

MEETING

CABINET RESOURCES COMMITTEE

DATE AND TIME

THURSDAY 18TH APRIL, 2013

AT 8.00 PM (OR AT THE CONCLUSION OF THE PRECEDING CABINET MEETING)

VENUE

HENDON TOWN HALL, THE BURROUGHS, NW4 4BG

TO: MEMBERS OF CABINET RESOURCES COMMITTEE (Quorum 3)

Chairman: Councillor Daniel Thomas BA (Hons) (Chairman)

Councillors

Richard Cornelius
Tom Davey

Andrew Harper
Sachin Rajput

Robert Rams

You are requested to attend the above meeting for which an agenda is attached.

Andrew Nathan – Head of Governance

Governance Services contact: Andrew Nathan 020 8359 7029
andrew.nathan@barnet.gov.uk

Media Relations contact: Sue Cocker 020 8359 7039

ASSURANCE GROUP

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of the Previous Meeting	
2.	Absence of Members	
3.	Declarations of Members' Disclosable Pecuniary Interests and Non-Pecuniary Interests	
4.	Public Question Time (if any)	
	Reports of the Deputy Leader of the Council / Cabinet Member for Resources and Performance	
5.	Former Church Farm House Museum, Greyhound Hill, NW4 4JR	1 - 10
6.	Contract for Systems Based Internal Audit Services and Extension of Current Contract	11 - 16
7.	Write Offs of Council Tax Debts	To Follow
8.	Interim IT Infrastructure Support Solution	To Follow
	Report of the Deputy Leader of the Council / Cabinet Member for Resources & Performance and the Cabinet Member for Customer Access & Partnerships	
9.	Former Friern Barnet Library, Friern Barnet Road, N11 3JD	17 - 30
	Report of the Cabinet Member for Safety and Resident Engagement	
10.	Future CCTV Service	31 - 70
	Reports of the Cabinet Member for Education, Children and Families	
11.	Children's Service Contract Arrangements and Extensions	71 - 88
12.	Award of Early Intervention and Prevention Contracts	89 - 98

	Report of the Cabinet Member for Environment	
13.	Waste Collections for the Future	99 - 108
	Reports of the Leader of the Council	
14.	Brent Cross Cricklewood Regeneration	109 - 116
15.	West Hendon Regeneration Scheme	117 - 158
	Report of the Cabinet Member for Housing	
16.	Proposed Amendments to the 30 year Capital Works Programme for Council Housing in Barnet	159 - 170
17.	Any other item(s) that the Chairman decides are urgent	
18.	<p>Motion to Exclude the Press and Public</p> <p>That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 12A of the Act (as amended):</p>	
19.	Former Church Farm House Museum, Greyhound Hill, NW4 4JR	171 - 176
20.	Award of Early Intervention and Prevention Contracts	177 - 180
21.	Any other exempt item(s) that the Chairman decides are urgent	

FACILITIES FOR PEOPLE WITH DISABILITIES

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Meeting	Cabinet Resources Committee
Date	18 th April 2013
Subject	Former Church Farm House Museum, Greyhound Hill, NW4 4JR
Report of	Cabinet Member for Resources and Performance
Summary	To report the results of the marketing campaign and to seek approval to the grant of a four year lease of the Former Church Farm House Museum to Middlesex University Higher Education Corporation.

Officer Contributors	Judith Ellis – Valuation Manager Suzanna Lewis – Principal Valuer
Status (public or exempt)	Public (with a separate Exempt report)
Wards Affected	Hendon
Key Decision	No
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	Appendix 1 – Heads of Terms Appendix 2 - Plan No 24323/1: Site to be leased
Contact for Further Information:	Suzanna Lewis: 020 8359 7356 suzanna.lewis@barnet.gov.uk Suzanna Lewis: 020 8359 7356 (Suzanna.lewis@barnet.gov.uk)

1. RECOMMENDATIONS

- 1.1 That the Committee agree to grant a lease of the former Church Farm House Museum, as shown edged red on the attached plan no.24323/1, to Middlesex University Higher Education Corporation on the terms set out in Appendix 1 to this report and in Section 9.3 of the accompanying Exempt report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee 28 July 2011 – (Decision Item 7) – resolved: (1) That the Council’s freehold interest in Church Farm House Museum be declared surplus to its requirements;(2) That the disposal of the freehold interest be advertised on the open market to seek details of proposed schemes and initial bids; and (3) That the appraisal and results of the open market testing be reported to a future meeting of the Cabinet Resources Committee for further consideration.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan 2012 – 13 has a corporate priority ‘Better Services with Less Money’. One of the strategic objectives of this corporate priority is to make the ‘best use of our collective resources’. The grant of a lease of the Former Church Farm House Museum to Middlesex University delivers the revenue savings required whilst providing a measure of community access.
- 3.2 The Council’s Estates Strategy 2011-2015 sets out the commitment to continually review the use of council assets so as to reduce the cost of accommodation year on year. The recommendation supports this, by reducing costs and potentially generating a letting for the Council in line with this objective.

4. RISK MANAGEMENT ISSUES

- 4.1 Leaving the building empty will increase the risk of further dilapidations and continued decline in an unused facility which potentially attracts misuse.
- 4.2 It is considered likely that the grant of a lease of this property will raise significant levels of public concern as local residents have a particular focus on the future of this site.
- 4.3 The Legal Aid, Sentencing and Punishment of Offenders Act 2012, which came into effect at the beginning of September 2012, makes it an offence for an individual to enter and live in a residential building in the knowledge that they are trespassing on that property. This has meant commercial property has been placed at greater risk as a result and has now become the focus of some groups for illegal occupation as living accommodation.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The proposed recommendation supports an opportunity to improve the asset whilst also giving some community access for a period of four years.
- 5.2 Under the Equality Act 2010, the Council must have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are; age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.
- 5.3 The proposal has been considered and will not give rise to any issues under the Council's Equalities Policy and do not compromise the Council in meeting its statutory equalities duties – indeed they enhances the services available to a full range of local residents.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The financial and property implications are set out in Section 9 and Appendix 1 of this report and in Section 9.3 of the accompanying Exempt Report.

7. LEGAL ISSUES

- 7.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 (as amended) to dispose of land held by them in any manner they wish. The only constraint is that, except with the consent of the Secretary of State, a council cannot dispose of land, other than for the grant of a term not exceeding seven years, for a consideration less than the best that can reasonably be obtained. As the term of the proposed lease is four years, the Council may accept a consideration less than the best obtainable.
- 7.2 The grant of the lease will be formally documented on the basis of the terms detailed in this report, in Appendix 1 to this report, and in Section 9.3 of the accompanying Exempt report.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Constitution, Part 3, Responsibility for Functions, Section 3 (Responsibility for Executive Functions) – paragraph 3.6 details the functions delegated to the Cabinet Resources Committee. These include all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION

- 9.1 The land is outlined in red on the attached plan, having an area of approximately 0.36Ha (0.88 acres). The freehold is owned by the Council and due diligence tests have previously been undertaken to check the status of the land, as set out in the previous Report to Cabinet Resources Committee.

SUMMARY OF MARKET TESTING AND BIDDING INFORMATION

- 9.2 Following the decision of the Cabinet Resources Committee on 28 July 2011, the property was marketed and details of the proposals received are set out in Appendix 1 to the accompanying Exempt Report.
- 9.3 The marketing exercise was undertaken through the Council website and adverts were placed in two local newspaper and the Estates Gazette over a period spanning January to May 2012. Over the period 150 sets of particulars were sent out to parties interested in the site. Despite the number of particulars dispatched only 3 bids were received. Details of the bid submissions received are set out in Appendix 1 to the accompanying Exempt Report.
- 9.4 Despite the interest shown, it is evident from the number of bids received that the freehold purchase of the property is unattractive at this time. Officers consider that this is due to the planning constraints of the site, and the current challenging economic climate. Together with the level of expenditure required on the building to bring it into effective use.
- 9.5 Based on the offers received, officers are recommending the grant of a lease to Middlesex University Higher Education Corporation. The terms of the proposed lease is set out in Appendix 1 of this report and in Section 9.3 of the accompanying exempt report. Although the grant of the lease to Middlesex University Higher Education Corporation represents less than best consideration, the Council is able to proceed with this option without the consent of the Secretary of State.
- 9.6 It is considered that the prospective tenant, who has a strong record of working well with English Heritage and of achieving improvements to heritage buildings , could achieve improvements which will make the property more marketable by the end of the lease term.

9.7 The prospective tenant will also commit to covering the costs of managing and maintaining the grounds of the building, as well as making the building available for community use over the term of the lease. Overall this solution will increase the future options for this property at the end of the term, which includes a more marketable property as well as opening up the realistic potential for sustainable increased use at this site.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SS

Appendix 1

HEADS OF TERMS

(Subject to Contract and Subject to Committee Authority)

Proposal for a Contracted out lease of Former Church Farm Museum,
Greyhound Road, London, NW4 4JR

- 1 LANDLORD:** The Mayor & Burgesses of The London Borough of Barnet

North London Business Park
Oakleigh Road South
London
N11 1NP

Tel: 020 8359 7356
- 2 LANDLORD'S SOLICITOR:** Legal Services to Barnet and Harrow Council
Harrow Council
PO Box 2
Civic Centre
Station Road
Harrow
HA1 2UH

(DX 30450 HARROW 3)
- 3 TENANT:** Middlesex University Higher Education Corporation
The Burroughs
London
NW4 4BT
- 4 TENANT'S SOLICITOR:** Nabarro, LLP, Lacon House
Theobald's Road
London
WC1X 8RW
- 5 THE PROPERTY:** Former Church Farm House Museum, as shown edged red on the attached plan.

With rights of way shown in brown
- 6 RENT:** Set out in Section 9.5 of Exempt Report
- 7 TERM:** 4 years from date to be agreed, the tenancy to be excluded from sections 24 to 28 of the

Landlord and Tenant Act 1954.

- 8 USER:**
- Not to carry on upon the Property any noisy noxious offensive or dangerous trade or occupation.
- Not to use the Property for any illegal or immoral purpose.
- Not to use the Property otherwise than:
- For the purposes of the provision of Classes B1(a) (i.e. as an office other than a use within class A2 (financial and professional services), or D1 (i.e. as a non-residential institution) of the T&CP (Use Classes) Order 1987, or for storage purposes. The hiring of the premises for community, fundraising and recreational purposes will be permitted from Monday to Friday 7 pm – 10 pm and on Saturday and Sunday 9 am – 10 pm.
- 9 COMMUNITY USE**
- The premises is to be available to Community Groups in line with clause 8.
- 10 MAINTENANCE AND REPAIR:**
- The Tenant is not required to keep the building in any better state of repair than evidenced in a photographic schedule. (Note a base line as the building is subject to improvements as set out in clause 16).
- 11 SERVICES**
- The Tenant is to be responsible for the payment of all gas, electricity, water and any other services provided to the premises as well as for the payment of rates.
- 12 ALTERATIONS:**
- The Tenant shall not carry out additions or alterations and due to the Grade II * status of the property any proposals for internal partitioning either erected/removed will not be permitted without the Council's previous consent.
- 13 ALIENATION:**
- Not to assign, underlet or part with or share possession of any part of the Property.
- 14 INSURANCE:**
- The Landlord is to insure the Property in respect of the usual perils and the Tenant is to reimburse the premiums so expended.

- 15 MAINTENANCE - GROUNDS** The Landlord is to maintain the area hatched green on the plan and the tenant is to reimburse the costs of the maintenance.
- 16 BUILDING IMPROVEMENT EXPENDITURE:** The tenant is to improve the property and; over the term of the lease, will expend the minimum sum detailed in Section 9.5 of the accompanying exempt report. This sum may be altered with the prior consent of the Corporation.
- 17 AGREEMENT COSTS:** The tenant will pay the council's legal fees as set out in the accompanying Exempt report.

Appendix 2 – Plan No: 24323/1 of leased area Lease Plan



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AGENDA ITEM 6

Meeting	Cabinet Resources Committee
Date	18 th April 2013
Subject	Contract for Systems Based Internal Audit Services and Extension of Current Contract
Report of	Cabinet Member for Resources and Performance
Summary	<p>This report requests authorisation for officers to proceed on a procurement activity to procure a contract for systems based Internal Audit Services. The procurement will be completed with Islington local authority as lead.</p> <p>This report further requests approval to extend the value of the current systems based Internal Audit Services contract by £140,000.</p>
Officer Contributors	<p>Maryellen Salter, Assurance Director</p> <p>Clair Green, Operational Assurance Assistant Director</p>
Status (public or exempt)	Public
Wards Affected	None
Key Decision	No
Reason for urgency / exemption from call-in	Not applicable
Function of	Executive
Enclosures	None
Contact for Further Information:	Clair Green 0208 359 7791

1. RECOMMENDATIONS

- 1.1 That authorisation is given to the Assurance Director to proceed on a procurement activity with a number of boroughs, with London Borough of Islington as lead, to procure a new Contract for systems based Internal Audit Services.**
- 1.2 To extend the value of the current Contract by £140,000.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 On the 28th July 2011, Cabinet Resources Committee approved the awarding of the contract to Price Waterhouse Coopers (PWC) for a period of three years starting 1st August 2011 using Management Consultancy and Accounting Services – Audit and Assurance Advice and Services - Framework RM662/L13, and with the option for 1 year extension. The contract included the provision of internal audit, risk management and counter fraud services.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Effective audit and risk assurance arrangements support continuous improvement in the delivery of Council's key priorities in particular Better Services with Less Money.
- 3.2 A comprehensive Internal Audit Plan is essential to giving an annual Internal Audit Opinion on the internal control environment (ICE) which is fundamental for the achievement of all of the Council's objectives. This opinion forms an integral element of the Annual Governance Statement.
- 3.3 Each internal audit will be mapped to the corporate priority that it supports. In addition the Annual Plan is based on the risks identified by the organisation
- 3.4 The Council, under Part 2 (Para 3) of the Financial Regulations of the Council's procedure rules, requires provision of an adequate and effective system of internal audit.

