups in the local planning authority's area
- Bodies representing the interests of disabled persons in the local planning authority's area
- Bodies representing the interests of persons carrying out business in the local planning authority's area

We will seek to engage with groups representing the nine protected characteristics under The Equality Act: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Appendix 2

How to comment on a planning application

Appendix 2: How to comment on a planning application

Making comments on planning applications is your opportunity to have a say in the decision making process by looking at and considering the documents and plans and sending us your comments.

Understanding the proposal

The application documents will be available to view on our planning searches and consultations page where you can search for an application.

If you have viewed the documents and have any further queries, please contact the planning officer who is dealing with the case. Their contact number is provided on our website and on any consultation letter you may have received.

Having your say

Once you understand the proposal, you may wish to comment. Comments can be made online if you register an account. You may also submit your comments by post to the case officer at Planning and Regeneration, Brent Civic Centre, Engineer's Way, Wembley, HA9 0FJ.

If submitting a petition or we receive a standard template letter from multiple contacts, we will record the comments as 'PETITION received', either against the contact details of the Head Petitioner / Original Author of standard template letter, where known, or against the first name and address that is listed on the petition or that we receive the standard template letter form.

Please reply within the stated time scale. If you respond after this period, your views may only be taken into account, if the application has not yet been decided.

How to comment online

1. To create a new user account go to our planning records database, click on 'Register' in the menu bar and fill in the required fields. Please note you will be required to provide your full name and address.

2. Go to our planning records database on the planning searches and consultations page. Log in, select 'Planning simple search', and enter the application reference number.

3. You then go to the 'comments' tab and select 'make a comment'.

Please note that when adding your address, if you live in a building divided into flats, please state your flat number clearly, even if you share a communal entrance door or letterbox with the other residents.

A warning about your comments

Any comments we receive about an application are not private or confidential. They are a public record for anybody to see, including

the applicant or other neighbours. Therefore, please avoid writing anything that you would not want other people to read.

We reserve the right to not accept any comments which incorporate language that it considers could be deemed to be offensive or are incompatible with its statutory duties under the Equalities Acts.

For data protection reasons, we do not display on the website personal data such as your signature, telephone or email contact details. However, your comments as received, may still be inspected at our offices, or may be made available in an electronic format with signature and personal contact details removed.

Relevant considerations

Planning law specifies what factors may be taken into account when deciding a planning application. Planning considerations relate to with the appearance of new buildings, their impact upon neighbours and the locality, and the appropriateness of the use of land and buildings. Planning regulations are not designed to deal with structural matters (e.g. foundations and drainage), civil matters (e.g. boundary disputes), or personal matters (e.g. people's approval or disapproval of particular individuals or organisations).

An application may not be refused simply because many people are opposed to it. The planning process seeks to balance the rights of applicants to develop or use their land as they wish, with the rights of neighbours to continue to enjoy the use of theirs. It also has to consider the wider public good, government guidance and planning policies.

Objections normally relevant to planning

- problems of increased noise, smell, dust, traffic, etc. caused by the use (but not during construction work)
- loss of light, privacy or outlook
- number, size or design of buildings
- traffic safety or congestion, including effects on pedestrians
- effect on parking
- transport issues, e.g. availability of public transport, facilities for pedestrians, cyclists and people with disabilities
- loss of trees or other natural features
- effect on the character of the area
- effects on conservation areas, listed buildings, protected open spaces and nature conservation areas
- loss of more beneficial land uses, e.g. employment uses, homes or community uses
- opportunities for crime arising from a development
- conflict with government or Council policies.

Objections not normally relevant to planning

Some objections cannot be taken into account because they are outside the control of planning legislation. This list is not exhaustive but highlights the most common issues:

- possible loss of value to properties in the area
- nuisance caused during construction work - this is covered by environmental health legislation
- concerns regarding foundations and sewerage - these are dealt with under the building regulations
- moral objections to a proposed use e.g. religious opposition to alcohol, gambling and animal slaughter

- an applicant's personality, character, behaviour, ethnic origin or way of life
- private matters between neighbours e.g. boundary disputes over fences and rights of way
- loss of a view from a private property
- commercial competition or loss of trade
- the fact that a development may be profit-making
- the history of the site e.g. any restrictive covenants
- the internal layout of private buildings (except where an undesirable use of part of a building, such as one involving noise or vibrations from industrial machinery, could affect neighbours)
- health concerns about mobile-phone masts - such masts already have to comply with existing national and international guidelines for radiation emissions; any further legislation needed to safeguard public health is the responsibility of central government, not local councils.

What happens after you have commented

We will endeavour to log your comment on the application record within five working days of receipt. You may wish to check online to see if your comment is listed.

If an application is to be considered by the Planning Committee, anyone who has made a comment on an application will be notified of the date and how to apply to speak to the Committee.

If you wish to know the outcome of the application, please check the website for a decision. Please see the decision notice for details of either its refusal or if granted, any conditions attached to that permission.

Planning Policy & Projects Team

Brent Civic Centre

Engineer's Way

Wembley HA9 0FJ

www.brent.gov.uk/localplan

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Brent	**Cabinet** 24 July 2017 **Report from the Strategic Director of Regeneration and Environment**
	Wards Affected: All
LoHAC Lump Sum – Variation of Contract	

1.0 Summary

1.1 Brent entered into an eight year contract on 1st April 2013 to provide a range of highway services, including reactive maintenance works, through the London Highways Alliance Contract (LoHAC). The appointed contractor is Conway Aecom.

1.2 Officers regularly receive comments from residents and members alike regarding the consistency and responsiveness of service when reporting defects on the public highway. The current arrangement has an inherent source of tension, where the cost of repairing defects classed as high priority are included in the Lump Sum, but the Council has to pay extra for the repair of Medium priority defects. This can give rise to disputes if officers feel that a high priority defect has, in their opinion, been miscategorised as medium priority. This can at times take several months to resolve.

1.3 Bringing the inspection regime in-house and paying for the services through the Schedule of Rates, rather than Lump Sum will provide officers with more control to choose where and when repairs are ordered and enables a more responsive approach to dealing with members' reports and ordering multiple repairs within a specified area. The overall budget for this work will remain the same.

1.4 It should be noted that officers are also exploring innovative ways of addressing potholes through our planned maintenance programme. We will be investing £80,000 of our Carriageway Short Section budget to pilot a new approach that allows more potholes to be repaired in a shorter time to the traditional approach.

1.5 This report outlines the negotiations to date and proposed way forward to deliver reactive highway maintenance.

2.0 Recommendations

2.1 That Cabinet:

2.2 Approves the 'in principle' negotiated agreement for a variation of the existing Lump Sum as set out in section 4 of this report.

2.3 Delegate powers to the Strategic Director, Regeneration and Environment, in consultation with the Lead Member for Environment, to finalise negotiations, on agreement, on the terms for the Deed of Variation.

3.0 Background

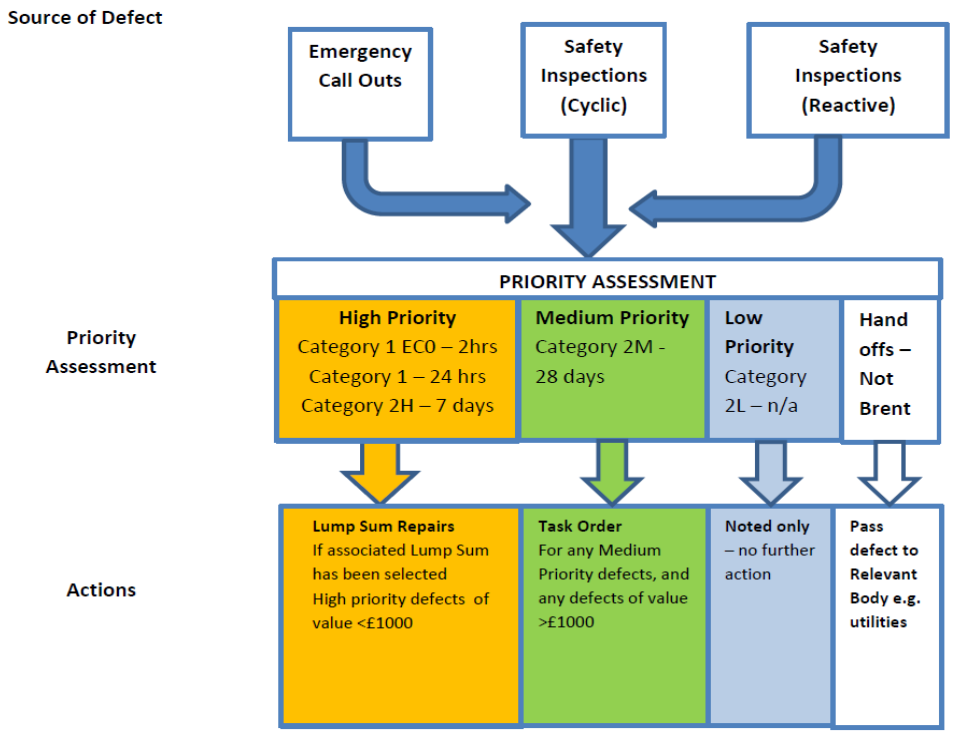
Existing Lump Sum Agreement

3.1 Under the London Highways Alliance Contract, the London Borough of Brent procured both cyclic and reactive safety inspection services, under a lump sum payment. A key feature of the contract is a "Find and Fix" mechanism where the contractor delivers the inspection service and rectifies defects identified as a result of the inspections, for defects that are under the value of £1,000 and are categorised as needing to be attended to within seven days or less, i.e. high priority defects:

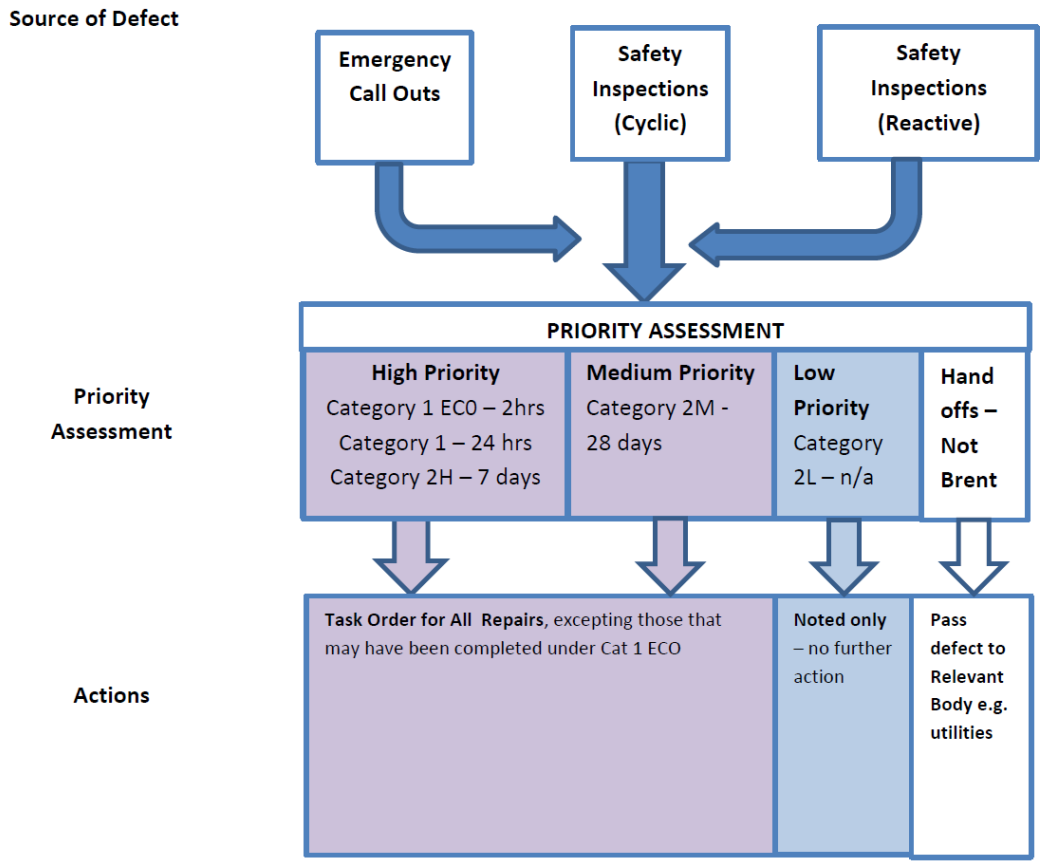
Reactive Find and Fix

- Road pavements
- Kerbs, footways and paved areas
- Traffic signs
- Road markings
- Road restraint systems
- Earthworks
- Street furniture

3.2 The diagram below represents how the Find and Fix process works currently. Works are identified via one of three sources Emergency Call Outs; Cyclical Safety Inspections and Reactive Safety Inspections (e.g. from Customer Reports)



3.3 The expected revised process is below, where a task order is required for all Repairs, except those that may have been completed under Category 1 Emergency Call Out. Priority assessments will be done in-house rather than by than by the contractor.



Brent Call offs

3.4 The London Borough of Brent called off a number of services from the core service menu. Please refer to Appendix I for the list of services.

4 Proposed Variation of Contract

4.1 Through negotiations with the contractor to date the following variation to move away from the existing Contract setup has been agreed in principle:

a) **Cyclic & Reactive Inspections**
Remove the lump sums for Cyclic and Reactive Safety Inspections. Transfer two Cyclic Safety Inspectors plus one Reactive Safety Inspector from Conway Aecom to the London Borough of Brent via a TUPE process to allow the Highway Inspections to be carried out by the London Borough of Brent moving forward.

b) **High Priority (Cat 1 & Cat 2H) Repairs**
Remove the lump sum for Cat 1 & Cat 2H repairs. Use the Contract Schedule of Rates item coverage with a percentage (amount to be negotiated) uplift for works of seven days or less to cover for the inefficiencies of this type of work.

c) **Emergency Call outs**
A small annual fee to be agreed to cover a nominal contribution of the total Operational Control Room (OCR) service costs plus a Schedule of Rates item per callout (2 hours

duration) to cover plant, labour and consumables. Permanent materials may be covered by a works order.

d) **Cyclic Gully Cleansing**
After addressing performance issues experienced during the first two years of the contract, gully cleansing is now operating very effectively; on site monitoring scores now regularly achieve 100%. The cost of this service is considered competitive in the current market and it is therefore recommended to keep cyclic maintenance a lump sum item, as it is providing good value and a reliable service.

Over the last two years we have gathered data by measuring the build-up of silt levels between cleanses. This data enables us to review the current cyclic programme and target locations where the build-up of silt levels is greatest, whilst reducing cleanses at locations where silt levels remain low. If savings are identified through this work we will reinvest them in the repair of defects.

4.2 Recommendations made by Local Partnerships through the service review identified asset management as a priority, including the following recommendations this report will help address:

New Structure

a) *"Consideration should be given bringing the Highways Inspectors back into Local Authority Control"*.

Comment: this is implicit in the proposals outlined in this report

New Strategy – Service Prioritisation

b) "Consider how resources within the contract can be allocated more effectively. Identify where savings can be made and balance budget, customer satisfaction and service outcomes to achieve the optimum solution across the Borough"

Comment: Decisions as to when and where defects are repaired will be under the control of the council, so the process will be more responsive to customer needs. (See also (c) below)

Highways Services

c) **Reactive not Proactive**: "*Concerns regarding the performance of the service are centred significantly towards reactive maintenance. Large majority of concerns over the performance of the service are concentrated on the issue of the treatment of defects (i.e. potholes). This accounts for around 5% of highways expenditure"*.

Comment: it is expected that with the removal of the commercial implication of the medium / high priority defect threshold, that the categorisation of defects will become more consistent and reliable, improving customer confidence in the process.

d) **Commercial Strategy & Behaviours**: "*Brent have procured the delivery of the reactive maintenance service on the basis of a lump sum contract defined by a set of comprehensive intervention criteria. This has had the effect of encouraging behaviours within both parties which are unhelpful."*

Comment: the removal of the commercial implication of the medium / high priority defect threshold will also remove this source of tension within the contractual relationship, and the requirement to monitor this aspect of the contract. This should free up both officers' and the contractor's time to add value elsewhere in the contact (for instance, to pursue implementation of a greater range of maintenance treatments)

e) **Service Priorities & Real Life**: "*It is not always clear to members what the real consequences of the service's strategy is in practice. Defects which fall outside the lump sum with Conway [Aecom] are the responsibility of Brent to repair. Current funding allows for only 11% of these to be addressed."*

Comment: whilst the categorisation of defects will become more consistent and reliable, improving customer confidence in the process, there will still be a significant underfunding of the medium priority defects (on current figures).

f) **Contractor Performance**: "*Performance of the contractor seems to have been deficient in some key areas (i.e. gulley cleansing, highways inspection etc.). However other service issues may be due to other systemic factors".*

Comment: should the inspection service come back in house, any future deficiency in inspections can be directly addressed by the Council. After addressing performance issues experienced during the first two years of the contract, gully cleansing is now operating very effectively

g) **The Service, the Community & Place Making**: "*The inclusion of the Highways Inspection function into the contractor's scope has resulted in the day to day 'eyes and ears' of the service being lost. Officers risk being 'desk bound' and removed from the day to day experience of the service".*

Comment: should the inspection service come back in house, this point will be specifically addressed.

5 Financial Implications

5.1 The value of the London Highways Alliance Contract (LoHAC) is approx. £8m per annum. This represents the total value of all works delivered through this contract by Conway Aecom. The proposed variation value of £0.562m is approx. 7% of the contract value.

5.2 As set out in paragraph 4.2 (b), providing an in-house service will enhance customer satisfaction by being more responsive to customer needs and having greater control of repairs. The cost of increasing staffing resource to provide the in-house service will be wholly funded by the reduced contractual spend with Conway, therefore no additional budget is required as a result of this proposal. If savings are realised through this process they will be reinvested in the repair of defects.

6 Legal Implications

6.1 Regulation 72 of the Public Contracts Regulations 2015 ('PCR 2015') provides that variations to existing contracts are permitted without commencing a new procurement in the certain circumstances. Regulation 72(f) provides that contracts may be varied where the value of the variation is below both the relevant EU procurement threshold and 10% of the initial contract value for service. The value of the variation as mentioned in paragraph 5 of this report in respect of the working arrangements and variance to the existing Lump

Sum payments will be contained within the existing Lump Sum budget. The variation is therefore permitted under regulation 72(f) of the PCR 2015.

6.2 If the Safety Inspections (cyclical and reactive) element of the contract with Conway Aecom is returned back in house, as mentioned in the body of this report, for the services to be delivered by the Council, the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') will apply in respect of the employment contracts of Conway Aecom staff currently employed to delivery that element of the contract. Those Conway Aecom staff's employment will transfer to the Council and the Council will inherit all rights, liabilities and obligations in relation to them as from the date of the transfer. TUPE implications will be considered by Officers as part of the negotiations and relevant consultation with the staff undertaken. The Council will also require employee liability information from Conway Aecom.

6.3 As mentioned in paragraph 2, Cabinet approval is required in respect of the 'in principle' negotiated agreement for the variation of the existing Lump Sum and Cabinet to delegate authority to the Strategic Director, Regeneration and Environment, in consultation with the Lead Member for Environment, to finalise the negotiations and to review investigation levels and vary them if appropriate.

6.4 The Council and Conway Aecom will be required, to enter into a Deed of Variation documenting the variations to the contract, once negotiations have been completed.

7 Diversity Implications

7.1 The proposals in this report have been subject to screening and there are considered to be no diversity implications that require full assessment. The proposed variation of contract does not have different outcomes for people in terms of race, gender, age, sexuality or belief.