4. RISK MANAGEMENT ISSUES

- 4.1 The risks of failing to secure this resource post a tendering exercise or to extend the value of the current contract are as follows
 - a) Weaknesses in the effectiveness of internal control in key areas are not identified and addressed owing to an inability to complete the audit plan and the inability to achieve the required audit coverage across all Council Services areas.
 - b) An inability, owing to the lack of adequate coverage, for Internal Audit to support assertions in the Annual Governance Statement or to express an opinion around the effectiveness of the Council's Governance framework,

including the system of internal control which must be reported in the Annual Governance Statement under Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.

- c) Non compliance with the Accounts and Audit Regulation 2003 which states at Section 6 that “a relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices.”

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, ‘protected characteristics’ are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination.
- 5.2 The provision of internal audit and risk management services affects all members of the community in a consistent way, including those with protected characteristics.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 This is an opportunity to join a larger number of boroughs submitting jointly for a tender and therefore potential for lower rates and opportunity for better Value for Money.
- 6.2 The cost of this contract will be contained within the Assurance Group budget.
- 6.3 In addition, the existing contract value will be extended by £140,000 up to contract award. This will be met within the current internal audit budget. The original contract was awarded at a minimum of £286,180 for a three year period and the expected term of the contract will not be exceeded. The total value therefore of the contract is £426,180.

7. LEGAL ISSUES

- 7.1 In its participation in the procurement with other local authorities, the Council must ensure that its duties under the Public Contracts Regulations 2006 (as amended) are met, together with its duties of equality of treatment, non-discrimination and transparency, pursuant to the Treaty on the Functioning of the European Union.
- 7.2 The Council’s public sector equality duty is set out in Section 5, above.

8. CONSTITUTIONAL POWERS

8.1 Council Constitution, Part 3, Responsibility for Functions – Section 6.5 details the terms of reference of the Cabinet Resources Committee.

8.2 The Council's Constitution (Contract Procedure Rules) sets out the authorisation process for entering contractual commitments.

8.3 The following is an extract from the Contract Procedure Rules contained within the Constitution as it relates to the Procurement Plan:-

“Authorisation” is the approval required before quotations or tenders for supplies, services or works may be sought in accordance with Section 3.2.

Section 5 outlines Authorisation and Acceptance Procedures, including:

5.1 The aim is to speed up the procurement process by removing unnecessary bureaucracy – in this case, a duplication of the authorisation process.

5.2 Any contract, including additions, extensions and variations, which have been included in a directorate or service's Budget and supporting plans and strategies or any other Committee approved plan is deemed as authorised irrespective of value.

5.3 Any contract which has not been authorised as set out in 5.2 must be Authorised as set out in Table 5-1”. (This details Authorisation and Acceptance Thresholds for Works, Supplies and Services).

8.4 The following is an extract from the Contract Procedure Rules contained within the Constitution as it relates to acceptance parameters for Contract Extensions.

5.6 The Acceptance thresholds for contract additions, extensions and variations are as set out in Table 5-2. Contract extensions and variations are, also, subject to the following:

5.6.1 The initial contract was based on a competitive tender or quotations;

5.6.2 The initial contract has not been extended before; and

5.6.3 The value of the extension is less than half the cost of the existing contract without the extension and has a budget allocation having had regard to the following:

- i. If initial contract was subject to EU tender procedure that the extension option was declared within the OJEU notice; acceptance report (Delegated Powers Report/Cabinet Resources Committee Report) and the contract includes extension clauses
- ii. If initial contract value was subject to sub EU threshold procedure (Barnet tender/ quotation process) the extension does not take the value past EU threshold

9. BACKGROUND INFORMATION

- 9.1 On the 28th July 2011, Cabinet Resources Committee approved the awarding of the contract to Price Waterhouse Coopers (PWC) for a period of three years starting 1st August 2011 using Management Consultancy and Accounting Services – Audit and Assurance Advice and Services - Framework RM662/L13, and with the option for 1 year extension. The contract included the provision of internal audit, risk management and counter fraud services.
- 9.2 An opportunity has arisen to go out to market with several other London Boroughs to procure Internal Audit, Anti Fraud and Risk Management Services. It is likely that the combined purchasing power of all the Boroughs involved will drive down costs while still preserving quality, however it should be noted that quality with assurance activity is of primary importance and will be reflected in the tender exercise.
- 9.3 This opportunity was flagged to Corporate Procurement prior to the production of the forward plan, approved by Cabinet Resources Committee in November 2012, however it was omitted from the list. This report therefore is required by virtue of the Contract Procedure Rules (CPRs) contained within the Constitution to make authorisation to proceed possible.
- 9.4 As the procurement is unlikely to be finalised within a short period of time authorisation is requested to extend the value of the current three year contract. We expect the current value previously reported to Cabinet Resources Committee to be exceeded by the time Procurement is complete and the contract signed and request that the committee agree the extension of the value of the current contract by £140,000, the original contract was for a three year period and the time period is not expected to be exceeded.
- 9.5 The Council is able to request an extension to the value of the current contract as the initial tender process and awarding of the contract satisfied the requirements as set out in the council's CPR's pertaining to contract extensions. The contract has not been extended previously and the requested extension value of £140,000 is less than half the existing value of the current contract which has a total value of £286,180 over the 3 year period; the framework RM662/L13 was let under OJEU procurement regulations and the extension option was declared within the mini-tender documentation and reflected in the contractual arrangement.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SS

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Meeting	Cabinet Resources Committee
Date	18 th April 2013
Subject	Former Friern Barnet Library, Friern Barnet Road, N11 3JD
Report of	Cabinet Member for Resources and Performance and Cabinet Member for Customer Access & Partnerships
Summary	To seek approval to (i) the grant of a two year lease of Friern Barnet Library to Friern Barnet Community Library (ii) the award of grant funding of £25,000 per year for two years, and (iii) notes the positive response of the local community to these proposals.

Officer Contributors	Bill Murphy – Interim Director - DRS Judith Ellis – Valuation Manager Suzanna Lewis – Principal Valuer
Status (public or exempt)	Public
Wards Affected	Coppetts Ward
Key Decision	No
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	Appendix 1 – Conditions of Funding Appendix 2 – Agreed Heads of Terms Appendix 3 – Plan No 24389: Site to be leased
Contact for Further Information:	Bill Murphy: 020 8359 2142 Bill.Murphy@barnet.gov.uk Suzanna Lewis: 020 8359 7356 (Suzanna.lewis@barnet.gov.uk)

1. RECOMMENDATIONS

1.1 That the Committee agrees to:-

- a) Grant a lease of Friern Barnet Library, as shown edged red on the attached plan no.24389, to Friern Barnet Community Library on the terms set out in this report and in Appendix 2 to the report.**
- b) Award grant funding of £25,000 per year for each of the financial years 2013/14 and 2014/15 to Friern Barnet Community Library to run Friern Barnet Library as a community library to be funded from council reserves.**
- c) Ensure that officers respond, within a period of not more than two months, to any proposals from a formally constituted community group for the longer term use of the former Friern Barnet Library building.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 26 July 2011, Decision Item 5, Strategic Library Review – resolved to implement the library strategy subject to consideration of the feasibility of any community initiatives from residents made on or before 31 October 2011.**
- 2.2 Cabinet, 20 February 2012, Decision item 7, Community Library Process – reaffirmed the decision to transfer services from Friern Barnet and North Finchley Libraries to a new Landmark Library based at the Arts Depot.**

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan 2012 – 13 has a corporate priority ‘Better Services with Less Money’. One of the strategic objectives of this corporate priority is to make the ‘best use of our collective resources’. The grant of a lease of the former Friern Barnet Library to Friern Barnet Community Library delivers the revenue savings required while retaining the facility as a community asset.**

4. RISK MANAGEMENT ISSUES

- 4.1 Leaving the building empty will increase the risk of further building dilapidation for the former Friern Barnet Library and continued decline in an unused facility which potentially attracts misuse.**
- 4.2 It is considered likely that the sale of this property will raise significant levels of public concern as local residents have a particular focus on the future of this site.**

- 4.3 As a direct outcome of the recent changes which came into effect at the beginning of September 2012 to squatter legislation, stronger protection over residential property was introduced by the criminalising of squatting of residential property, but this has meant commercial property has been placed at greater risk as a result and has now become the focus of some groups for illegal occupation as living accommodation.
- 4.4 This property, with security measures in place, was illegally broken into and occupied by squatters on the 5th September 2012. While the council undertook and won court action to regain control of the building, a negotiated settlement was reached with the local community which has ensured that the property is not left vacant and has led to a peaceful outcome to the occupation without the wasted cost of eviction action.
- 4.5 The property was listed by the Council on a published 'Register of Community Assets' on 7th December 2012 as a result of a successful nomination submitted by a qualifying group under the Community Right to Bid (Assets of Community Value) provisions of the Localism Act 2011, which came into force on 21 September 2012, one of the aims of which is to ensure that buildings and amenities can be kept in public use and remain an integral part of community life.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The proposed recommendation supports the community, for an initial period of two years, to operate a community library and develop a wide range of community activities for local residents
- 5.2 Under the Equality Act 2010, the Council must have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are; age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.
- 5.3 The proposal has been considered and will not give rise to any issues under the Council's Equalities Policy and do not compromise the Council in meeting its statutory equalities duties – indeed they enhance the services available to a full range of local residents.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The financial and property implications are set out in Section 9 of this report. The council will award a grant of £25,000 per year to FBCL, for the two years 2013/14 and 2014/15, subject to the group complying with the council's standard conditions of grant as attached at appendix 1. This to be funded from a one-off use of council reserves.

7. LEGAL ISSUES

- 7.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 (as amended) to dispose of land held by them in any manner they wish. The only constraint is that, except with the consent of the Secretary of State, a council cannot dispose of land, other than for the grant of a term not exceeding seven years, for a consideration less than the best that can reasonably be obtained. As the term of the proposed lease is two years, the Council may accept a consideration less than the best obtainable.
- 7.2 The grant of the lease will be formally documented on the basis of the terms detailed in this report and the Heads of Terms set out at Appendix 2.
- 7.3 The award of the grant will be formally documented on the basis of the terms detailed in this report and the terms set out at Appendix 1 - The council's standard conditions of grant aid.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Constitution, Part 3, Responsibility for Functions, Section 3 (Responsibility for Executive Functions) – paragraph 3.6 details the functions delegated to the Cabinet Resources Committee. These include grants to voluntary organisations above £20,000, and all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION

- 9.1 The background to the Former Friern Barnet Library site was set out in the report submitted to and considered by the Cabinet at its meeting on 26 July 2011.
- 9.2 Since that report the circumstances which required the sale of Friern Barnet Library in order to achieve a capital receipt have changed in a number of respects. Specifically, as a result of the One Barnet NSCSO programme, savings, greater than originally expected, have been achieved. An element of these savings can be deployed to fund the

capital programme, rather than relying on the full range of receipts envisaged when the strategy was originally agreed.

- 9.3 In addition, as indicated above, the property has also been listed as an asset of community interest. It has also been placed on the local heritage list, and part of the surrounding land is subject to an application for registration as a town or village green.
- 9.4 Given the significant community interest and formation of a limited company – Friern Barnet Community Library - officers recommend the grant of a two year lease, at a peppercorn rent, to enable them to demonstrate if they are able to operate a community library from the site.
- 9.5 In order to assist this process, in common with the principle by which the community library in Hampstead Garden Suburb is assisted, it is proposed to make a grant award equal to two years worth of pump-priming funding to give the new organisation a firm basis from which to establish itself and to explore other funding options. This funding is recommended at a sum of £25,000 per year for 2013/14 and 2014/15.
- 9.6 There is a specific concern within the community about what happens at the end of the two years of the lease. The council has an expectation that the prospective lessees will seek to explore, with the support of the council and Community Barnet, a range of options for longer term funding and present the council with a proposal for a longer term arrangement. To assure the community that the council is serious about this, it is proposed that the council commits that officers will respond to any such proposal within a two month timeframe
- 9.7 Attached as Appendix 1 sets out the councils standard conditions of grant. Appendix 2 sets out the agreed heads of terms for the two year lease.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Cleared by Finance (Officer's initials)	JH
Cleared by Legal (Officer's initials)	SS

Appendix 1

COUNCIL STANDARD CONDITIONS OF GRANT AID

In these conditions, 'the organisation' means the voluntary organisation, society, association or company to which the Council has agreed to make a grant; and 'the Council' means the Barnet London Borough Council.

1. Any grant is made on the strict understanding that the organisation is a non-profit sharing and non-political organisation which provides services or undertakes activities for the benefit of all or some of the inhabitants of the London Borough of Barnet.
2. The organisation shall seek neither to promote nor oppose any political party or party political cause; nor otherwise engage in party political activities; nor publish or cause or permit to be published any material which, in whole or in part, appears designed to affect public support for a political party. The organisation shall also have regard in issuing publicity to any guidance published by the Council in pursuance of the provisions of the Local Government Act 1986.
3. The organisation shall on request provide the Council with a copy of its constitution, rules, Trust Deed or Memorandum and Articles of Association; shall comply with the same in the conduct of its affairs; and shall notify the Council immediately of any change.
4. All income and property of the organisation shall be applied solely towards the promotion of the objects of the organisation, and no portion of it shall be paid or distributed to members of the organisation, either during its existence or in the event of its dissolution or liquidation, except by way of sums which in the opinion of the Council are either
 - (i) reasonable and proper remuneration to any officer, servant or member of the organisation in return for any services actually rendered to the organisation; or
 - (ii) payment of interest at a reasonable rate on any loan made to the organisation; or
 - (iii) reasonable and proper rent for premises let to the organisation.
5. The organisation shall, separately and independently of any other organisation, keep proper financial records in its own right, including an annual income and expenditure account and balance sheet, which shall be made freely available at all reasonable times for inspection by the Council's officers on request. Books of account shall be kept in a manner appropriate to the scale of the organisation's activities. Where annual income or expenditure exceeds £2,000, the annual accounts shall be either professionally audited or inspected by a competent independent person, and shall be accompanied by a signed statement to that effect, as may be required by the Council. Auditor's certificates shall be in an acceptable standard format (*please see the note at the back of this document*).

6. The organisation shall provide the Council's officers with such information and proof as may be required from time to time as regards
 - (i) the use made of present and past Council grants;
 - (ii) details and statistics of the services provided to residents of the borough and the users or beneficiaries of those services; and
 - (iii) the expertise of the organisation and its servants to undertake and provide those services.

An annual report or accounts showing how any grant of £2,000 or above has been used shall be sent to the Grants Unit not more than 12 months after the relevant grant year.

7. The organisation shall allow Council officers a right of access at all reasonable times to inspect
 - (a) written records (including books of account, leases or hiring agreements, and any publicity issued by or on behalf of the organisation);
 - (b) any premises which the organisation uses for the conduct of its activities; and
 - (c) any works undertaken or items of equipment purchased with the aid of Council grant.
8. The organisation shall observe all relevant statutory requirements including those relating to employment practices and non-discrimination. The Council shall not be held liable in any way for any action, inaction or negligence on the part of the organisation, its members or officers which contravenes any statutory requirement or guidance, or results in civil action being taken in a court of law.
9. The organisation shall apply any grant only to those purposes for which it has been approved by the Council, as notified in writing, and may not use it for any other purpose except with the Council's express permission in writing.
10. The organisation shall publicly acknowledge the Council's financial support by including the Barnet Council logo in the approved format in their public literature:
 - a) in the case of start-up or one-off grants, for a period of twelve months following the award of the grant; and
 - b) in the case of a specific event, on all public literature pertaining to that event.
11. The organisation shall not enter into any commitment (e.g. the appointment of staff) which may lead to a request for additional Council grant without the Council's prior written approval.

12. Any grant is given at the discretion of the Council and relates only to that financial year for which it is approved. Such approval implies no commitment on the part of the Council to give financial or other assistance in any succeeding year. The Council will not fund the second year of any project.
13. Any material change in the organisation's circumstances which significantly affects its finances, operations or grant entitlement, including any additional source of grant income not previously declared, must be notified in writing without delay to the Third Sector Commissioning Team, North London Business Park, Oakleigh Road South, London, N11 1NP. The Council reserves the right to withhold payment of an approved grant, or to demand repayment (either in whole or in part) of any grant awarded, where in its opinion such a material change has occurred and circumstances so warrant.
14. If it appears to the Council that the organisation has failed to comply with any of the conditions subject to which the grant is made, the Council may, by written notice, demand repayment of all or such part of the grant as it may think fit, and the organisation shall forthwith repay to the Council any sums so demanded.
15. The Council further reserves the following rights:
 - (i) to withhold payment of any approved grant until such time as satisfactory proof has been provided to the Council that the relevant expenditure has been committed, or will shortly be incurred; that any necessary planning or other consent has been obtained; that any relevant statutory requirement or guidance has been complied with; and that the organisation is suitably managed, staffed, housed and equipped to undertake any function or activity for which grant is approved;
 - (ii) to pay any approved grant by such instalments as it may deem appropriate, and to deduct from payment any sum of rent, service charge or other debt owing to the Council; and
 - (iii) to appoint a representative to attend (in a non-voting capacity) the management committee or managing body of any organisation receiving a grant.

NOTE ON CONDITION 2 - Political Activities

In determining whether published material appears to be designed to affect public support for a political party, the Council will have regard to the matters set out in sub-section 2 of section 2 of the Local Government Act 1986 and to the Code of Recommended Practice on Local Authority Publicity issued by the Department of the Environment under section 4 of that Act. Sub-section 2 reads:

"In determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other

circumstances of publication and the likely effect on those to whom it is directed and, in particular, to the following matters -

- (a) whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another;
- (b) where the material is part of a campaign, the effect which the campaign appears to be designed to achieve."

NOTE ON CONDITION 5 - Audit Requirements

Our present audit requirements are:

- a) For organisations in receipt of a grant of £10,000 or more, or whose own constitution requires it, the accounts should have been professionally audited and be accompanied by a signed certificate in an acceptable standard format. The person carrying out the audit should be a qualified accountant who is a member of one of the following bodies:

The Institute of Chartered Accountants (ICA)
The Chartered Association of Certified Accountants (ACCA)
The Chartered Institute of Management Accountants (CIMA)
The Chartered Institute of Public Finance and Accountancy (CIPFA).

We recommend that the auditor's certificate should be in a standard format such as that laid down by the Consultative Committee of Accounting Bodies in the following example:

" I/we have audited the attached Income and Expenditure Account and Balance Sheet in accordance with approved auditing standards and in my/our opinion the financial statements give a true and fair view of the affairs of (organisation) as at (date)."

- b) For organisations in receipt of a grant of between £2,000 and £10,000, the annual accounts should have been inspected by a competent independent person and endorsed by a signed statement to that effect.
- c) For organisations in receipt of a grant of up to £2,000, it is sufficient for the annual accounts to have been approved by the full management committee, and then signed on its behalf by the Hon. Treasurer and at least one other member of the management committee.

Please note that audit certificates must contain both the printed name and address and the signature of the auditor, and must be dated. A photocopy will be acceptable. The council reserves the right to request a full audit of any grant-aided organisation's accounts whenever it considers there is just cause.

Appendix 2

HEADS OF TERMS

(Subject to Contract and Subject to Committee Authority)

Proposal for a Contracted out lease of Former Friern Barnet Library, Friern Barnet Road, London, N11 3JD

- 1 LANDLORD:** The Mayor & Burgesses of The London Borough of Barnet

North London Business Park
Oakleigh Road South
London
N11 1NP

Tel: 020 8359 7356
- 2 LANDLORD'S SOLICITOR:** Legal Services to Barnet and Harrow Council

Harrow Council
PO Box 2
Civic Centre
Station Road
Harrow
HA1 2UH

(DX 30450 HARROW 3)

For the attention of Sheila Saunders
Email: sheila.saunders@harrow.gov.uk
Tel: 020 8416 8491
- 3 TENANT:** Friern Barnet Community Library
Friern Barnet Road,
London
N11 3DR
- 4 TENANT'S SOLICITOR:** Stephen Crossick
JPC Law, Omni House,
252 Belsize Road,
London NW6 4BT

Tel 020-7625-4424 : DD 020644-6097
Fax 0207328-5840
Email: s.crossick@jpclaw.co.uk
www.jpclaw.co.uk
- 5 THE PROPERTY:** Former Friern Barnet Library, as shown edged red on the attached plan (excluding the area in blue).
- 6 RENT:** A Peppercorn per annum.
- 7 TERM:** 24 months from 1 May 2013 the tenancy to be excluded from sections 24 to 28 of the Landlord and Tenant Act 1954.

- 8 USER:**
- Not to carry on upon the Property any noisy noxious offensive or dangerous trade or occupation provided that the proper use of the Property for the purposes permitted below shall not be a breach;
- Not to use the Property for any illegal or immoral purpose;
- Not to use the Property otherwise than for a community library in line with the aims and objectives of the organisation's constitution with usual operating hours to be 8 a.m.-11 pm.
- 9 MAINTENANCE AND REPAIR:**
- The Tenant is to repair and keep in repair the Property (including for the avoidance of doubt all buildings structures landscaping and other erections forming part of the Property), but is not required to keep the building in any better state of repair than evidenced in a photographic schedule and surveyor's report to be attached to the lease.
- To notify the Landlord in writing immediately if any structural damage occurs to the Property.
- 10 SERVICES**
- The Tenant is to be responsible for the payment of all gas, electricity, water and any other services provided to the premises as well as for the payment of rates.
- 11 ALTERATIONS:**
- The Tenant shall not carry out any additions or alterations to the Property, other than with Landlords consent, such consent not unreasonably being withheld.
- 12 ALIENATION:**
- Not to assign, underlet or part with or share possession of the whole or any part of the Property.
- 13 INSURANCE:**
- The Landlord is to insure the Property in respect of the usual perils and the Tenant is to reimburse the premiums so expended. The Tenant will be named on the Insurance Policy, as approved by the Council Insurance.
- 14 STATUTORY OBLIGATIONS:**
- The tenant must comply with any Statutory Obligations applicable in respect of running community library related facilities.
- 15 BREAK CLAUSE:**
- If a major repairing expenditure is required the tenant may elect to terminate the lease; the Council is not obligated to cover such repairing costs. A notice period to be agreed.
- 16 AGREEMENT COSTS:**
- The Library Service shall cover the legal fees (£974) in relation to the preparation of the lease

17 OTHER:

Any other terms as reasonably required by the Council's Solicitor.

Appendix 3 – Plan No: 24389 of leased area Lease Plan



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Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Future CCTV Service
Report of	Cabinet Member for Safety and Resident Engagement
Summary	The Council’s CCTV service makes an important contribution towards delivering Barnet’s Safer Communities Strategy, by helping the Council and Police to prevent and tackle priority issues such as anti-social behaviour, violence and theft and by making a significant impact on residents’ perception of safety. This report recommends a cost effective solution for future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service’s community safety objectives.

Officer Contributors	James Mass Family & Well Being Commissioner, Ruth Murphy, Project Manager
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	1. Outline Business Case - CCTV 2. Appendix 1 Equalities Impact Assessment
Contact for Further Information:	James Mass, Family & Community Well-being Lead Commissioner James.mass@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the committee approve the Outline Business Case for the future of the CCTV service and authorise the procurement of a fully outsourced service.**
- 1.2 That the committee approve a budget of £247,000 for the implementation of the fully outsourced CCTV service in 1.1, as detailed in 6.3 from the transformation reserve.**
- 1.3 That the Committee approve that a Full Business Case will be reported to the committee with a recommendation on appointment of the successful tenderer in the autumn 2013.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 29 November 2010 (Decision item 6) – approved the One Barnet Framework and the funding strategy for its implementation.
- 2.2 Cabinet, 14 September 2011 (Decision item 5) – approved the Safer Communities Strategy.
- 2.3 Cabinet, 20 February 2012 (Decision item 6) – approved the Business Planning Report 2012/13 – 2014/15 which included within the report the five projects to be developed through strategic outline cases.
- 2.4 Cabinet Resources Committee, 20 June 2012 (Decision item 6) – approved the Strategic Outline Case for the strategic review of Community Safety.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Crime reduction and community safety are top priorities for Barnet residents. One of the new Corporate Plan priorities is “to promote family and community well-being and encourage engaged, cohesive and safe communities”.
- 3.2 The Council is a provider and commissioner of community safety services but also has a more significant local leadership role. Through chairing the Safer Communities Partnership the Council exerts strategic leadership, holds other agencies working in Barnet to account and is the driving agent of development in the system.
- 3.3 The recommendations in the outline business cases fit within the corporate change principles. In line with these principles, the refresh of CCTV will deliver:

A new relationship with citizens

- Citizens will feel safer and there will be less fear of crime as a result of confidence in CCTV to prevent and detect crime.

A one public sector approach

- Reduced crime and anti social behaviour
- Improved crime prevention as CCTV is more effectively deployed and is more of a deterrent.
- Improved technology and a more flexible camera estate which can be used to respond to crime and anti-social behaviour hotspots.

Relentless drive for efficiency

- A more efficient CCTV monitoring service.
- Improved crime prevention as CCTV is more effectively deployed leading to a reduction in economic and social costs of crime.

4. RISK MANAGEMENT ISSUES

- 4.1 Risks associated with the delivery of this project are managed and reported in accordance with corporate risk and project management processes and will also be reported through existing democratic processes.
- 4.2 A risk assessment has been completed as part of the development of the Outline Business Case.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council and all other organisations exercising public functions on its behalf are required under the Equality Act 2010, to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 An initial equalities impact assessment for the service is attached as Appendix 2 and will be reviewed at Full Business Case stage.
- 5.2 An equalities impact assessment in relation to the staffing implications from the CCTV service implementation will be completed and reviewed at General Functions Committee at an appropriate stage.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

Finance

- 6.1 A fully outsourced service, with an upgraded technical platform and Automatic Number Plate Recognition (ANPR), is estimated to deliver £80,930 savings a year. This will support the savings requirement within the Medium Term Financial Strategy (MTFS). It should be noted that annual staff savings of £200,000 are modelled in relation to the service - the low overall savings figure reflects a high cost to invest in the new technical platform.
- 6.2 The below table sets out a summary of the estimated costs and savings for a fully outsourced service over a seven year contract. The assumptions and comparison to alternative options are detailed in Appendix 2.

Table 3: Summary of costs and savings for a fully outsourced service:

Average Cost Per Year (£)	755,630
Current Service Budget (£)	836,560
Average Annual Saving compared to current service budget (£)	(80,930)
Total Savings over 7 years (£)	(566,510)

- 6.3 The anticipated costs to implement a fully managed CCTV service are £247,000 which it is recommended are met through the One Barnet Transformation Reserve. The detailed cost breakdown and assumptions are in Appendix 2. There is a £477,000 Capital Budget allocated to CCTV. It is proposed this Capital Budget is used to contribute to the provider's investment costs in the first year. This will result in larger savings to the service's revenue budget in the first year which would be used to refund the implementation costs.
- 6.4 Detailed financial modelling has been completed for three broad options:
- (1) A fully outsourced service
 - (2) An outsourced technical platform with in-house service
 - (3) An in-house service and technical platform.