7.2 The priority given to defects is dependent on a probability and risk score to ensure defects with greatest risk to safety will be prioritise for repair.

8.0 Staffing/Accommodation Implications

8.1 Highway inspections (both cyclic and reactive) are currently carried out by the contractor. Two inspectors carry out the cyclic inspections with one inspector responsible for reactive inspections.

8.2 The three staff listed above have been identified as potentially liable to transfer to Brent pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). These figures will be finalised during the detailed TUPE conversations that will take place subject to approval of the recommendations within this report.

8.3 Staff transferring from the contractor under TUPE will do so on their current terms and conditions of employment. Although pension rights do not transfer under TUPE, the Council is under a legal obligation to secure pension rights for its staff. Transferring staff will have the opportunity to join the Local Government Pension Scheme ("LGPS"),

Background Papers

The Executive award report – 10th December 2012

Contact Officers

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AMAR DAVE
Strategic Director of Regeneration and Environment

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Appendix I: Existing Lump Sum agreement - sum excluded

	Core Services - Call Offs
1	**Safety inspections** Cyclic Reactive
2	**Reactive find and fix** Road pavements Kerbs, footways and paved areas Traffic signs Road markings Road restraint systems Earthworks Street furniture
3	**Gullies** Cyclic
4	**Emergency Call Out**

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Appendix 2 – Examples of Defect Priorities

Defect Classification depends not only on the defect severity (depth of pothole, height of trip) but also on the location of the defect. So, a trip which only just reaches the 20mm investigation level and is out of the way (e.g. on a back street, right at the back of the pavement where no-one is likely to trip over it) is likely to be a low priority defect. The same trip located towards the middle of the pavement on a school route could be a medium priority defect, or a high priority defect if it was right outside a busy tube station or shopping centre.

The photos below are therefore given as guidance only

Pavement Trip - Priority

Low

Medium

High

Road Pothole - Priority

Low

Medium

High

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Cabinet
24 July 2017

Report from the Strategic Director Regeneration and Environment

Wards affected: Tokyngton and Preston

Strategic Community Infrastructure Levy contribution: proposal for enhancing public realm in Olympic Way (associated with Site NW04's Contribution to the Education Quarter)

1.0 Summary

1.1 The regeneration of the Wembley area is well underway but still in the early stages of creating a reinvigorated area that will become a key part of supporting London's role as a world class city.

1.2 An area with national and international kudos is more than just the buildings, and to support the ongoing transformation of Wembley into a thriving, attractive environment there is scope to use some of the strategic Community Infrastructure Levy (CIL) funds raised as a consequence of development in the area, to invest in the public realm along Olympic Way.

1.3 Enhancing the public realm here is a key element in a step change of the positive experience the Council is aiming to achieve for residents and visitors, including providing an environment which will encourage people to dwell both before and after events. The enhancement proposals for Olympic Way will create a world class public realm for enjoyment by Brent residents and businesses. It will be the high quality memorable processional route for the millions of visitors to Wembley, but will go significantly beyond this through its ability to at other times be a place to visit in its own right, hosting cultural events and creating revenue streams.

1.4 As proposed, the arrangement would also ensure that the space outside the Civic Centre, currently subject to a planning permission which could be implemented, is used to contribute to the proposed educational quarter and provide more of a public square.

1.5 The strategic CIL collected as a consequence of new development in Wembley is intended to be spent on infrastructure projects; enhanced public realm falls within this, and it is proposed that a contribution from CIL to the costs of the works is appropriate. Fifteen percent of CIL collected will be allocated to neighbourhood infrastructure projects in the area which generated the income from development.

1.6 This would be a joint project with Quintain and the Stadium. This report sets out the planned works to Olympic Way for the improved public realm, including the works undertaken so far.

1.7 This report seeks approval for funds of up to £17.8 million to accelerate the delivery of the public realm. This is relation to two zones. One between Wembley Park underground station and the northern edge of Fulton Road (Zone B). The other will be for replacing the Wembley National Stadium 'pedway' with steps including public realm works from the foot of the pedway to the stadium (Zone C) to ensure delivery prior to Euro2020. Public Realm works from Fulton Road to the foot of the Pedway (Zone A) will be entirely funded by Quintain.

1.8 A "Statement of Common Ground" exists between the council and Quintain that allows for the application of CIL funds by LBB for the delivery of strategic infrastructure as identified in policy and the Infratructure and Investment Framework (IIF). The above projects are within the IIF.

1.9 This report also provides background on the potential of site NW04 to enhance the role of the Education Quarter as integral part of the Wembley 'offer'. It sets out how the role of the funding being requested for public realm works will be used as a mechanism to help to deliver this enhanced role for NW04.

1.10 The report also sets out the scope of future reports to Cabinet on the measures necessary to facilitate the role of Olympic Way in supporting the sense of place and experience of visiting Wembley; as an 'Area of Special Interest'. This will take account of the need for enhanced estate management, licensing and street trading regimes to allow a streamlined process for curating and holding events. This will also address the issue of how revenue funding streams generated through the new commercial opportunities that improvements to the public realm will bring will be shared with Quintain. We anticipate this report to be forthcoming in the next twelve months.

2.0 Recommendations

2.1 Cabinet approve a contribution of up to £17.8 million towards the delivery of the Olympic Way Zones B and C.

2.2 That such a contribution would be contingent on Quintain:

a) Not pursuing development of site NW04 adjacent to the Civic Centre to the extent currently permitted in the parameters plans associated with outline planning permission 10/3032

b) Working with the Council to deliver a development that better complements the role and setting of the Civic Centre, in particular creating a significant new square outside the Civic Centre Library

c) Agreeing a business plan and heads of terms, between Quintain and the council, for the future sharing and reinvestment of net income generated through assets on Olympic Way

2.3 Cabinet note that a future report will be bought to it in relation to designating Olympic Way as an "Area of Special Interest".

3.0 Detail

Background

3.1 Wembley Growth Area, as identified in the Brent Core Strategy and Wembley Area Action Plan is an area that has recently gone through some transformational change primarily initiated out of the redevelopment of the Wembley National Stadium. This transformation is set to continue for at least the next 10 years, and possibly beyond, depending on future Local Plan contents. The area will be predominantly residential but with a significant element of commercial, community facilities, greenspaces including a large park and more recently the likelihood of accommodating an educational quarter. It will be successful in being attractive in its own right, but also in providing a lasting positive experience for those visiting the Stadium or the SSE Arena. It will be a place which will encourage people to dwell both before and after events, helping to retain consumer spending locally and creating employment opportunities.

Wembley Wide Infrastructure

3.2 In association with the Wembley Growth Area there have and will be extensive investment in local infrastructure to facilitate growth and overcome existing capacity issues. This includes, but is not limited to:

a) Olympic Way improvements
b) Engineers Way traffic calming Empire Way Wembley High Road Corridor
c) Fulton Road Empire Way Junction reconfiguration
d) Wembley Triangle reconfiguration
e) Two way traffic flow First Way Fourth Way South Way
f) A406 junction improvements
g) Chiltern Line Crossing
h) Jubilee Line, metropolitan line crossings to Chalk Hill Estate
i) St Raphaels Estate accessibility
j) South Way Enterprise Centre/Spaces
k) Education Quarter and Knowledge Hub
l) Bridge Road North End Road Connection
m) Arts and Culture infrastructure
n) Community Sports Facility
o) Primary School

Public Realm Improvements

3.3 To assist in achieving the vision for Wembley, a significant element in terms of place making is the provision of new and substantial steps to the stadium to replace the pedestrian way ('pedway') and works to the public realm between Wembley Park underground station and the National Stadium Wembley: Olympic Way. This will enhance the area, both from an aesthetic and functional requirement.

3.4 Olympic Way as a piece of public realm is showing its age. It does not present the type of quality considered consistent with the environment necessary for a world renowned iconic venue and the wider Wembley Park development. In the context of other pressing infrastructure needs and other Council revenue spending requirements, a response might be that a significant Council funding contribution

towards these changes should be a low priority. Nevertheless, this would be a simplistic and does not take account of all factors, including limitations associated with funding streams generated from development. CIL funding attained by the Council is specifically related to infrastructure and is not available to support Council general revenue spending. In addition this proposed change in public realm should be seen as part of a wider picture about what will be achieved in Wembley which will have far reaching positive impacts for Brent and its prospects.

3.5 Improved public realm has a key role in place-making. Such changes in their own right have the potential to totally transform the perception and function of an area. It can lead to enhanced social and economic value benefits that far outweigh the initial investment. Notable examples of the impacts of such transformational public realm changes are Regent's Street, Granary Square at Kings Cross, Birmingham, Manchester, Sheffield and Liverpool city centres. Empirical evidence set out in valuing the Benefits of Regeneration published by CLG 2010 indicates a benefit cost ratio of 1.4 for public realm work. Specific evidence associated with Sheffield indicated that the £9.5 million invested in the Peace Gardens has generated £4.5 million visitor shopping/leisure spend per annum that otherwise would not have occurred. In addition it attracted commercial property investment and occupiers that otherwise would not have come, improving investment yields with the associated economic benefits of providing access to future investor funding.

3.6 The transformational change of Wembley has and will continue to require strong partnership working between the Council, developers and key stakeholders. As part of providing certainty and support for investment, the Council has previously identified that it will use contributions generated by Quintain's developments to support the new infrastructure. Key elements relate to where these contributions will be prioritised relate to the provision of new jobs and homes and improvements to the environment and public realm. As part of the shared vision for Wembley, the Council has worked closely with Quintain in identifying the quality of public space that both organisations consider is necessary to enhance the Wembley offer.

3.7 Following a design competition, in which the council participated, Dixon Jones were selected as Architects and Gross Max as Landscape Architects for Olympic Way. Designs have been developed over a number of months that when implemented will:

- Provide new hard and soft landscaping throughout
- New coordinated crossing at Fulton Road
- New Lighting columns with large banners and future digital screens
- New Trees
- Built in services to allow pop up and cultural events
- Fast Wifi throughout
- Containment for future digital screens
- Wayfinding
- Create a significant square outside Civic Centre
- Remove of the Pedway and new substantial steps
- Enhanced entrance to the stadium
- New Retail / meeting point below new stadium steps
- Removal of surplus ramps and steps adjacent to 1 Olympic Way
- Cycle parking at Wembley Park station
- Treatment to Bobby Moore Bridge

- Long term management arrangements through potential for designation as a 'Area of special interest'

3.8 This work has been split into 3 Zones: A-C. Exploratory work is also being done around the creation of a new public square to the east of the Civic Centre and the re-orientation of plot NW04.

3.9 In summary the works will replace all surfacing between Wembley Park station and the Stadium with higher quality materials, improve the crossing at Fulton Way, remove a myriad of steps and ramps, including the Pedway, created over time and replace them with a consistent a planned approach to assist pedestrian movement. In addition it will provide sufficient space and facilities to allow for additional commercial and non-commercial activities associated with place-shaping and enhancing the visitor experience of Wembley.

3.10 As such it will result in:

a) Significantly enhancing Olympic Way reflecting its importance as the arrival point and processional route for millions of visitors and its place making role for new residents, students and businesses occupying the developments in Wembley Park Regeneration;
b) Create an attractive and desirable route that is itself a destination, leaving lasting memories to its visitors, active throughout the day, every day to encourage visitors to stay longer before and after events, capturing the economic benefit and activity of visitors to help deliver wider regeneration aims;
c) Improve public safety for the many users of Olympic Way through the installation of well designed Hostile Vehicle Mitigation barriers and;
d) Create new opportunities to generate income from the assets on Olympic Way, which could be used for enhanced management of Olympic Way and revenue stream to partners in the long term.

3.11 The Wembley Area Action Plan and masterplan also identified that ideally the pedway leading up to the stadium would be removed. This ambition is shared by Quintain and the Council and has support from the Stadium. Commercial discussions between Quintain and the Stadium have not concluded. The two organisations are working to conclude the discussions quickly so all works can be completed by Euro2020. The works to Zone A and B on Olympic Way are not predicated on the removal of the pedway occurring.

3.12 The replacement of the pedway with steps will free up a significant amount of space north of Engineers' Way which can be used to create additional flexible usage of public realm, incorporating a new square, linked to site NW04 on which further detail on plans for this site are set out later in this report. Due to the importance of the structure of the 'pedway' in providing access, its replacement process is likely to require closure of the Stadium for major events for approximately 3 months.

3.13 Without Council intervention to facilitate improvements to all sections of Olympic Way and earlier delivery, provision of all of these improvements because of their scale, will remain at risk. In the event other funding is found, it will take a very long time to complete and certainly not before Euro 2020. A non-accelerated delivery results in several disadvantages. It will:

a) Increase the likelihood of disruption over a long period to the users of the space;
b) Create additional cost due to not being able to take advantage of economies of scale of a larger project;
c) Delay completion of the works to post Euro2020 when the eyes of the world would be on Wembley and therefore present the area in a less positive light than would otherwise be possible;
d) Impact on the place-making element and reduce the commercial opportunities available both with Euro2020 and other event days, but also the regeneration of the Growth Area; and
e) Any income generated from Olympic Way will not benefit the Council.

3.14 Overall the improvements to the Zone A-C public realm in Olympic Way are estimated to be £35 million. The Council has received Quintain's quantity surveyor budget costings to ensure that the specification is appropriate and value for money has been attained for the works tendered to date. In terms of commissioning and managing the public realm works, this will be the responsibility of Quintain. The Council's role would be to make a contribution to facilitate works to Zone B and Zone C; more specifically replacement of the existing surfaces and provision of trees, lighting columns, street furniture and the substantial steps in place of the pedway.

3.15 Quintain are funding £5.6m and delivering the Zone A improvements, in accordance with a planning obligation associated with the Wembley masterplan development (15/5550) of £4.1 million for public realm works. They have already invested £1.8m and have commenced part of these improvements. A further £3.8m is contracted. The design approach will be used for all sections of Olympic Way. A general layout plan of the extent of the proposed works for Zones A-C is shown in Appendix 1.

3.16 Funding for the following works is not included in the Council's contribution sought for Zone B as either the responsibility falls to Quintain or other parties and/or agreement to undertake the works has not been reached with the landowner or in the case of digital screens the assets may be leased:

a) Removal of ramps and steps in front of 1 Olympic Way;
b) Cycle storage outside the station
c) Refurbishment works outside the station
d) Works to Bobby Moore Bridge
e) Demolition of the toilet block
f) Digital screens on new lamp posts

3.17 This will tie into work Quintain will also be doing to remove the toilet block and gaining landlord consent in removing and the existing steps and ramps outside 1 Olympic Way, plus other improvements to Bobby Moore bridge and Olympic Square outside Wembley Park station. At the moment it is anticipated that the Council's contribution would be up to £5.7 million for Zone B. It is anticipated that a contribution will be sought from Quintain for the works associated with the ramps. This however forms part of the assumed costs for Zone 3 which incorporates other shared costs works. Improvements to Fulton Road crossing have previously been subject to Cabinet approval (February 2016) for £120K of S106 funding, which will be used in addition to the sum requested in this report.

3.18 Digital screens on new lamps has potential for revenue generation through advertising. Much as is the case with street furniture located within the highway throughout the borough, these could also provide an opportunity for public service messages to support the Council's policies and programmes. Currently Quintain is proceeding on the basis of pursuing discussions with the Stadium around capital costs/revenue sharing, but this might be a mechanism that Cabinet wish Council officers to pursue with Quintain with a view to bringing a report to Cabinet if such discussions proceed to a point where investment by the Council can be shown to be best value.

3.19 A planning application for the Zone B public realm scheme will be submitted to the Council within the next two months. It is anticipated that if Cabinet gives its approval for the funding request for Zone B that the public realm works will start in the fourth quarter of 2017 be completed in late 2019. This gives sufficient contingency to cater for delays due to any unforeseen events.

3.20 The commercial discussions between the Stadium and Quintain are on-going but are expected to conclude within the next 6 months. It is anticipated these works will not be fully financed by Quintain and the Stadium and a further call for Council funding will be made to complete the section from the foot of the Pedway to the Stadium entrance (Zone C), including removal of the Pedway and installation of stairs.

3.21 At this moment it is not clear what sum the negotiation between Quintain and the Stadium will generate in terms of contribution towards the steps and consequently the extent of Council contribution anticipated towards Zone C. Depending on these discussions, it is anticipated that the Council will be requested to contribute a minimum of a 1/3rd of the cost and possibly up to 50%. Every attempt will be made to minimise the Council's contribution.

3.22 The contribution to Zone C includes not only the steps but also a share of amendments to ramps, cycle storage and the Olympic Square refurbishment forming part of the wider works from Wembley Park underground station to the Stadium. This part of the contribution will be split equally between Quintain and the Council. The total Zone C calculation was based on cost estimates from the quantity surveyor for Zone B and scaling them up. It has been adjusted to remove any spend on the potential retail element of the scheme should this occur under the proposed steps. Taking this into account the Council's total contribution to Zone C is estimated to be:

Council's Contribution:	33%	50%
	£'000's	£'000's
Zone C	7,119	10,678
Ramps, Cycle Storage, Olympic Square Refurb (50/50 with Quintain)	317	317
	8,036	10,995
10% Contingency	804	1,100
Total	8,840	12,095

3.23 Officers will use best endeavours in negotiations to ensure that the Council's contribution is minimised. Cabinet approval is also sought for an additional sum to

contribute towards delivery of Zone C. Taken together, approval for a maximum sum of £17.8 million (£5.7m – Zone B + £12.1m – Zone C) in total.

Education Quarter and the Civic Centre

3.24 The Council has been working with the College of North West London on developing proposals for an 'Education Quarter' within Wembley Park. The Council is actively seeking to attact a Higher Education partner to invest, with a view to delivery of new buildings/campuses that accommodate these institutions. The provision of an education quarter will meet a number of objectives consistent with Borough Plan and Brent 2020. In particular it will:

a) improve the attractiveness of Wembley in terms of placemaking through increasing the diversity of uses and vitality of the area;
b) encourage increased demand for residential and commercial properties in the area, thus accelerating the pace of delivery,
c) improve educational and skills attainment within the Borough; and
d) attract and retain higher educational achievers within Brent with the benefits this will bring for the local economy.

3.25 As part of the delivery of the Education Quarter a number of potential sites have been identified. NW04 adjacent to the Civic Centre, which has an extant outline planning permission 10/3032 for residential and commercial uses, is one of those sites which the Council is particularly keen to incorporate.

3.26 Taking account of how the existing Civic Centre, Wembley Library and the Orchard Square public realm between the building and the pedway work in terms of user/visitor experience, 10/3032 granted before the Civic Centre opened is now not considered by the Council to be the optimum solution for NW04. The Council regards NW04 as having a significant role to play in delivery of the Educational Quarter and in particular linking to and consolidating the role of Wembley Library as central shared 'Knowledge Hub' for the Council's library services, a Higher Education institution, College of North West London and potentially the University College for Football Business. There is also the potential for the development of NW04 to complement the Civic Centre's role as a conference venue. This would address the Council's long held desire to create greater provision of conference facilities in Wembley to bring people and income into the area.

3.27 The Council has been working closely with Quintain in sharing and seeking to work up solutions to deliver these aspirations. The desire to create a more generous space around the setting of the Civic Centre and entrance to Wembley library will reduce the maximum footprint of any building currently allowed within the parameters of planning permission 10/3032. Whilst the opportunity to make up floorspace might be possible through additional height in an alternative, this might well detract from the Civic Centre presence as a feature building related to the status and importance of its use. As such it is likely that there will be a reduction in floorspace that will be developed on NW04 and therefore there is likely to be an opportunity cost to Quintain in terms of lost profit. There might well the potential for Quintain to off-set this in other development sites, or through the enhanced value that the place-making elements associated with the educational quarter will bring. Nevertheless at this stage this is not certain.