Table 4: Costs and savings for each option:

	Option 1 (£)	Option 2 (£)	Option 3 (£)
Transition Costs	215,250	215,250	322,875
Contingency	-	-	346,385
Income	(350,661)	(304,060)	(304,060)
Expenditure	6,577,821	6,881,390	6,552,547
TOTAL	6,442,410	6,792,580	6,917,747
CURRENT COSTS	7,255,920	7,255,920	7,255,920
Implementation costs	247,000	220,000	234,000
NET (BENEFIT)/COST	(566,510)	(243,340)	(104,173)

- 6.5 A lower cost of investment is modelled for option 1 and 2 as it is assumed that the outsource contractor would be able to make better use of economies of scale and would have more expertise than the council in selecting and procuring the solution. It is assumed that a fully outsourced operation of the service would be able to better exploit the commercial opportunities to receive additional revenue than the other options where the service is run by the council. An outsourced service also potentially has greater economies of scale since some basic infrastructure will be able to be shared across multiple contracts reducing their unit cost of monitoring, storage, power etc. It is assumed that in Option 1 the annual staff costs of monitoring the service would be reduced over time.
- 6.6 With an in-house solution, the council maintains most of the risk for implementation and running of the service and the technical expertise does not exist in house – therefore the council would be reliant on consultants to help design the solution, whereas a provider is likely to have this expertise in house. The council would also need to manage the transition of the implementation of the new facilities to minimise disruption to the current service and would be responsible for these transition costs. With a fully outsourced service, the infrastructure could be implemented within a year with lower transition costs than for an in-house option. The in house option also has higher contingency risk than the others due to the Council owning the risks associated with the procurement of the technical platform.

Staffing

- 6.7 The procurement of a fully managed CCTV service will result in a TUPE transfer of the existing CCTV team to the new provider. The Council will not make any redundancies within the service relating to the transfer.
- 6.8 Where there is a service provision transfer then The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will operate to transfer in scope employees to a new provider. All of the Council's rights, powers, duties, and liabilities (except criminal liabilities) under or in connection with the contracts of employment of the relevant staff will transfer
- 6.9 The FTE in scope is 1 FTE Supervisor, 2 FTE Team Leaders and 14.6 FTE Operators. The service also makes use of a number of casual workers to cover sickness and other staff shortfalls.
- 6.10 Where any change results in a TUPE transfer the Council will meet all of its statutory obligations provided by TUPE, and under the TUPE Transfer Commitments which the Council implemented in the summer of 2011. Under TUPE, existing contractual terms and conditions are protected on transfer and, under the TUPE Transfer Commitments which the Council implemented in the summer of 2011, all terms and conditions are protected for at least a year and in addition a new provider would be required to become an admitted body to the Local Government Pension Scheme.
- 6.11 The Council will continue to meet all of its statutory or contractual obligations with regard to change and its impact upon the Council's staff. In addition the Council has implemented a Relocation Protocol which we would expect a new employer to adhere to if they do not have a similar way of working.

7. LEGAL ISSUES

- 7.1 Under s.6 of the Crime & Disorder Act 1998, the Council with other partner authorities (chief of police, fire & rescue authority, probation service, PCT and Local Health Board) has a duty to formulate and implement a strategy for the reduction of crime and disorder in its area (including anti-social behaviour adversely affecting the local environment), a strategy for combating the misuse of drugs, alcohol and other substances in the area and a strategy for the reduction of re-offending in the area. Under s.17 of the above Act, it is also a duty of the Council (and other partner agencies, including police, fire & rescue, Greater London Authority, Transport for London) when exercising its functions to have due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder (including anti-social behaviour), misuse of drugs, alcohol and other substances and re-offending.
- 7.2 The outline business cases will support the Council's strategy to reduce crime and disorder and anti-social behaviour and to reduce re-offending.
- 7.3 The Council will need to ensure compliance with Data Protection Act 1998 in relation to Information sharing.
- 7.4 The Council will also need to consider and comply with its Contract Procedure Rules.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 The council's constitution, in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including "approval of schemes not in performance management plans but not outside the council's budget or policy framework".
- 8.2 Corporate Procurement Rules section 5 state that authorisation is required before quotations or tenders for suppliers or services or works may be sought in accordance with 3.2 and table 5.1. Contracts of £500,000 and above need approval from Cabinet Resources Committee.

9. BACKGROUND INFORMATION

- 9.1 The Safer Communities Strategy was ratified by the Safer Communities Partnership Board (SCPB) in September and Council in November 2011 covering a three year period until 2014
- 9.2 The Council's CCTV service makes an important contribution towards delivering Barnet's Safer Communities Strategy, by helping the Council and Police to prevent and tackle priority issues such as anti-social behaviour, violence and theft and by making a significant impact on residents' perception of safety.

- 9.3 However, the CCTV system in Barnet is out of date, expensive relative to more modern systems, and will very quickly no longer be fit for purpose. In light of significant saving pressures across the Council, the Outline Business Case (OBC) proposes a cost effective solution for future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service's community safety objectives.
- 9.4 The outcomes Barnet wishes to achieve in part through CCTV are:
- A reduction in crime / ASB.
 - An increase in successful prosecutions for crime / ASB.
 - A reduction in fear of crime / ASB.
 - More effective response to emergencies and business continuity issues.
- 9.5 The levels of crime vary significantly between the current CCTV sites. A detailed review is required in conjunction with the police to determine which sites in the Borough would most benefit from CCTV. There would also be significant benefit in a more flexible technology that allowed some of the cameras to be cheaply relocated to respond to changing crime patterns or emerging events.
- 9.6 The cameras are currently monitored 24 hours per day. It is proposed that the service specification would include a core 16 hours of operation. Over 80% of incidents would still be picked up within this core period and the service cost could be reduced by around £200,000 per year. With the improvements in remote monitoring technology now offered by the market, a new solution should enable the police to access live footage when the service is not operating (62% incidents are police-driven). This would mitigate the risk of a delay in obtaining urgent images.
- 9.7 It is proposed that the procurement of new CCTV technology includes an option to include Automatic Number Plate Recognition to assist the police with detection of crime, in particular burglary and vehicle crime. A more detailed business case is currently being developed for this with the police to ensure any additional investment will be effectively utilised by the police.
- 9.8 There are potential opportunities for the Council from the commercialisation of the service based on a traded service model. This would include selling CCTV services to private and public sector organisations to further deliver the core Community Safety aspirations in lower priority areas and to enhance security on private property. Clear principles as to whom the service would be offered to and how it would be operated will need to be agreed as part of the specification development. Assumptions about income based on comparator services were used within the options appraisal.
- 9.9 The recommended service model for CCTV is a fully outsourced service delivered by a private sector partner. The key advantages of this option, relative to an outsource of the technical platform only or in-house management of the technical platform are:
- The fully outsourced option is likely to deliver more savings over a seven year contract period.

- Responsibility for improving the monitoring service lies with the contractor and these savings will be built into the contract.
 - It is possible to define the service outcomes required by the council and leave the transmission and technology issues to the contractor.
 - A faster pace of transformation could be achieved.
 - The contractor is likely to be more successful than the council in commercialising some parts of the service and maximising income from these streams
 - Greater flexibility in the council's accommodation strategy can be achieved in relation to the options for Colinhurst House.
- 9.10 It is recommended that a restricted procedure procurement route is used, conducted under lean procurement rules.
- 9.11 The intended length of the contract will be seven years (with a break clause after five years). The length of the contract is deemed necessary to allow the provider a sufficient return on investment (due to the large upfront costs expected to provide new technology).
- 9.12 The Council has a Code of Practice (2011) to govern the operation of Closed Circuit Television in Barnet, including ensuring compliance with the Human Rights Act 1998, Data Protection Act 1998 and Regulation of Investigatory Powers Act 2000.

10. LIST OF BACKGROUND PAPERS

- 10.1 Appendix 1 - Outline Business Case for CCTV
- 10.2 Appendix 2 – CCTV Equalities Impact Assessment

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SW

London Borough of Barnet

Future CCTV Service: Outline Business Case

Document Control

Document Owner	One Barnet Programme Office
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Document location	This document will be published on the Barnet Council website as part of the democratic process for CRC.

Version Control

Version	Details of update	Author(s)	Issue date	Status
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2.0	Final draft for CDG	RM	29.01.13	Draft
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4.0	Final for clearance ahead of Cabinet briefing.	RM	25.02.13	Draft
5.0	Final for Cabinet Resources Committee	RM	09.04.13	FINAL

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1. Introduction and Strategic Context

The Council's CCTV service makes an important contribution towards delivering Barnet's Safer Communities Strategy, by helping the Council and Police to prevent and tackle priority issues such as anti social behaviour, violence and theft and by making a significant impact on residents' perception of safety. However, it is recognised that the CCTV system in Barnet is out of date, expensive relative to more modern systems, and could be more effective. In light of significant saving pressures across the Council, the Outline Business Case (OBC) proposes a cost effective solution for future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service's community safety objectives.

In order to help mitigate the impact of the ageing technical platform and expected further savings required, a detailed review and options appraisal for the CCTV service has been completed to inform the OBC. The recommended option for an outsourced service and technical platform will both enhance performance and sustainability, in addition to resulting in a decrease in the overall cost of the service.

1.1 Purpose of CCTV in Barnet

The council has a number of outcomes that it is trying to achieve through CCTV in Barnet. These have been listed below, along with the available evidence to support the effectiveness of CCTV in achieving these outcomes.

	Local evidence	National evidence
Prevent crime & ASB	<ul style="list-style-type: none"> • Larger reduction in vehicle crime, violence - ABH & assault in areas where CCTV cameras are located as compared with other areas in the Borough without CCTV. • However, CCTV makes almost no impact at on Residential Burglary, theft of motor vehicle at the moment. • Police view that CCTV has a positive impact on reducing crime and have strong case studies to show serious crime convictions that relied on CCTV evidence (see Appendix A) 	<ul style="list-style-type: none"> • Home Office study 6/13 schemes showed a reduction but not conclusive (Gill & Spriggs, 2005) • CCTV is most effective in deterring shoplifting and vehicle theft (Griffiths, 2002) • Deterrence effect of CCTV on anti-social behaviour (Mazzerole, Hurley and Chamlin, 2002): • Initial deterrence effect may fade with time which may be linked to initial media coverage (Scottish government paper, 2009) • CCTV is more effective in sites with limited and controlled access points, such as entrances and exits to the area (Gill & Spriggs, 2005)
Solve crime & ASB	<p>1,000 incidents a year monitored and captured Anti Social Behaviour & Violence (44%) Fraud and Theft (22%) Environment related (8%) Road Traffic Accident incidents (13%) – some used by insurance companies in civil proceedings to combat fraudulent claims. Vulnerable Persons (8%)</p> <p>Captures 1/5 crimes reported to the police in CCTV areas (source: Cabinet briefing report). => Of these, 40% of released to the police as evidence => Of these, 50% result in a sanctioned detection i.e. a prosecution or a warning</p> <p>Based on above, CCTV is implicated in crime resolution of about 200 crimes per year (small proportion of overall crimes). The police estimate that CCTV results in approximately 3 arrests per week,</p> <p>62% incidents reported by the police via the radio link 36% proactively detected by operators. This split is reasonably constant across crime types but proactive monitoring accounts for 80% of environment related incidents such as fly tipping, graffiti, fly posting, hazards, defects and about 70-75% for Drugs and ATM incidents</p>	<ul style="list-style-type: none"> • CCTV positive impact on detection rates in Cambridge (Farrington, Bennett and Welsh, 2007) • Increased detection (but not prevention) of violent crime – led to decrease in severity of outcomes in terms of injury (Sivarajasingham, Shepherd and Matthew, 2003) • Benefits from increased detection – prevents incidents from escalating, reduced time on investigations (Levesley and Martin, 2005 & Owen and Gill)
Reduce fear of crime &	Residents' survey 2011 indicate CCTV makes a significant contribution to public perception of safety:	<ul style="list-style-type: none"> • 94% surveyed before installation supported town centre CCTV (majority because it made them feel safer. (Gill

ASB	<ul style="list-style-type: none"> • 70% of residents believe that CCTV makes them feel safer • 67% of residents agreed that CCTV was a good use of public money • 63% of residents would like to see CCTV extended across the borough • 56% of residents believed that CCTV reduces the amount of crime • 23% of residents believed that CCTV was an intrusion into privacy 	<p>and Bryan, 2005)</p> <ul style="list-style-type: none"> • “clear conclusion that the installation of CCTV has the desirable benefit of increasing public feelings of safety” – Scottish Government paper, 2009)
Enforce rules (e.g. motoring)	<ul style="list-style-type: none"> • North Finchley has had success with problem premises and has been able to provide evidence to the Licensing team to close down these premises. This has led to a reduction in incidents. CCTV was part of the solution to gather evidence. • LBB undertakes some traffic enforcement using CCTV. This was originally predominantly around monitoring bus lanes on the A5. Since the outsourcing of the Parking service to NSL, the bus lane enforcement function has been transferred as well and no enforcement activity is undertaken in the Control Room. 	<ul style="list-style-type: none"> • Hammersmith & Fulham - invested heavily in ANPR CCTV technology that monitors box junctions, traffic lights and turning infringements with an expected increase in revenue of about £1m over five years.
Business Continuity / Emergency planning		<p>Lawrence Fenelly, 2003;</p> <ul style="list-style-type: none"> • Recommended use of CCTV in emergencies (organisation level) – to cover evacuation routes etc • CCTV to protect assets • Enables emergency services to see from a remote location what is happening and how to prioritise effectively

1.2 Current CCTV service

The CCTV service has a net operating cost of £811,700 (of which £623,990 is staffing). The anticipated annual running costs for 2014/15 are likely to increase to £836,700, due to a £25,000 reduction in income from Barnet Homes and Transport for London. It is estimated that approximately £55,000 further savings need to be

identified from the CCTV service in order to meet the 13/14 MTFS target for the Community Protection Group.¹

Table 1. CCTV service budget

Service	FTE	Gross 12/13 Expenditure £	Total 12/13 Income budget £	Net expenditure £	Staffing budget £
CCTV	17.6	869,750	(58,050)	811,700	623,990

The CCTV monitoring service is situated at Colinhurst House, Station Road (Hendon) in a purpose built control centre with its own server room with equipment racks, camera screen monitoring room and separate facility for police evidence review. The service operates 365 days per year, 7 days per week, 24 hours per day operating three 8 hour shifts.