3.28 Whilst the Olympic Way public realm section of the report highlights the considerable benefits of its accelerated delivery to Wembley and Brent overall, it is

clear it will also create some value for Quintain, which is also to their benefit. To encourage the continued co-operation of Quintain in the development of NW04 more in line with Council aspirations, it is recommended to Cabinet that the Council's contribution be tied to securing an agreement with Quintain. This would be for NW04 as permitted not to be pursued by Quintain. It would also seek its development to support the 'Educational Quarter' and facilitating the other Council aspirations set out in relation to the Civic Centre.

Commercial Opportunities of the Improved Public Realm

3.29 The improved public realm along Olympic Way will be designed to better take advantage of the commercial opportunities to enhance the visitor experience. The ownership of Olympic Way is currently unresolved between Quintain and the Council. Quintain however, actively manage the asset and as such commercial activities currently engaged in on this space generates income for them. If the Council makes its contribution to the public realm works, Quintain has agreed with the Council, that the ownership matter will not be pursued by both parties for the long term, possibly up to 25 years. It has also agreed in principle to share the net income generated through future commercial activities once the public realm works are completed.

3.30 Currently two options are being considered. The first a profit and loss account approach where income is shared by the partners with an understanding that there is an element of reinvestment in events and maintenance of Olympic Way; the second being a guaranteed income from Quintain with a similar understanding in relation to reinvestment. Quintain's current preference is for the second option. The investment could generate a long term income stream for the Council. There will however be a gap between investment and the income being generated due to the implementation timescales, so net income is likely to arise a few years after the initial investment.

3.31 In order to facilitate and maximise these commercial opportunities, but also safeguard the quality of maintenance and upkeep of an enhanced Olympic Way, a change to Council service delivery for Olympic Way will be required. A future paper will be brought to Cabinet to consider the potential for Olympic Way to be identified as an 'Area of Special Interest'. This will take account of the need for enhanced estate management, licensing and street trading regimes to allow a streamlined process for curating and holding events.

Community Infrastructure Levy

3.32 The Wembley Growth Area will generate a significant amount of Community Infrastructure Levy. To date the Tokyngton ward has generated £10.4 million in Strategic CIL receipts received. A further £5.5 million triggered by starts on site is due to be received in phases. A further £24 million (which could be subject to requests for relief) and is dependent on starts on site has not yet been triggered.

3.33 Comparable information for the borough as a whole is that a total of £21.5 million in Strategic CIL has been received, a further £17 million has been triggered, whilst a further £71 million has not yet been triggered.

3.34 However clearly if the CIL is used for this project then it will not be available to support other forms of infrastructure. None of the strategic CIL has yet been allocated to projects.

Conclusions

3.35 The enhancement of the public realm along Olympic Way will have a number of significant benefits for Wembley and also Brent. Nevertheless, such benefits could be greatly enhanced through the accelerated delivery of these public realm works, particularly in advance of Euro2020. The Council considers that development of NW04 if implemented in accordance with outline planning permission 10/3032 for a number of reasons now would not create an optimum solution for the benefit of Wembley. A reduction of NW04's footprint and the incorporation of functions to support the Educational Quarter is likely to create a superior outcome. The reduction and changes in floorspace that this is likely to bring will have an adverse impact on the site's development value for Quintain, its owners.

3.36 The Council's funding of the Olympic Way public realm works would however have significant financial benefits for Quintain. As such it is proposed that the provision of such funding by the Council is tied to Quintain working with the Council to deliver an outcome for NW04 more in tune with the Council's objectives for this site.

3.37 In addition to the benefits associated with the Borough Plan and Brent 2020 brought through the acceleration of the public realm works and the change of NW04, there is the potential for a long term income stream to come to the Council from its investment in the public realm works. To facilitate maximising the opportunities for this income stream, it is proposed to bring a future paper to Cabinet to consider the potential for Olympic Way to be identified as an 'Area of Special Interest'. This will take account of the need for enhanced estate management, licensing and street trading regimes to allow a streamlined process for curating and holding events.

3.38 Taking account of these factors Cabinet is recommended to agree to the provision of up to £17.8 million towards public realm works, specifically accelerating its delivery.

3.39 To reflect the financial benefits that this will bring to Quintain, it is recommended that tying this funding to Quintain working with the Council to deliver an alternative to NW04 than that which has planning permission, facilitating part of the Educational Quarter and other Council objectives for this site. This reflects the fact that Quintain is likely to get reduced development values/profits. To maximise the place-making and commercial outputs of the changes to the Olympic Way public realm, it is recommended that Cabinet note the need for a future report setting out the potential change in status of Olympic Way to an 'Area of Special Interest', with the associated need for enhanced estate management, licensing and street trading regimes to allow a streamlined process for curating and holding events.

4.0 Financial Implications

4.1 The cost of the Council's share for Zone B is estimated to be up to £5.2m +10% contingency (total £5.7m). This calculation was based on cost estimates from the quantity surveyor for Zone B works. Similar quantity surveyor work has been used to estimate the costs of Zone C. Depending on the split between the Council, Quintain and the stadium the contribution to Zone C will range from £8m+10%

contingency (total £8.8m) to £11m+10% contingency (total £12.1m). This totals a maximum contribution of £17.8m.

4.2 The works undertaken will be commissioned by Quintain as part of a wider contract. The Council's final contribution will be based on quantity surveyor validated assessment of costs of works associated with the public realm elements of the contract within Zone B that the Council has agreed to fund and any future agreement in relation to Zone C.

5.0 Legal Implications

5.1 The upgrade of the Zone B and C public realm will be part of a wider procurement process that has been undertaken by Quintain which has gone through a rigorous competitive tender process, supported and challenged by Quintain's quantity surveyor advisors. The Council funding the works through this process is considered appropriate in terms value for money associated with the economies of scale associated with a larger contract and also timing of delivery. Volker Fitzpatrick will be undertaking the works.

5.2 A memorandum of understanding will be agreed between the Council and Quintain to tie the funding to Quintain not pursuing the current plans for NW04. Agreements between the Council and Quintain will need to be concluded regarding sharing of income related to public realm improvements of Olympic Way, but this is likely to be clarified in the proposed Cabinet paper on Olympic Way being designated as an 'Area of 'Special Interest'.

5.3 Part VII of the Highways Act 1980 provides the Council with powers to undertake works which includes the ability to enhance the pedestrian walkway. Olympic Way is deemed a highway but it is not a highway maintained at the public expense.

5.4 Section 115E of the Highways Act 1980 provides powers to the Council to provide permission to persons other than the Council to undertake anything a Council could do in under or over a highway.

5.5 The powers above are subject to the obtaining of necessary consents from anybody who is an occupier of the building adjacent to the walkway as well as the owner of the land under over or above which the walkway subsists.

6.0 Diversity Implications

6.1 The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Council must, in exercising its functions, have "due regard" to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

2. Advance equality of opportunity between people who share a protected characteristic and those who do not.

3. Foster good relations between people who share a protected characteristic and those who do not.

6.2 Statutory public consultation has been carried out in the determination of the planning application for the works to Olympic Way which have taken account of the impacts with regards to disabilities and pregnancy/maternity through inclusive and accessible design consistent with policy and guidance. This includes issues such as gradients/obstructions, appropriate spacing of seating/resting points for mobility issues, use of contrasting colours/tones for materials, tactile surfaces and lighting for visibility impairment. However an Equalities Analysis Assessment screening opinion has been undertaken which confirms that the impacts on those with a disability and those with a pregnancy/maternity protected characteristics will not be adversely affected by changes to Olympic Way.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None arising specifically from this report.