The staffing establishment includes 1 FTE Supervisor, 2 FTE Team Leaders and 14.6 FTE Operators. In addition to the full time staff there is a small pool of “As and when’s” who are called upon to cover sickness and other staff shortfalls.

The control room currently operates the council’s out-of-hours emergency telephone service (ETS) (5pm – 8am Mon – Fri and 24 hours Saturday, Sunday and Bank Holidays). NB: The Emergency Telephone Service is within scope for the NSCSO contract.

1.3 Methodology

The following process has informed the Outline Business Case:

1. A detailed review of the CCTV service and technical infrastructure, including benchmarking.
2. A detailed options appraisal, identifying options for the target operating model and broad strategic options (in house; fully outsourced; outsource of the technical platform).
3. A soft-market testing process, aimed at testing the footprint and capacity of the market to deliver either outsource option, and the relative advantages and disadvantages of each.
4. Review and refinement of the options appraisal following the soft-market testing process and further consultation with stakeholders.

¹ This figure is higher than the target of £37,000 reflecting that 11/12 and 12/13 targets for the Community Protection Group were met partly through under-spends.

2. Scope

A detailed review of the service and technical platform in conjunction with Council and partner stakeholders identified a number of issues with the current service. The findings of this review have identified a number of minimum improvements required, and additional options to enhance and/or extend the service.

2.1 Locations to monitor

The levels of crime & ASB detected by the CCTV estate vary significantly by scheme. There seem to be two main reasons why some areas have very low incident rates:

1. The implementation of CCTV has solved a significant problem in an area (e.g. East Barnet ASB).
2. Some new schemes have been installed because of pressure groups or as a response to a high profile incident rather than on evidence of significant crime / ASB patterns (e.g. Temple Fortune).

However, there are a number of areas in the Borough with a high crime density that could benefit from CCTV schemes – although these do not always correlate with the planned new schemes.

Given current crime patterns across Barnet, there is a strong case for keeping a similar number of schemes, with some changes from the current areas of focus. It will be important to choose a technology that reduces the marginal cost of new schemes / moving cameras to ensure greater flexibility and allow the council to respond to changing crime patterns and high profile incidents.

It would also be valuable to have the ability to deploy CCTV in areas on a short term basis, for example when major events are held or targeted campaigns are being carried out.

A detailed review is required in conjunction with the police to determine which sites in the Borough would most benefit from CCTV.

2.2 How to monitor & obtain evidence

CCTV operators currently monitor the service 24 hours per day. However, the distribution of incidents is not even and a significant saving could be made through reducing the hours of operation.

If the service was reduced to a core 16 hours of operation (12 noon – 4am) over 80% of incidents would still be picked up and the service cost could be reduced by around £200,000. With the improvements in remote monitoring technology now offered by the market, a new solution should enable the police to access live footage when the service is not operating (62% incidents are police-driven). This would mitigate the risk of a delay in obtaining urgent images.

When procuring a new system we will need to ensure that recording technology is up to date and provides court admissible quality recording.

2.3 Provision of ANPR

Automatic Number Plate Recognition (ANPR) can be used for a range of purposes including speed checks, vehicle theft, pay and display monitoring, bus & taxi lane compliance, access control and monitoring, and counter-terrorism. Barnet currently has no ANPR provision linked to the Council's CCTV monitoring centre, although Barnet Police are in the process of installing a limited number of cameras.

A report by PA Consulting² identified strong evidence of the link between serious traffic offences or uninsured drivers and mainstream offences.

ACPO's ANPR strategy 2010-13 includes the following target outcomes:

- Increased public confidence and reassurance
- Reduced crime and terrorism
- Increased no. of offences detected
- Reduced road traffic casualties
- More efficient use of police resources.

ACPO's strategy set out the intention that each local police force would capture ANPR data locally and submit a copy to National ANPR Data Centre (NADC). There is evidence to support the effectiveness of ANPR in other London Boroughs. For example, Hackney have successfully deployed this technology, with 113 arrests and recovery of £345K in stolen goods in 2011 directly attributable to ANPR for an investment of about £300K in the technology.

Locally the police believe that ANPR will have the following important impacts:

² Driving Crime Down, Denying Criminals Use of the Road, PA Consulting, 2004

- Earlier alert of stolen vehicles or vehicles with false number plates will have an impact on residential burglary
- Support monitoring of stolen vehicle movements along important trunk roads into and out of London including the A5, A1, M1 and A406, plugging an important gap.

However, the investment in technology must be supported by connectivity to police national databases, and commitment of police resources in monitoring vehicle alerts. The police have identified potential capacity issues with the national database which would need to be addressed prior to implementation of increased ANPR provision in Barnet,

It is recommended that Automatic Number Plate Recognition is added in as an option for the technical refresh and upgrade of CCTV, subject to a detailed business case being developed.

2.4 Commercial opportunities

Currently, external income is only received from TfL and Barnet Homes and this is in decline. However, it next year there will be a £12k reduction of fees from Barnet Homes due to the Cricklewood scheme being curtailed and in addition the £13k from TfL will cease from 2014/15. Barnet Homes are looking to further reduce their costs.

However, there are potential opportunities from commercialisation of the service (based on a traded service model). This would include selling CCTV services to private and public sector organisations, further deliver the core Community Safety aspirations in lower priority areas or in addition to these. Clear principles as to who the service would be offered to and how it would be operated will need to be agreed as part of the specification development.

The authority has limited experience of this kind of business development and it is felt the fully outsourced solution gives Barnet the greatest ability to deliver additional income.

2.5 Communications – improving effectiveness in meeting outcomes

Further work is needed to investigate what communication initiatives – including signage – can help further the outcomes desired from CCTV. If the council is significantly investing resource in technology and monitoring then a small spend on communications could well be justified if it can have a material impact on crime / ASB or the fear of it.

3. Benefits Case

The recommended option for an outsourced CCTV service and technical platform will result in the following strategic, non-financial and financial benefits.

3.1 Strategic benefits

- Service outcomes for CCTV will be specified by the Council, with transmission and technology issues being the sole responsibility of the contractor.
- The Council will not retain risks associated with future infrastructure upgrades.
- An outsourced provider will bring innovation and learning from other clients, improving the effectiveness of CCTV.
- There will be greater flexibility in relation to future council accommodation strategies (if the service is re-located from Colinhurst House).

3.2 Non financial benefits

A new relationship with citizens

- Citizens will feel safer and there will be less fear of crime as a result of confidence in CCTV ability to prevent and detect crime.
- A clear framework and code of practice for acceptable use of CCTV in the borough.
- Clearly defined and transparent criteria to inform future CCTV sites.

A one public sector approach

- Well defined service standards for CCTV, benefiting internal Council services and other key partners.
- Automatic Number Plate Recognition will assist the police with crime detection (in particular burglary and vehicle crime).
- Improved technology and a more flexible camera estate which can be used to respond to crime and anti-social behaviour hotspots.
- Improved crime prevention as CCTV is more effectively deployed and is more of a deterrent.
- Improved capability to support a more effective response to any emergencies / business continuity issues that may arise.

Relentless drive for efficiency

- Day to day sharing of intelligence and partnership working is more efficient as remote access to CCTV for partners would be specified as part of a contract.
- A more targeted camera estate, enabling improved crime detection and convictions as a result of CCTV.
- Improved crime prevention as CCTV is more effectively deployed leading to a reduction in economic and social costs of crime.
- A more efficient monitoring service
- Greater control and predictability of the cost of new schemes as requirements for flexibility and unit cost for additional camera deployment can be built into a contract (and reduction in cost for decommissioning a camera).

3.3 Financial benefits

- A fully outsourced service, with and upgraded technical platform and ANPR, is estimated to deliver approximately £80,930 savings a year (£566,510 over the life of a 7 year contract). It should be noted that annual staff savings of £200,000 are modelled in relation to the service - the low overall savings figure reflects a high cost to invest in the new technical platform.
- Financial modelling has been completed based on credible assumptions in relation to contract length, infrastructure costs, transition costs and procurement costs (see section 4.3, table 5). The actual costs and savings would be determined over the course of the procurement process and will be impacted by the detail of the specification and level of interest in the opportunity.
- The ANPR facility has significant implications for cost (estimated at £62k per year) and therefore a clear business case will need to be developed prior to a decision to include this in the specification.
-

Average Cost Per Year (£)	755,630
Current Service Budget (£)	836,560
Average Annual Saving compared to current service budget (£)	(80,930)
Total Savings over 7 years (£)	(566,510)

Financial benefits are expected to result from the following factors:

- Responsibility for improving the service or removing some overheads lie with the contractor and these savings will be built into the contract.
- A lower cost of investment is modelled as it is assumed that the outsource contractor would be able to make better use of economies of scale and would have more expertise than the council in selecting and procuring the solution.
- It is assumed that a fully outsourced operation of the service would be able to better exploit the commercial opportunities to receive additional revenue than the other options where the service is run by the council.
- The contractor potentially has greater economies of scale since some basic infrastructure will be able to be shared across multiple contracts reducing their unit cost of monitoring, storage, power etc. It is assumed the annual staff costs of monitoring the service would be reduced over time.
- Under an in house option the council maintains most of the risk for implementation and running of the service and the technical expertise does not exist in house – therefore the council would be reliant on consultants to help design the solution, whereas a provider is likely to have this expertise in house.
- Under an in house option the council would need to manage the transition of the implementation of the new facilities to minimise disruption to the current service and would be responsible for these transition costs. Under Option 1, the infrastructure could be implemented within a year with lower transition costs than Option 3.
- An in house option has higher contingency risk than the other options due to the Council owning the risks associated with the procurement of the technical platform.

4. Options

4.1 Summary of delivery model options

The below table describes the three main strategic options assessed to identify the best model for future delivery of the service.

Table 2: CCTV Service Options

Option	Description
1. Fully Outsourced	Operation of CCTV services including the technical infrastructure would be delivered by an external provider via a fixed contract outsource arrangement.

Service	<p>It is anticipated that a new provider would change to a two shift system but this would be a matter for the provider and would be subject to consultation post TUPE transfer.</p> <p>The location of the CCTV monitoring centre would be determined by the external provider.</p> <p>The specification would be structured to address the main concerns of the current service e.g. lack of flexibility to deploy new cameras at short notice, high marginal costs of new scheme deployment, high network costs and continual improvement and avoidance of dilapidation.</p> <p>The specification would also include outcomes, for example, related to the level of liaison with the police and key partners and commitment to the Safer Communities Strategy.</p>
2. Outsource the technical platform	<p>This option would involve the council engaging a long term strategic partner to refresh and operate the technical infrastructure.</p> <p>As with option 1, the technical infrastructure would be delivered, managed and maintained by an external provider via a fixed contract outsource arrangement. However, the cost and management of staff at the monitoring facility and the occupancy costs of the monitoring facility premises themselves would be the council's responsibility.</p> <p>The location of the CCTV monitoring centre would be determined by the Council.</p>
3. Fully In House	<p>This option would involve the council specifying the requirements for technical refresh of the infrastructure and procuring the services, themselves, of different contractors to engage in fixed price contracts for the installation of facilities.</p> <p>This would involve coming to a decision on the network transmission technologies required to reduce the high ongoing costs of BT line rentals and the high marginal cost of new deployments. A Wireless based solution is likely to provide the council the most flexibility. The council would procure the services of a network installation company to upgrade the CCTV network.</p> <p>The council would likewise specify the requirements for a refresh of the camera estate where required to support the new network transmission mechanism and the new schemes.</p> <p>The council would also procure an upgrade to the facilities at the control centre including the recording equipment and the screen monitoring facilities. The CCTV control room staff would continue to be employed and managed by the council.</p>

4.2 Delivery model criteria and scoring

Criteria aligned with the One Barnet priorities, were used to assess the three main options for future delivery of the service. The initial

options appraisal (Appendix 1) provided sufficient evidence to rule out the “in house” option due to high set up costs relating to the infrastructure upgrade, and a low return on investment profile (as detailed in table 4 below). Under this option, the Council would not be able to meet MTFS targets without further upfront capital investment. This option also scores lower than the alternatives in terms of risk transfer and pace of transformation.

However, the initial options appraisal did not provide a clear answer in relation to whether a fully outsourced service or outsource of the technical platform was preferable. In order to assist with identifying the relative advantages and disadvantages of these two options, soft market testing was conducted. The soft market testing aimed to test confidence in the market’s ability to deliver each option, and the validity of assumptions that informed the initial options appraisal.

The outcomes from the soft market testing are detailed in Appendix 2. The scores were reviewed to reflect the findings from the soft market testing exercise and further stakeholder engagement. The key changes were:

- *Flexibility and sustainability:* Score for Option 1 revised upwards. A robust specification and contract should mitigate against the risk of an inflexible service. The soft market testing process demonstrated providers had ability to build flexibility into a contract and to provide technical solutions, such as access to remote monitoring to enable more flexible partnership working.
- *Potential for staff incentivisation:* Score for Option 1 revised upwards. While this option will involve a more complex change process, in the long term, staff will benefit from a robust technical platform and greater development opportunities from a bigger team
- *Citizen focus:* Score for fully outsourced service revised upwards reflecting that a contract can specify service outcomes that meet the needs of local residents as well as an in-house service.