Background Papers

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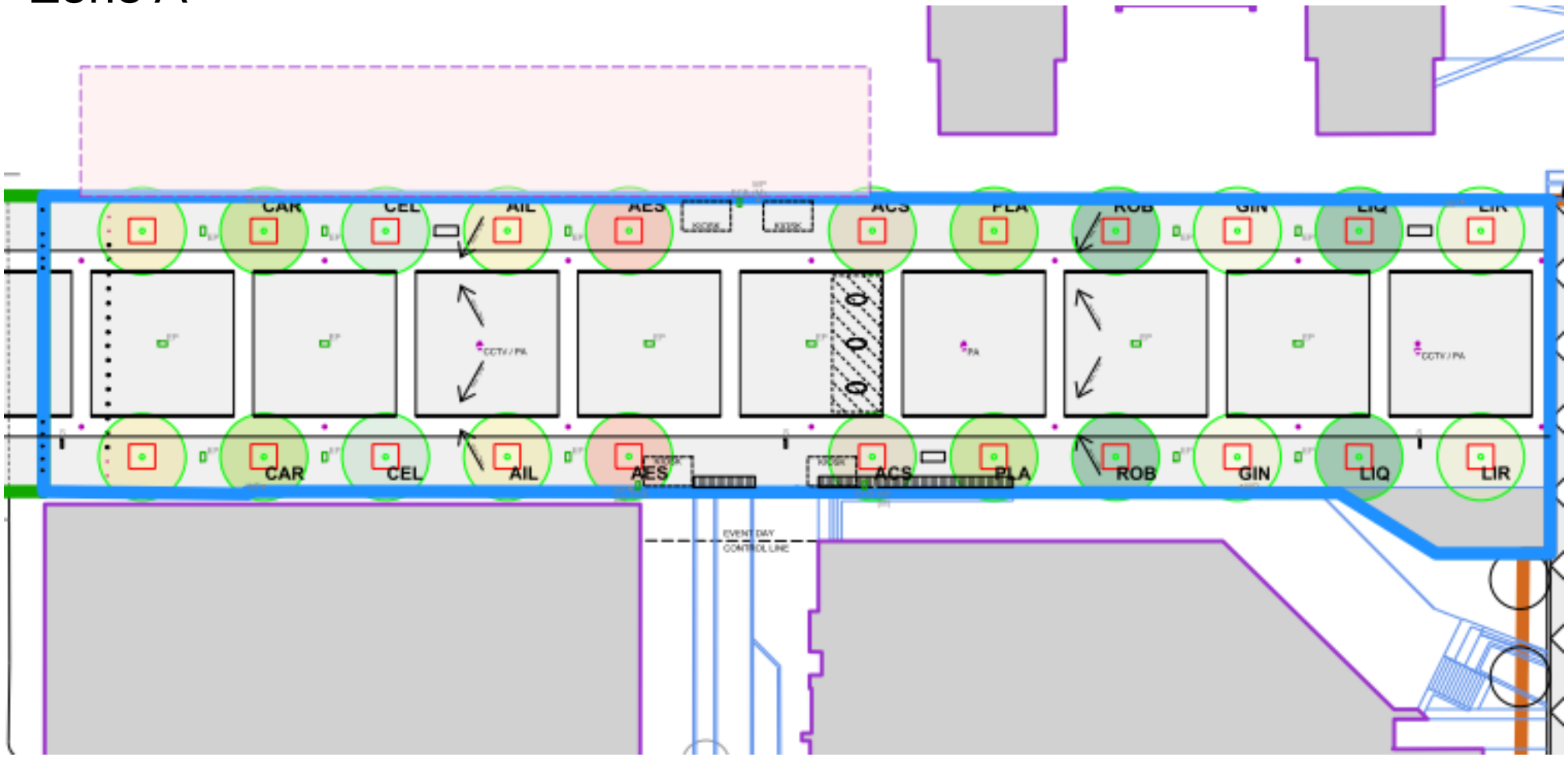
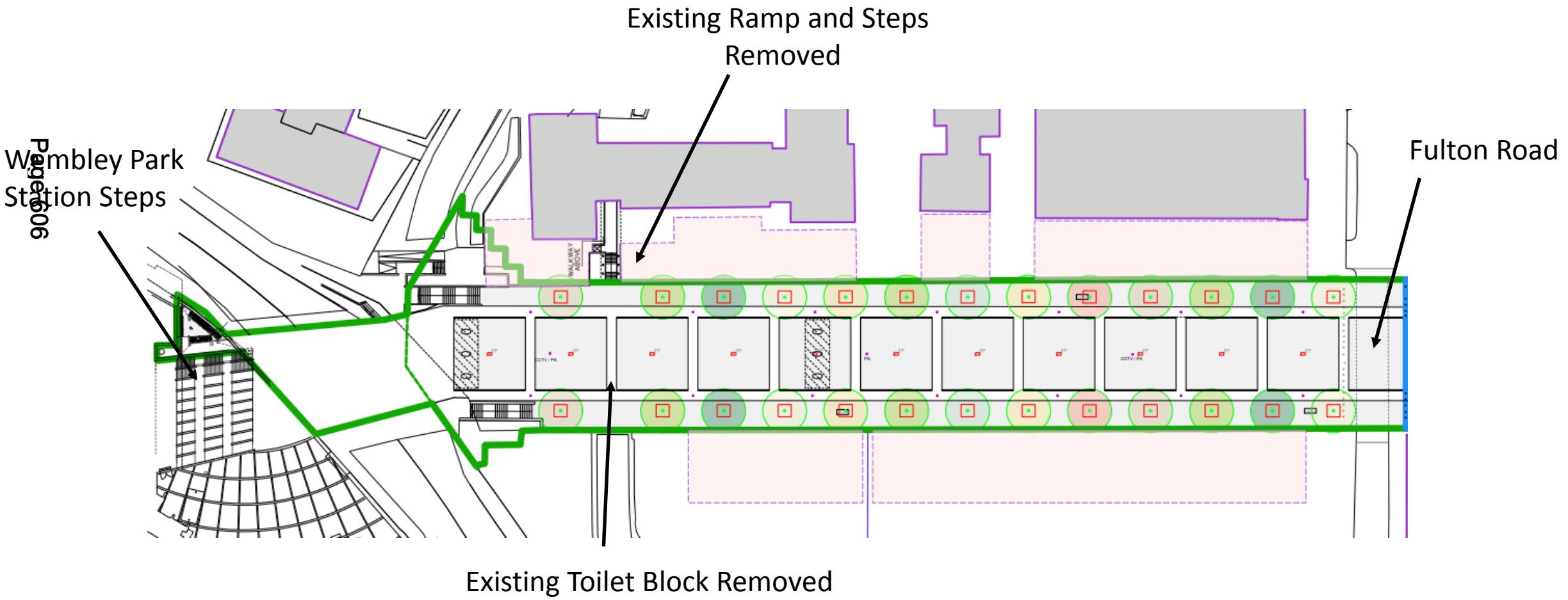
Appendix 1

Illustrations of Zones A-C Public Realm Works to Olympic Way

Zone A

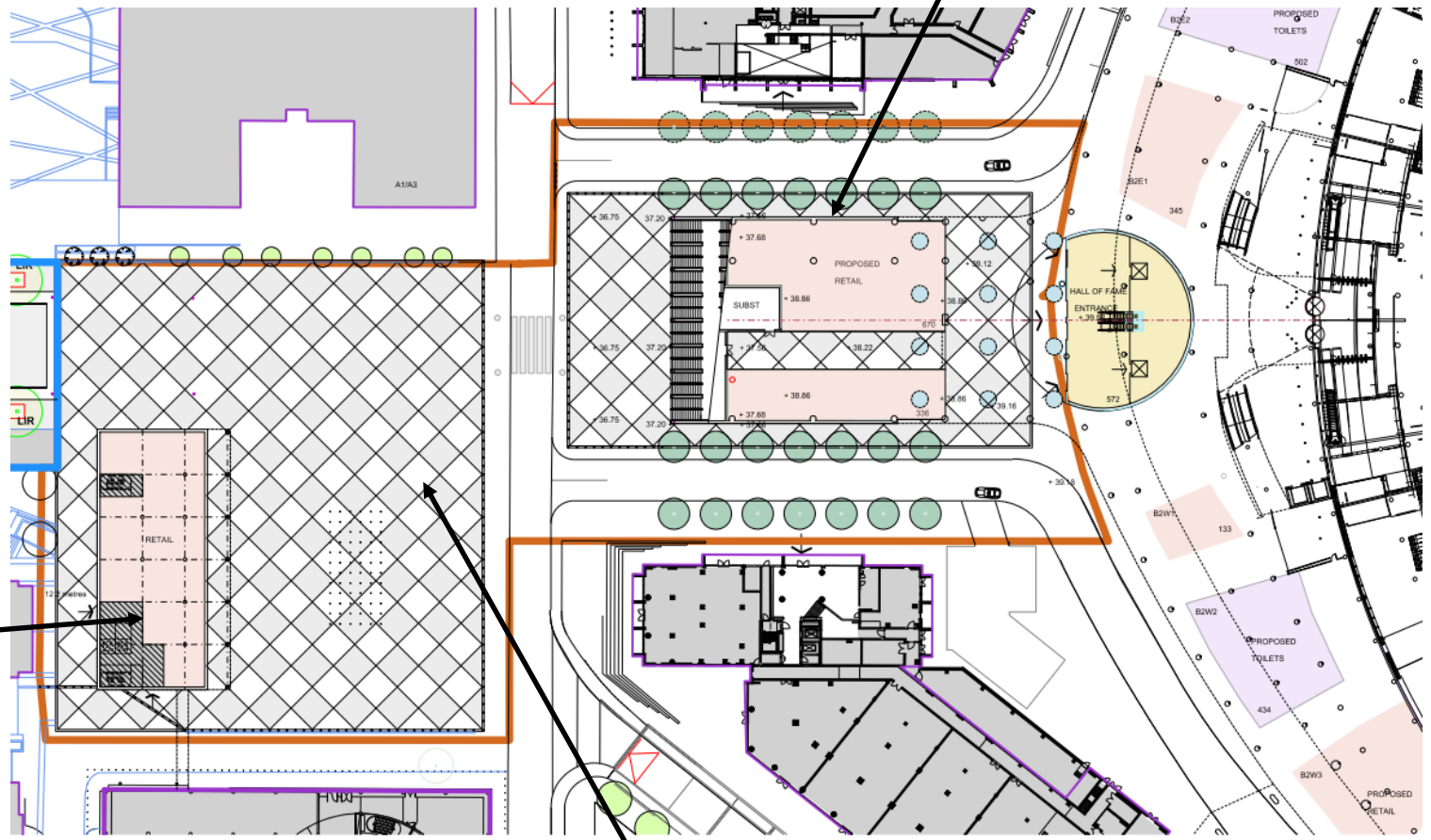


Zone B


Existing Ramp and Steps Removed
Wembley Park Station Steps
Fulton Road
Existing Toilet Block Removed