Table 3: Summary of scoring (reviewed following soft market testing)

Theme	Score Option 1	Score Option 2	Score Option 3	Weight	Weighted Score - Option 1	Weighted Score - Option 2	Weighted Score - Option 3
A RELENTLESS DRIVE FOR EFFICIENCY: PRICE (40%)	4	3	2	40%	16.00	12.00	8.00
A RELENTLESS DRIVE FOR EFFICIENCY: INVESTMENT (5%)	5	4	3	5%	2.50	2.00	1.50
A RELENTLESS DRIVE FOR EFFICIENCY: RISK TRANSFER AND GUARANTEE OF DELIVERY (10%)	5	4	2	10%	5.00	4.00	2.00
A ONE PUBLIC SECTOR APPROACH: PACE OF TRANSFORMATION (5%)	5	4	3	5%	2.50	2.00	1.50
A ONE PUBLIC SECTOR APPROACH: FLEXIBILITY AND SUSTAINABILITY (10%)	5	5	4	10%	5.00	5.00	4.00
A ONE PUBLIC SECTOR APPROACH: POTENTIAL FOR STAFF INCENTIVISATION (5%)	3	4	3	5%	1.50	2.00	1.50
A NEW RELATIONSHIP WITH CITIZENS: PERFORMANCE AND CUSTOMER SATISFACTION (20%)	5	5	5	20%	10.00	10.00	10.00
A NEW RELATIONSHIP WITH CITIZENS: CITIZEN FOCUS (5%)	4	5	5	5%	2.00	2.50	2.50
TOTAL	36	34	27	100%	44.5	39.5	31

4.3 Financial Modelling

Table 4 below presents the costs and savings for each option which informed the scoring above. The detailed workings of the financial model are detailed in a separate document.

Table 4: Summary of financial modelling

	Option 1 (£)	Option 2 (£)	Option 3 (£)
Transition Costs	215,250	215,250	322,875
Contingency	-	-	346,385
Income	(350,661)	(304,060)	(304,060)
Expenditure	6,577,821	6,881,390	6,552,547
TOTAL	6,442,410	6,792,580	6,917,747
CURRENT COSTS	7,255,920	7,255,920	7,255,920
Implementation costs	247,000	220,000	234,000
NET (BENEFIT)/COST	(566,510)	(243,340)	(104,173)

The main assumptions and costs used are set out in table 5 but key points to note are that:

- £200k staff saving is minimum assumed across all options as we reduce operating hours.
- Fully outsourced option assumes further savings on monitoring costs (further reduction to 95% in year 3, 90% in year 4, 85% from year 5).

- Income from additional monitoring for public or private organisations is assumed to be higher under a fully outsourced model – approximately £10k differential from year 4.
- The profit margin for the provider is assumed to be less on the fully outsourced option given the different business model / higher value contract.
- A contingency is built in to Option 3 due to higher risk to the Council as the Council rather than an external contractor would be responsible for procuring the technical components and maintenance contract.
- Savings above are net of investment cost.

Table 5: Assumptions used for financial modelling

Transition Costs	This relates to existing costs for BT lines and maintenance. Option 3 is higher due to assumed longer process.
Contingency	Option 3 – 15% contingency on investment costs and cost of maintenance/renewal (due to higher risk associated with LBB procuring technology itself).
Income	Option 1: Increase to 80% more than current levels under Option 1. Option 2 and 3: Increase year on year to 50% more than current levels by year 5 for Options 2 and 3.
Expenditure	<p>Across all options:</p> <ul style="list-style-type: none"> • 200k saving to staff costs (through reduction to 16 hour shift system) • 144 Cameras at average £1000 each (wireless system) • 32 ANPR cameras £30,000 Capital cost / 10% annual maintenance & refresh • Imperative renewal costs: <ul style="list-style-type: none"> ○ DVR Recording Equipment - £120,000 capital cost ○ Monitoring Wall (40 LCD screens/ 4 images per screen) - £183,100 capital cost ○ Other Infrastructure - £30,000 • Transmission costs: <ul style="list-style-type: none"> ○ Wireless Infrastructure £2500/camera vs. Fibre Optic Network Investment 70p/metre ○ 1500 Ofcom transmission licenses per base station • Marginal costs: £2500 per camera based on wireless system (Current Cost: £15,000 per camera) <p>Option 1:</p> <ul style="list-style-type: none"> • Staffing costs - further reduction to 95% in year 3, 90% in year 4, 85% from year 5 (due to contractor efficiencies) • 10% Contractor margin <p>Option 2</p> <ul style="list-style-type: none"> • 15% Contractor margin (smaller contract than option 1)

	<p>Option 3:</p> <ul style="list-style-type: none">• 250,000 additional consultancy costs to support specification of system. <p>Option 1 and 2:</p> <ul style="list-style-type: none">• 10% saving on initial investment for Option 1 and 2 (due to contractor economies of scale)• Assumptions about additional costs for capital (as costs spread over contract)
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5. Recommended Option

The recommended service model for CCTV is a fully outsourced service delivered by a private sector partner. The key advantages of this option, relative to an outsource of the technical platform only are:

- The fully outsourced option is likely to deliver more savings over a seven year contract period. This is based on further reductions to staff costs and an increased amount of income from additional monitoring for public or private sector organisations.
- Responsibility for improving the monitoring service lies with the contractor and these savings will be built into the contract.
- It is possible to define the service outcomes required by the council and leave the transmission and technology issues to the contractor.
- A faster pace of transformation could be achieved.
- The contractor is likely to be more successful than the council in commercialising some parts of the service and maximising income from these streams
- Greater flexibility in the council's accommodation strategy can be achieved in relation to the options for Colinhurst House.

6. Project Approach

6.1 Recommended procurement route

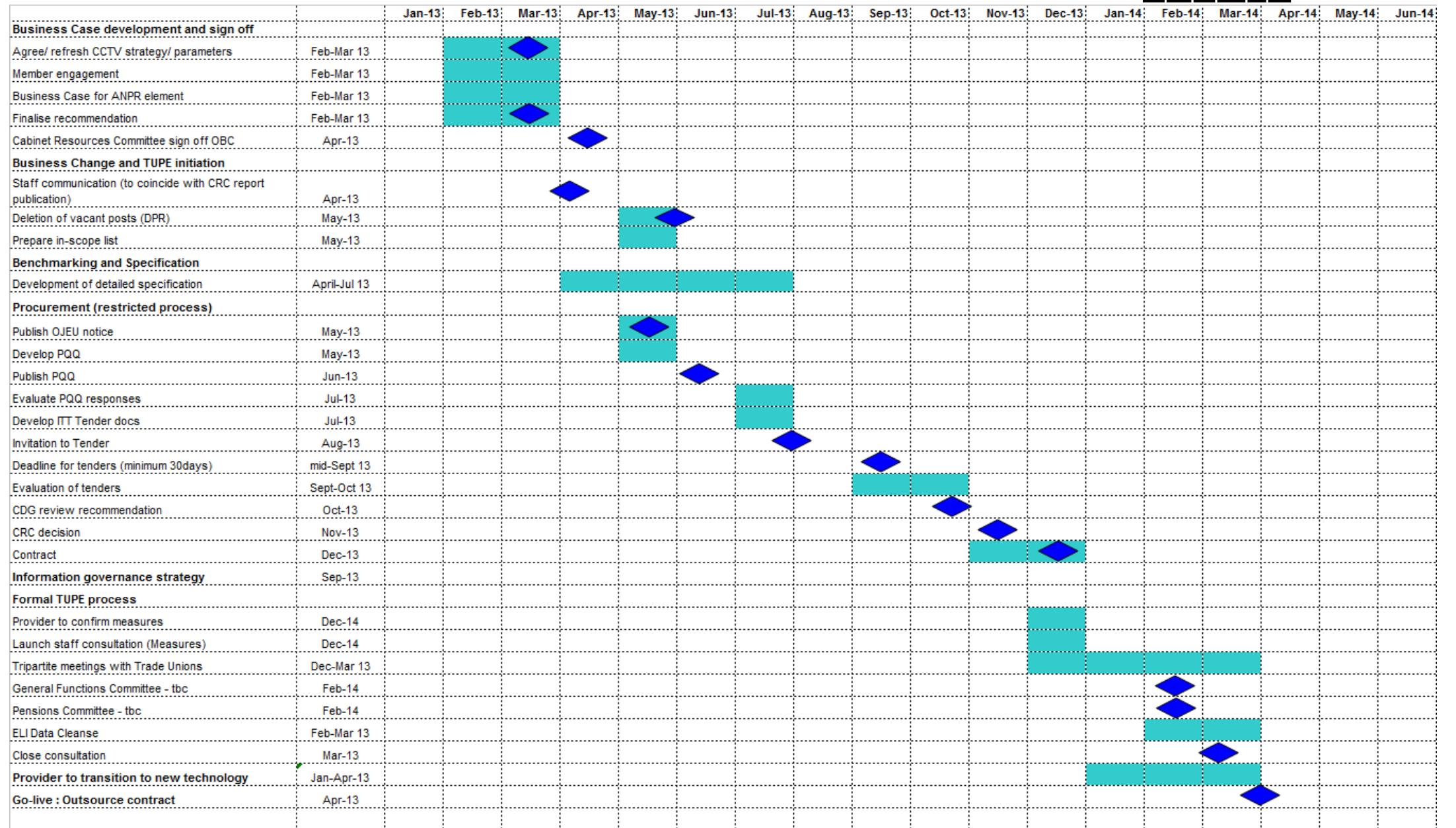
It is recommended that a restricted procedure procurement route is used for the following reasons:

- By restricting the number of bidders participating at the tender stage, the authority's costs can be lower and the time spent in evaluation may be less than under the open procedure.

- The restriction should result in more interested economic operators that submit better quality tenders, thereby facilitating more effective competition.
- Sufficient clarity on what the authority wants to be procured can be obtained before we procure – therefore we should not need to use a competitive dialogue process.

6.2 Timescales

It is expected that a restricted procedure procurement process to implement a fully outsourced service could be completed within eight months following approval of the Full Business Case, followed by a three month process for the TUPE transfer of staff and transition to new technology, prior to go-live. Figure 1 sets out the high level milestones.



6.3 Project Governance and Roles

The implementation of the recommended option will fall under the overall internal programme governance arrangements for One Barnet, which is set out below. This provides an established mechanism for decision-making and issue escalation.

The Safer Communities Partnership Board will also be kept informed of the process through regular project updates.

Project Board

It is proposed that the CCTV project board will be made up of the following roles:

Project Board members
Director for Place (Strategic Commissioning Board project lead)
Assistant Director Community Wellbeing (Project Sponsor)
Head of Community Safety
Barnet Police Superintendent
Finance Lead
Human Resources Business Partner
Communications & Engagement lead

Project Roles

Role	Key responsibilities
Project Sponsor - AD Community Wellbeing	<ul style="list-style-type: none"> • Senior responsibility for development, ownership and continuation of project business case(s) • Monitoring and control of progress • Management of relationships with senior stakeholders • Resolution of issues/ blockages reported by One Barnet Project Manager. • Effective communication between the project and commissioning group • Formal closure • Post project review
Head of Community Safety & team	<ul style="list-style-type: none"> • Definition of service outcomes and requirements, in support of the Safer Communities Partnership Strategy and community safety service plans. • Management of change process for the CCTV service
HR Business Partner	<ul style="list-style-type: none"> • Advice and support to implement business change process.

Legal	<ul style="list-style-type: none"> • Legal resource to support development of ITT (terms and conditions) • Contract development
Procurement lead	<ul style="list-style-type: none"> • Advice and support with procurement process (specification/ tender documents/ evaluation process)
Partner Lead: Police	<ul style="list-style-type: none"> • Contribution to the specification of service outcomes and partner Service Level Agreements. • Definition of ANPR requirement and ensuring link up with metropolitan police ANPR facility.
One Barnet Project Manager	<ul style="list-style-type: none"> • Project Management of procurement and business change process. • Escalation of blockages and issues to the sponsor
One Barnet Programme Office	<ul style="list-style-type: none"> • Reporting to One Barnet Programme Board (CDG) • Support to the Project manager to identify interdependencies and cross-cutting programme level risks. • Quality assurance of project management documentation

6.3 Risks, Dependencies and Constraints

Risks

Risk	Mitigating action
If a robust specification is not developed, the market response may not meet expectations in terms of quality or cost.	<p>Specification to be developed in consultation with all key stakeholders and partners. Best practice examples to be referred to.</p> <p>Procurement to review and critique the specification.</p> <p>Competitive dialogue process recommended to partially mitigate impact of this risk.</p>
If the judicial review results in a decision against the Council, this may impact on feasibility of a fully outsourced service, for political and/or reputational reasons.	<p>Review impact at Full Business Case stage.</p>
If the staff re-structure and HR change process is not managed appropriately, or the Council breaches employment legislation, the outsource may be prevented or delayed (e.g. staff grievances or employment tribunal)	<p>Ensure that TUPE legislation is followed.</p> <p>May require ETO for restructure prior to TUPE transfer.</p> <p>Learning from other One Barnet projects to inform implementation planning</p> <p>One Barnet business change processes to be followed as appropriate.</p>

Risk	Mitigating action
	Early engagement with Trade Unions as appropriate.

Dependencies

Dependencies	Mitigating action
Financial and non-financial benefits will depend on the ability of the Council and partners to develop a clear, detailed and robust specification.	Detailed review with stakeholders to inform development of specification. Use of competitive dialogue procurement process.
Developing a more commercial model for the CCTV service depends on developing a clear definition of what is in and out of the scope of agreed CCTV Strategy in Barnet.	Review Outline Business Case following refresh of CCTV strategy with members and key stakeholders.
If the NSCSO preferred bidder is interested in bidding for CCTV provision in Barnet, there may be a conflict of interest with regard to procurement and project management.	Ask preferred bidder to declare an interest if relevant. If preferred bidder declares an interest, ensure procurement and project management responsibility is completed in house or through implementation partner.
A successful outsource solution for CCTV depends on the readiness and capacity of the market to deliver this.	Soft market testing has demonstrated confidence in the market to deliver the service.
Outsourcing of the CCTV monitoring service to a private sector partner would be dependent on a new solution for the Emergency Telephone Service.	Emergency Telephone Service is in scope for the NSCSO project.