Zone C

New Steps to Replace Pedway

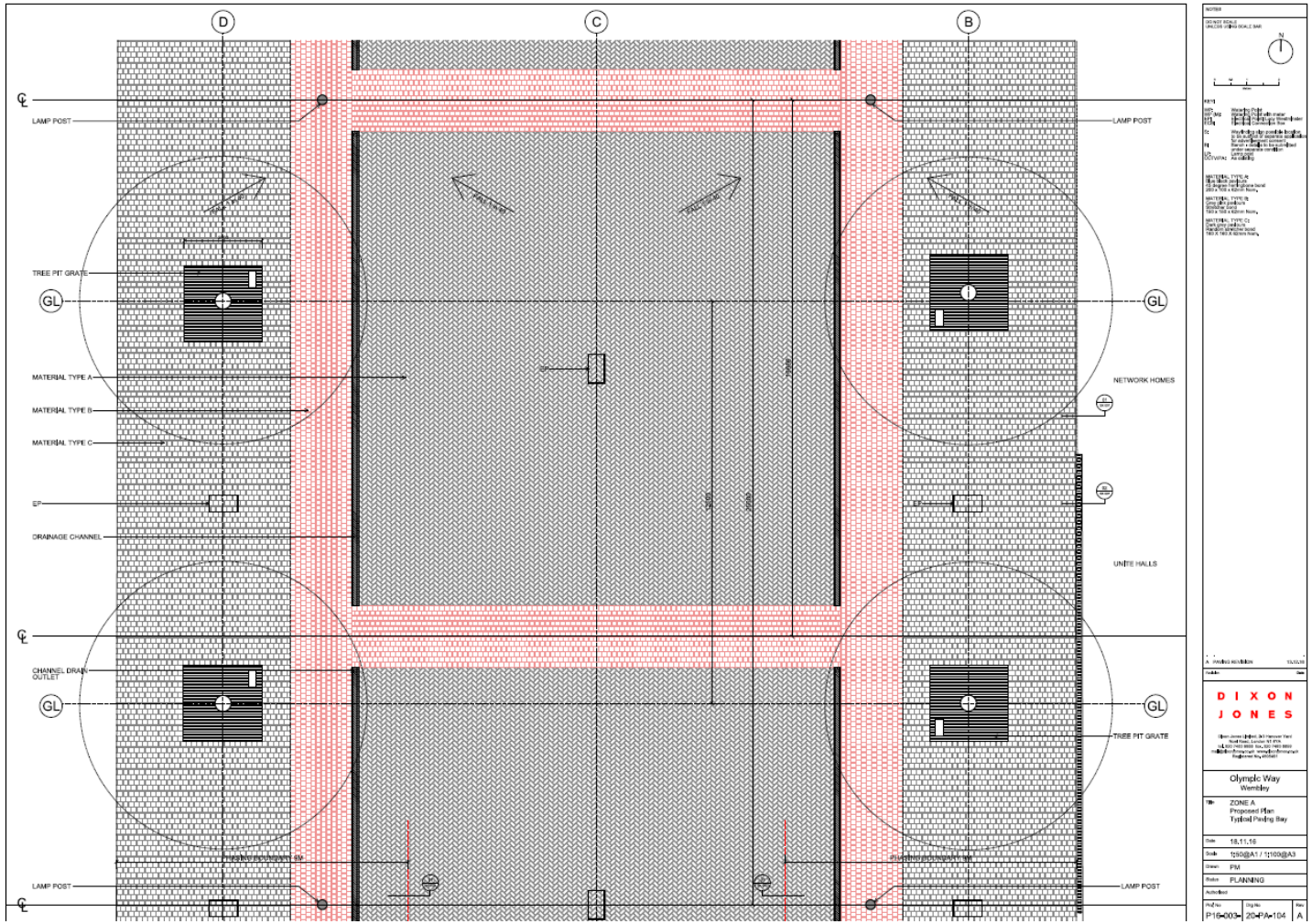


Alternative Proposal For NW04 Reducing Building Footprint

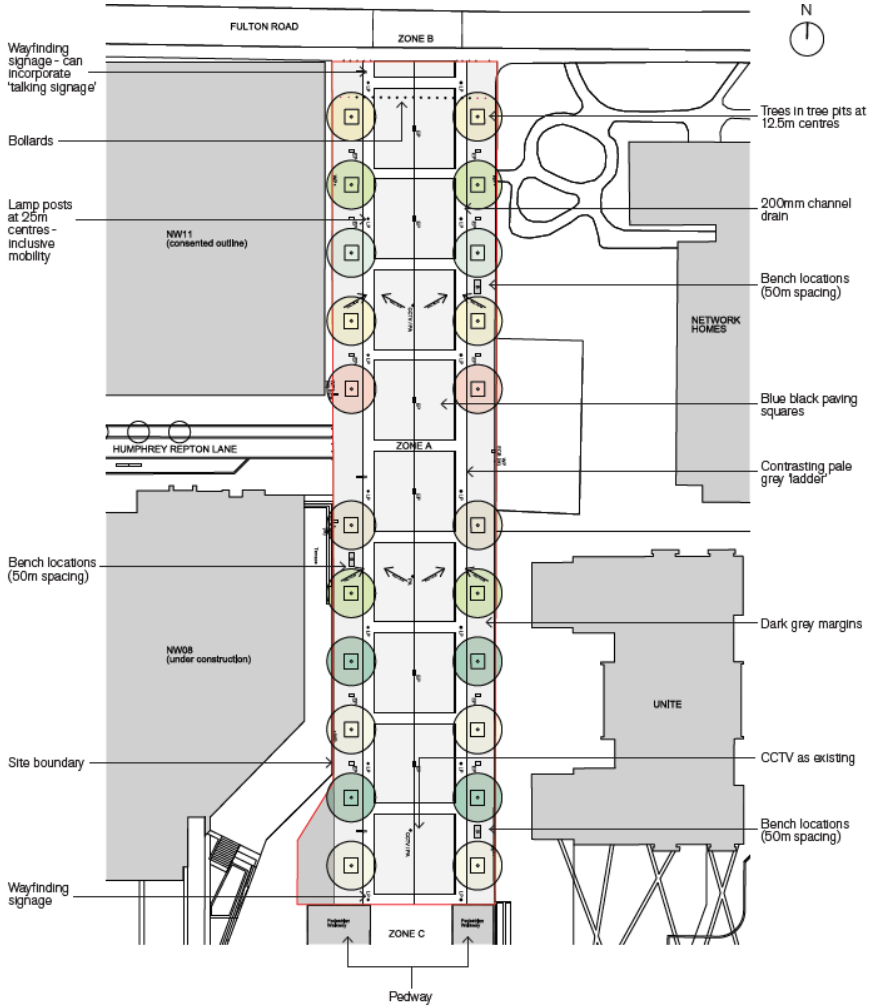
Space Freed Up North of Engineers' Way

Zone C

General Layout of Public Realm for Zones A & B

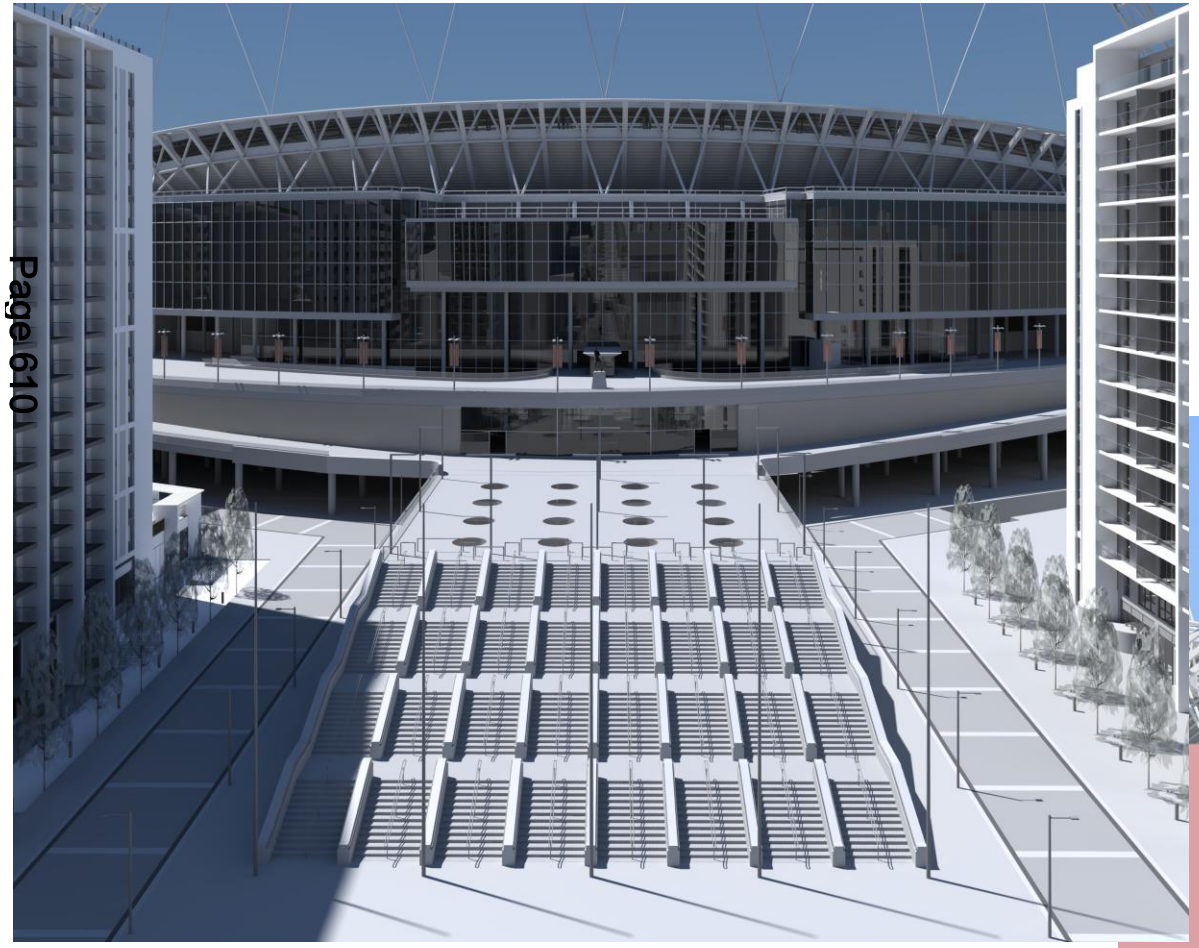


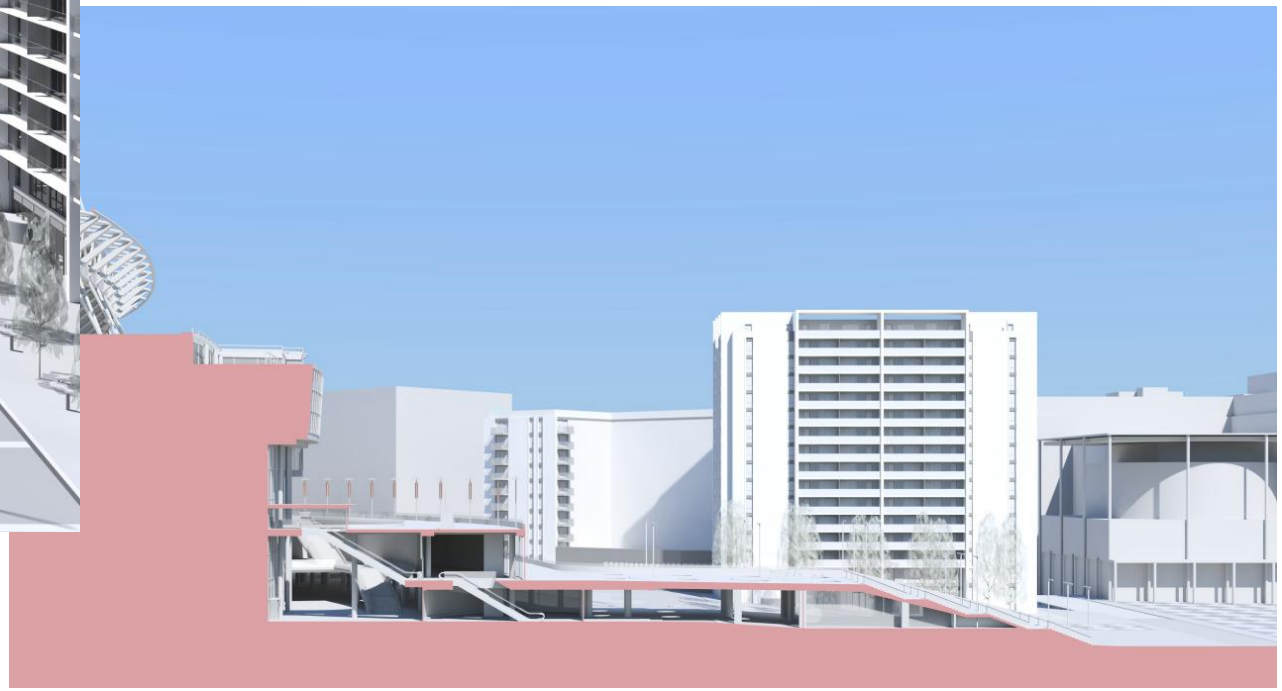
General Layout of Public Realm for Zones A & B