Constraints

Constraint		Mitigating action
Time	The new contract should be in place by the 14/15 financial year in order to contribute to any required MTFS savings.	Ensure effective resource planning throughout procurement process and detailed implementation planning for business change.
Budget	The costs of procurement and project management must be kept within the	Budget monitoring to be regularly reported to the Project Board.
Staff	Business change processes must comply with TUPE legislation and standard One Barnet processes.	Detailed business change implementation plan. HR business partner to be represented on project team and to ensure processes are adhered to.
Quality	Quality of the solution will depend on how well the procurement process is executed.	Seek procurement advice and input throughout end-to-end process. Evaluation panel members to include key senior stakeholders and procurement.

6.4 Project Budget

Implementation costs have been built into the financial model. It is expected that the costs detailed below will be met through the £477k capital budget allocated to new schemes (on the basis that new schemes will be incorporated into the specified contract where this is still considered appropriate).

	Assumptions	Budget
Scoping and Business case development		
Workpackage - review and options appraisal		34785
Workpackage -soft market testing		13820
Project Management costs to OBC approval		8377
Implementation		
Project Management	Assume average 2.5 days/week* 52 weeks £260/d	33800
Procurement	17.5 days procurement support (not re-charged)	0
Consultancy	Work-package: benchmarking to assist specification development	40000
Legal	Based on Parking similar size procurement (external legal support)	65000
Actuarial assessments (Pensions)	2 x £1,500 per report	3000
HR	Assumed TUPE process - 25,000	25,000
Finance	Estimate of a day a fortnight over the life of the project	6000
Communications	Assume covered at One Barnet Programme Level	0
Contingency (10%)		17280
Total		247062

7. Risk Management Strategy

As set out in the strategic outline case project risks will be managed in line with the council's Corporate Risk Management Strategy and Project Management Toolkit.

8. Equalities

The council has a strong commitment to making equalities and diversity integral to everything it does. It has adopted a model that recognises that people are often disabled by their environment and other people's attitudes.

It will be necessary to assess the equalities impact of service developments on the different groups of people within the borough, as outlined in the 2012-13 Corporate Plan and work will be undertaken towards this end.

As part of the council's commitment to promoting equalities, the Safer Communities project will carry out equalities impact assessments on both staff and customers which will gather information about any differential impacts, potential or perceived impacts on different groups, including all of those groups covered by the Equality Act 2010. Members will be able to use this information to support them in having due regard to their duties under the Act. These considerations will provide fact-specific information as well as assessing the impact of those facts on different groups of people including disabled people in Barnet.

The One Barnet programme has been explicit in how it will support the council in meeting its statutory obligations under the Equality Act 2010 by using equality assessments to demonstrate that 'due regard' has been taken to support members in making informed decisions.

Appendix A: Case studies of proactive CCTV monitoring 2011 to 2012 (provided by Barnet Police)

Date	Offence type	Action	Outcome as a result of CCTV
5/1/11	ATM fraud	Council CCTV operators detected suspects acting suspiciously at an ATM in High Road, N20	The police made 2 arrests.
16/1/11	GBH	Council CCTV operators saw suspects attacking a victim in Station Rd, Edgware and called police.	The police made 4 arrests.
13/4/11	GBH	CCTV captured an incident where a suspect started an argument by taking victims work equipment resulting in a fight where 3 other suspects joined in. Victims were punched in the face and hit with metal pole causing injuries.	4 suspects arrested and charged with GBH.
7/10/11	GBH	CCTV captured a fight in Vivian Avenue where 2 males were assaulted and 1 knocked out. Suspects were seen on CCTV kicking the head of the unconscious victim	4 suspects arrested and all subsequently jailed for 4 year terms.
26/1/12	Drugs	CCTV operator observed suspect acting suspiciously and putting a bag containing drugs into his trousers and notified the police	Police arrested suspect.
28/6/12	Bladed weapon	Suspects seen by CCTV operators handling a knife outside Barbara Langstone House. Police were called and arrested 3 people.	Police were called and arrested 3 people.
30/6/12	Exposure	CCTV operators capture a suspect exposing himself to staff and the public outside a beauty salon.	Suspect was subsequently arrested and charged.
13/8/12	Burglary	CCTV operators picked up 2 suspects breaking into a shop in Golders Green Road. CCTV showed the suspects carrying tools from a vehicle then using bolt cutters to gain entry.	Both suspects were arrested inside the premises and subsequently charged
5/12/12	Burglary	CCTV operators observed the suspects attempting to break into an industrial premises. A camera followed them and they were subsequently stopped by Police.	Subsequently stopped by Police, 4 arrested for Burglary and possession of drugs.

13/11/12	Violence	CCTV operators recorded males fighting in the street. The suspect was seen to take his belt off and use it as a weapon against another male. Upon police arrival the suspect was on the floor fighting with the other male. The suspect had his belt wrapped around his wrist and was punching the other male.	Suspect subsequently arrested and charged
1/1/13	GBH	LBB CCTV captures 2 incidents of assault between 4am -5.30am which result in 8 persons being arrested	Eight people were arrested
12/1/13	Robbery	Suspects robbed 2 Victims in the High Road N12 stealing jewellery, LBB CCTV was used to in conjunction with private CCTV to establish the movements of the suspects and assist in there arrest , one suspect subsequently	One suspect subsequently charged

Future CCTV Service Equality Impact Assessment (EIA) Questionnaire

1. Details of function, policy, procedure or service:	
Title of what is being assessed: Future CCTV Service (Outline Business Case)	
Is it a function, policy, procedure or service?: Service	
Department and Section: CCTV Service, Adults Delivery Unit	
Date assessment completed: 04/04/2013	
2. Names and roles of officers:	
Lead officer	Ruth Murphy (Project Manager)
Stakeholder groups	CCTV Project Board (including project representatives from Council/ local police/ probation service)
Representative from internal stakeholders	James Mass, Lead Commissioner Family and Community Wellbeing Matthew Kendall, AD Community Wellbeing
HR rep (for employment related issues)	Vandana Duggal
3. Full description of function, policy, procedure or service:	
<p><u>(A) Future CCTV Service</u></p> <ul style="list-style-type: none"> • A fully outsourced service with upgraded technical platform • A modernised, flexible camera estate • Reduced live monitoring (reduction from 24 hour to 16 hour monitoring) balanced by increased remote monitoring by Barnet police <p>Why is it needed?</p> <p>The CCTV system in Barnet is out of date, expensive relative to more modern systems, and could be more effective. In light of significant saving pressures across the Council, a fully outsourced service is expected to be the most cost effective solution for future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service's community safety objectives.</p> <p>What are the outcomes to be achieved? What are the aims and objectives?</p> <ul style="list-style-type: none"> • Citizens will feel safer and there will be less fear of crime as a result of confidence in CCTV ability to prevent and detect crime. • Improved technology and a more flexible camera estate which can be used to respond to crime and anti-social behaviour hotspots. • Improved crime prevention as CCTV is more effectively deployed and is more of a deterrent. • Improved capability to support a more effective response to any emergencies / business 	

continuity issues that may arise.

- A more targeted camera estate, enabling improved crime detection and convictions as a result of CCTV.
- Improved crime prevention as CCTV is more effectively deployed leading to a reduction in economic and social costs of crime.
- A more cost-effective service.

Who is it aimed at? Who is likely to benefit?

- People who live, work or visit Barnet will benefit from the above.

How have needs based on the protected characteristics been taken account of?

- The CCTV service is aimed at ensuring the safety of all residents regardless of the protected characteristics.

4. How are the equality strands affected? Please detail the effects on each equality strand, and any mitigating action you have taken so far

Equality Strand	Affected?	Explain how affected	What action has been taken already to mitigate this?
Race	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impact based on race.	n/a
Gender	Yes <input checked="" type="checkbox"/> / No <input checked="" type="checkbox"/>	There are no identified differential impacts on gender.	n/a
Disability	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impacts based on disability.	n/a
Age	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impacts based on age	n/a
Sexual orientation or gender reassignment	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impacts based on sexual orientation or gender reassignment.	n/a
Religion or belief	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impacts based on religion or belief	n/a
Pregnancy/maternity (including teenage parents)	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impacts based on pregnancy/ maternity.	n/a
Marital status	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	No identified differential impacts based on marital status.	n/a
Those on low incomes	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	At this stage, no identified differential impacts based on income.	n/a

		EIA may need to be reviewed if there are any decision to change CCTV locations.	
Vulnerable groups	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	CCTV may have a positive impact for vulnerable people/ victims by helping to prevent and detect crime.	n/a

5. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents

Overall, the initiatives are expected to have a positive impact on satisfaction rates among residents:

- One aim is to reduce the fear of crime among residents, which was a top concern in the 2012 resident survey.
- In resident surveys, residents support the use of CCTV and therefore the upgrade of the technology and ability to deploy CCTV more flexibly is likely to be welcome.
- If there is a reduction in live CCTV monitoring this may cause some dissatisfaction—however it is proposed that the impact of this could be mitigated by additional remote access for the police and better recording technology.

6. How does the proposal enhance Barnet’s reputation as a good place to work and live?

The proposals will improve Barnet’s reputation by delivering the following outcomes:

- Improved victim satisfaction through the use of restorative justice approaches.
- Improved public confidence with visibility of crime and ASB being tackled, through community-led schemes.
- Individual and community ownership of community safety in their local area.
- Citizens will feel safer and there will be less fear of crime as a result of confidence in CCTV to prevent and detect crime.
- Reduced crime and anti social behaviour (promoting quality of life)
- Reduction in re-offending levels due to multi agency offender management.
- Improved crime prevention as CCTV is more effectively deployed and is more of a deterrent.
- Improved technology and a more flexible camera estate which can be used to respond to crime and anti-social behaviour hotspots.

7. How will members of Barnet’s diverse communities feel more confident about the council and the manner in which it conducts its business?

A modern, fit for purpose CCTV service will encourage greater community confidence at the Council and Police ability to tackle crime.

8. What measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of

any unintended or adverse impact? *Include how frequently will the monitoring be conducted and who will be made aware of the analysis and outcomes? Include these measures in the Equality Improvement Plan (section 13)*

CCTV implementation

- The Equalities Impact Assessment will be updated at Full Business Case stage.
- An Equalities Impact Assessment relating to staffing matters will be completed and updated at relevant points through the TUPE process.

9. How will the new proposals enable the council to promote good relations between different communities? *Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

Overall the proposals are expected to have a positive impact on communities by reducing ASB and crime. In deciding on future CCTV locations issues such as the displacement of crime may need to be considered.

10. How have residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal? *Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community.*

N/A

11. Decision:

No Impact	Positive Impact	Neutral Impact	Negative Impact or Impact Not Known ¹
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Comment on decision

It is anticipated that overall the initiatives to support the delivery of the Safer Communities Strategy would have a positive equalities impact by supporting vulnerable people and victims, reducing antisocial behaviour and crime and the negative impact that this has on communities and improving community confidence in the partnership's ability to address the concerns of communities and individuals.

¹ 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

13. Equality Improvement Plan

Please list all the equality objectives, actions and targets that result from the Equality Impact Assessment (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Objective	Action	Target	Officer responsible	By when
To ensure there are no differential impacts on different equalities groups as the result of CCTV staffing changes.	Complete an EIA for staffing impacts (CCTV).	Equalities Impact Assessment approved as part of General Functions Committee approval process.	Vandana Duggal	Feb 2014
To ensure that equalities impacts are considered with regard to CCTV upgrade.	The EIA should be updated at Full Business Case stage.	Full Business Case supported by completed EIA.	Head of Community Safety	Autumn June 2013

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Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Children’s Service Contract Arrangements and Extensions
Report of	Cabinet Member for Education, Children and Families
Summary	<p>This report:</p> <ul style="list-style-type: none"> (i) highlights current contracting arrangements within the Children’s Service which need to be extended to enable the Council to continue to meet demand on a short term basis and allow sufficient time for ongoing and planned procurement activity to be undertaken; (ii) seeks waivers from relevant Contract Procedure Rules to enable this; (iii) seeks authority to develop an overarching Section 75 agreement between London Borough of Barnet and Barnet Clinical Commissioning Group (CCG) for the purpose of jointly commissioning children’s services, as set out in section 9.3 of this report; (iv) seeks authority to put in place a Section 75 agreement to commission speech and language therapy services, jointly with the CCG, ahead of the development of an overarching Section 75 agreement if necessary; and (v) seeks delegation of authority to the Cabinet Member for Resources and Performance and the Cabinet Member for Education, Children and Families to agree the full scope and finances of the Section 75 agreements.
Officer Contributors	<p>Adrian Williams, Interim Transformation Assistant Director, Children’s Service</p> <p>Elaine Tuck, Head of Service Commissioning and Business Improvement, Children’s Service</p> <p>Lindsey Hyde, Commissioner, Children’s Service</p>
Status (public or exempt)	Public

Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable

Contact for further information: Elaine Tuck, Elaine.tuck@barnet.gov.uk

1. RECOMMENDATIONS

1.1 That the Committee :

- (i) **Note the contracts extended under Delegated Powers, as set out in Appendix A**
- (ii) **Waive the Contract Procedure Rules outlined in sections 7 and 10 to enable the contracts identified in Groups A to D of this report to be extended for a limited time until longer term plans are in place**
- (iii) **Authorise the development of an overarching Section 75 agreement between London Borough of Barnet and Barnet Clinical Commissioning Group (CCG) to jointly commission children's services, as set out in section 10.3 of this report**
- (iv) **Authorise the development of a Section 75 agreement to commission speech and language therapy services ahead of the development of an overarching Section 75 agreement, if necessary**
- (v) **Delegate authority to the Cabinet Member for Resources and Performance and the Cabinet Member for Education, Children and Families to agree the full scope and finances of the Section 75 agreements.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee on 7 November 2011 agreed to the waiver of relevant parts of the Contract Procedure Rules to enable regularisation of contracts with social care and Special Educational Needs ("SEN") Providers.
- 2.2 Cabinet Resources Committee on 28 February 2012 agreed to regularise a number of Children's Service contracts.
- 2.3 Delegated Powers Report 1986, 15 March 2013, agreed to extend the current contracts with Oakleigh and Mapledown special schools as single source suppliers for a three month period.
- 2.4 Delegated Powers Report 1951, 13 March 2013, agreed to extend the current contract with Tavistock and Portman NHS Foundation Trust for the provision of young peoples' drug and alcohol service for a three month period.
- 2.5 Delegated Powers Report 1956, 11 March 2013, agreed to extend children's service contracts for three and six month periods.
- 2.6 Delegated Powers Report 1988, 8 March 2013, agreed to extend children's service extend the contract with Central London Community Healthcare (CLCH) for the provision of speech and language therapy, including provision to Excellence in Clusters schools for a period of three months.
- 2.7 Delegated Powers Report 1978, 2 April 2013, agreed to extend the current contracts with various providers of placements to children in care for three, six and nine month periods.
- 2.8 Delegated Powers Report 1998, 7 March 2013, agreed to extend the current contracts with various providers of placements to children in care for a three month period.