Proposed plan of Zone A showing site boundary, trees, paving pattern, drainage and paving falls.

Zone C View of New Steps

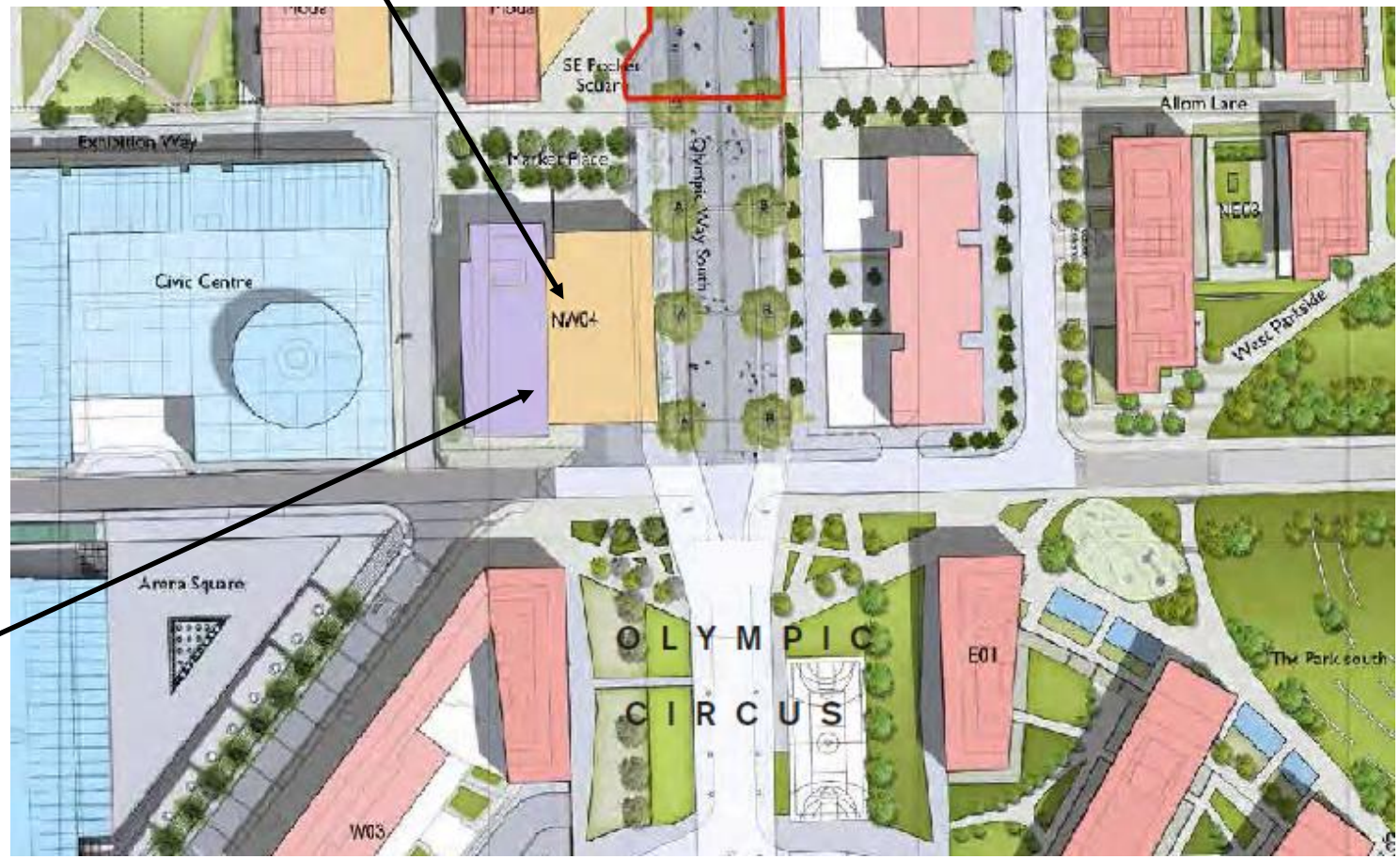




Appendix 2 NW04 Site

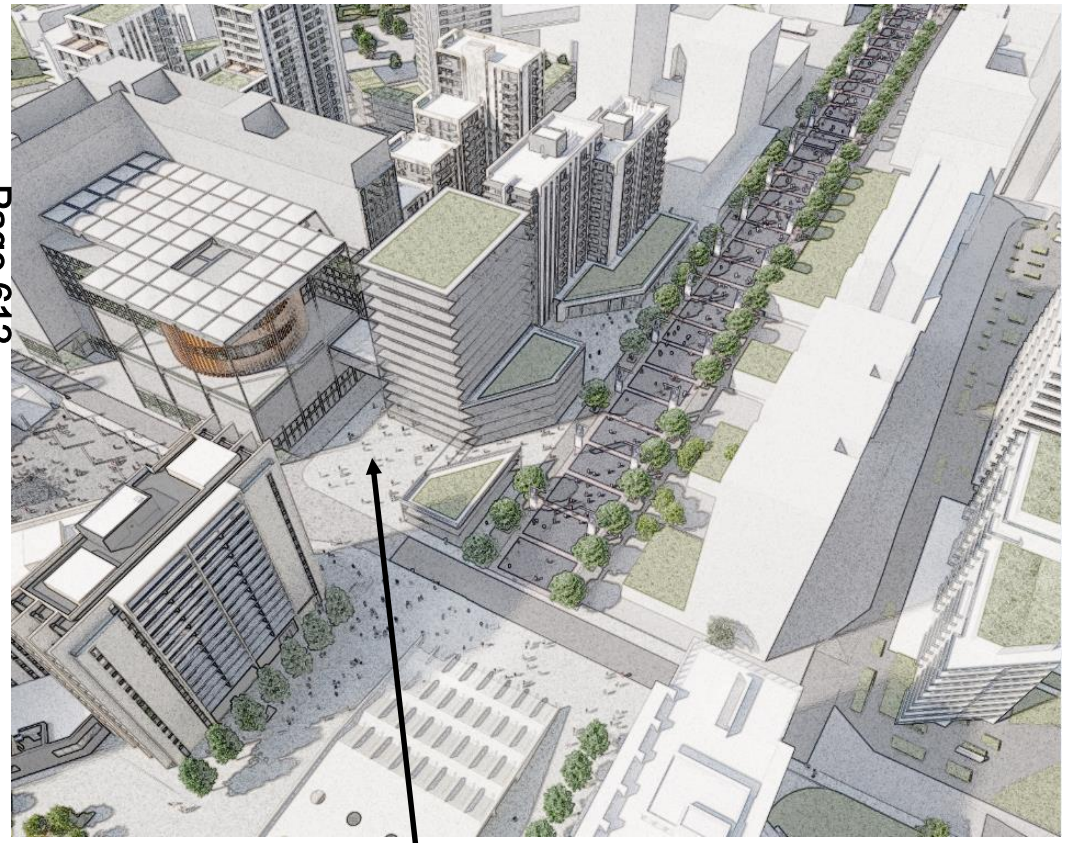
Extent of Potential Building in Existing Outline Consent

Opportunity Area to Create Square to Complement Library Entrance/ Link to Olympic Way



Appendix 2 NW04 Site

Potential Alternatives



Tighter Square

More Expansive Square