- 2.9 Delegated Powers Report 1985, 7 March 2013, agreed to extend the current contracts with various short breaks providers for a six month period.
- 2.10 Delegated Powers Report 1982, 6 March 2013, agreed to extend the contract with Sally Wright Associates for the provision of occupational therapy and Physiotherapy for a six month period.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The ongoing and planned commissioning and procurement activity related to these Children's Service contracts contribute to the priorities of the Council's Corporate Plan 2013/14-15/16 by creating 'better life chances for children and young people across the borough', by sustaining 'a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health' and by promoting 'family and community well being and encouraging engaged, cohesive and safe communities' through provision of a range of quality services which enhance the council's reputation with families, schools and local communities.
- 3.2 The extension of the contracts, identified in this report, will enable the Children's Service to continue supporting the priorities of the Children and Young People Plan 2013-16, including the priorities to enable those with Special Educational Needs, Learning Difficulties and Disabilities and complex needs to achieve their potential and to ensure services are integrated to support young people as they transition to adulthood; as well as the way of working 'Involving children and young people in our work'.
- 3.3 Barnet's Health & Wellbeing Strategy 2012-15 aims to reduce health inequalities by focusing on how more people can 'Keep Well' and 'Keep Independent'. The development of Section 75 agreement and closer working relationships with Barnet CCG will support the aims of this strategy to 'work in collaboration with partners in the statutory, commercial and third sectors, and with stakeholders in the community, to enhance individual and family self-reliance'. This will further support 'the delivery of safe, high-quality health and social care services, within available resources directed to providing the greatest benefit for the greatest number of people in need'.

4. RISK MANAGEMENT ISSUES

- 4.1 Ending the current contracts with the providers detailed in this report without having alternative services in place would present a risk for the Council. If the council were to cease to provide some of these services, it would be in breach of its statutory duties.
- 4.2 Many of the services provided through these contracts maintain care arrangements for children who have additional or complex needs. An inability to continue providing these services may place the children at risk or may lead to requests for alternative, more expensive provision.
- 4.3 Integrated commissioning has a key role to play in increasing efficiencies by reducing duplication. If integrated commissioning processes are not put in place, opportunities to achieve value for money may be lost. This could impact adversely on budgets at a time when resources need to be managed carefully. The development of Section 75 agreement supports planning for changes at a borough, regional and national level which will enable more coherent planning and resource provision. Insufficiently co-ordinated and planned services could also have an adverse impact on service users. Joined-up commissioning can help to create smoother service pathways.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Under current Equalities legislation the Council and all other organisations exercising public functions on its behalf are required when doing so to have due regard to the need to i) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Equality Act 2010; ii) advance equality of opportunity between those with a protected characteristic and those without; iii) promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 This duty, also, applies to a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the general equality duty. This includes any organisation contracted by a local authority to provide services on its behalf.
- 5.3 Any contracts drafted will include explicit requirements fully covering the Council's duties under equalities legislation.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Finance

- 6.1.1 The funding for each of the providers is met from existing budgetary provision within the Children's Service, a breakdown of contract value for each contract is provided below.

Provider Name	Contract description	Existing contract value	Contract extension sought from	Length of extension sought	Value of extension	Total contract duration and end date, including extension	Total contract value including extension	
Group A contracts requiring waiver of CPR 5.6.1.2 - the initial contract has been extended before								
Norwood Ravenswood	Day and respite provision for disabled children	£206,950	1 July 2013	9 months to 31 March 2014	£131,250	2 years to 31 March 2014	£338,200	
Keys Childcare	Placements for children in care	£375,870			£97,500	4 years to 31 March 2014	£473,370	
Barford Park House		£1,037,869			£293,599			£1,331,468
Brighter Futures Foster care		£123,020			£100,620			
Action for Kids	Short breaks to disabled children (Short breaks block)	£47,874	1 October 2013	6 months to 1 October 2013 – 31	£15,050	2 years and 3 months to	£62,924	
Barnet Carers Centre		£14,744			£4,250		£18,994	
Community Focus		£56,663			£16,100		£72,763	
Noah's Ark		£15,559			£4,450		£20,009	

Norwood	contracts)	£62,028		March 2014	£17,750	31 March 2014	£79,778
Resources for Autism		£213,711			£68,400		£282,111
SNAAP		£27,070			£7,550		£34,620
Capstone Vision	Placements for children in care	£213,762	1 January 2014	3 months to 31 March 2014	£68,327	4 years to 31 March 2014	£282,089
Children First Fostering		£227,390			£66,300		£293,690
London Care Solutions Partnership		£393,862			£106,506		£500,368
Beacon Lodge Charitable Trust		£419,226			£40,950		£460,176
Hillfield Children's Home		£870,802			£53,274		£924,076
BEHMHT	Child and Adolescent Mental Health services	£2,829,000	1 April 2012	2 years to 31 March 2014	£1,940,000	5 years to 31 March 2014	£4,769,000
CLCH Speech and Language Therapy (early intervention and prevention)	Speech and Language services to children's centres	£155,000	1 July 2013	2 months to 31 August 2013	£23,250	1 year and 9 months to 31 August 2013	£178,250
CLCH Speech and Language Therapy	Speech and Language services (including Excellence in Clusters provision)	£569,133	1 July 2013	2 months to 31 August 2013	£63,056 (includes £8,056 for Excellence in Clusters schools)	1 year and 5 months to 31 August 2013	£632,189
Contract extension and variation required beyond 31 August 2013							
CLCH Speech and Language Therapy	Speech and Language services for Excellence in Clusters provision only	£632,189	1 September 2013	7 months to 31 March 2014	£28,196 for Excellence in Clusters provision only	2 years to 31 March 2014	£660,385
Group B contracts requiring waiver of CPR 5.6.1.3 - the value of the extension is more than half the cost of the existing contract without the extension							
Aidhour	Specialist chairers for safeguarding meetings	£55,000	1 July 2013	9 months to 31 March 2014	£45,000	2 years to 31 March 2014	£100,000
Group C contracts requiring waiver of CPR 5.6.1.2 and 5.6.1.3 - the initial contract has been extended before and the value of the extension is more than half the cost of the existing contract without the extension							
Caldecott Foundation	Placements for children in care	£458,000	1 July 2013		£444,600	2 years to 31 March 2014	£902,600

Oakleigh School	Specialist short breaks services	£62,500	1 July 2013		£37,500	3 years to 31 March 2014	£100,000
Mapledown School		£212,500	1 July 2013		£187,500		£400,000
Barnet Mencap	Short breaks to disabled children (Short breaks block contracts)	£77,760	1 October 2013	6 months to 31 March 2014	£26,900	2 years and 3 months to 31 March 2014	£104,660
IPOP/Fair Play Barnet		£568,296			£231,500		£799,796
Kisharon		£32,820			£9,400		£42,220
Group D contract/SLA requiring waiver of CPR 5.6.1.1 and 5.6.1.2 - the initial contract was not based on initial tender or quotations							
CLCH Children in Care Healthcare	Healthcare to Children in Care	£329,408	1 April 2012	18 months to 30 September 2013	£179,678	3 years and 11 months to 30 September 2013	£509,086

6.1.2 The value of extensions for each of the above is subject to any savings deemed necessary to meet the Medium Term Financial Strategy and to further negotiations with health to ensure that financial contributions are appropriate and proportionate in relation to the statutory accountabilities of each party.

6.1.3 The table below details the anticipated financial value of the speech and language therapy Section 75 agreement proposed between London Borough of Barnet and Barnet CCG over the period 1 September 2013 to 31 August 2015.

Year one (7 months) 1 September 2013 – 31 March 2014	
Barnet CCG	£991,667
LB Barnet SEN and Complex Needs (including beam)	£225,750
LB Barnet Early intervention	£54,250
Tracker project	up to £14,560
Year two (12 months) 1 April 2013 - 31 March 2014	
Barnet CCG	£1,700,000
LB Barnet SEN and Complex Needs (including beam)	£386,000
LB Barnet Early intervention	£81,375
Tracker project	up to £24,960
Year three (12 months) 1 April 2014 – 31 March 2015	
Barnet CCG	£1,700,000
LB Barnet SEN and Complex Needs (including beam)	£386,000
LB Barnet Early intervention	£71,205
Tracker project	up to £24,960
Year four (5 months) 1 April 2015 – 31 August 2015	
Barnet CCG	£608,333
LB Barnet SEN and Complex Needs (including beam)	£161,250
LB Barnet Early intervention	up to £29,669
Tracker project	up to £10,400
Total 36 month value	up to £6,470,379

6.1.4 In addition to the financial contributions relating to speech and language therapy, a decision is sought in this report for the full scope of the financial contributions for the overarching Section 75 agreement between London Borough of Barnet and Barnet CCG jointly to commission services to be delegated for agreement by the Cabinet Member for Resources and Performance and the Cabinet Member for Education, Children and Families

6.1.5 London Borough of Barnet contributions will be contained within existing Children's Service agreed budget parameters. The agreement will be structured to enable changes in contract values in relation to all services commissioned under the agreement, to meet changing needs and financial circumstances. It will also be structured to support closer joint working and collective planning between health and local authority commissioners

6.2 Procurement, Performance & Value for Money, and Sustainability

6.2.1 There is a significant amount of commissioning and procurement activity, both ongoing and planned, across the Children's Service. Section 9 of this report details the plan for each of the contracts being extended by this report; this includes ongoing and future procurement activity.

6.2.2 To ensure the good performance and value for money of services, for the duration of contracts, providers are regularly monitored to ensure that they meet the specified outcomes and represent value for money.

6.2.3 Cabinet Resources Committee on 7 November 2011 approved the option to extend the Short Breaks block contracts by a further year subject to funding being available and satisfactory performance. However, reference was not made in the CRC report that the value of the contract extensions would exceed half the value of the existing contracts. Therefore, additional authority for extension is now being sought in relation to these ten contracts.

6.3 Staffing, ICT and Property

6.3.1 There are no staffing, IT or property implications for the Council in relation to the contracts for which extensions are sought.

6.3.2 Staffing, IT or property implications arising from Section 75 agreements between London Borough of Barnet and Barnet CCG will be clearly set out in the agreement.

7. LEGAL ISSUES

7.1 Social care services fall within Part B of Schedule 3 of The Public Contracts Regulations 2006 (as amended) ("the Regulations"). These Regulations implement the, relevant, European Directive into domestic law.

7.2 Because social care services fall within Part B, they are not subject to the full European procurement regime. However, where the contract value is at, or above the, relevant, EU threshold (£173,934), the council must comply with the relevant, less comprehensive, requirements of the Regulations.

7.3 The Public Services (Social Value) Act 2012, requires public authorities - in respect of services contracts which are subject to the Public Contracts Regulations 2006 (as amended) – to consider how services which are commissioned or procured might

improve the economic, social and environmental well-being of the area; how that benefit might be secured through the process of procurement; and whether they need to undertake any community consultation in the determination of these matters

- 7.4 The council has prescribed 'health related functions' which are, with some exceptions, specified in Schedule 1 to the Local Authorities Social Services Act 1970. In addition, with effect from 1 April 2013 and pursuant to the Social Care Act 2012, the council has responsibility for the improvement of the health of its local population.
- 7.5 Pursuant to section 75 of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000, NHS bodies and local authorities can enter into partnership arrangements for the exercise of specified functions. These Regulations define the nature of the partnership arrangements. They provide for the establishment of a fund made up of contributions from the Partners out of which payments may be made towards expenditure incurred in the exercise of their functions; for the exercise by NHS bodies of local authority functions and for the exercise by local authorities of NHS functions; and require the Partners to set out the terms of the arrangements in writing. The specific objectives for implementing Section 75 agreements are: (i) to facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision; (ii) to ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and (iii) to enable service providers to be more responsive to the needs and view of users, without distortion by separate funding streams for different service inputs.
- 7.6 Under the Children Act 1989 local authorities have various statutory duties in relation to children in need. Specifically, Section 17 of the 1989 Act provides that every local authority has a duty to safeguard and promote the welfare of children within their area who are in need by providing a level of services appropriate to those children's needs. Disabled children and young people are defined as children in need by virtue of their disability.
- 7.7 There is a statutory duty on the local authority to ensure the provision of therapies identified on a statement of special educational need.
- 7.8 The provision of advocacy services to looked-after children is a statutory requirement (section 26A of the Children Act 1989).
- 7.9 The arrangements for reviews for looked after children derive from the Children Act 1989 and associated regulations. The role of the IRO is specified in section 25A and 25B of the Children Act 1989 as well as in the Care Planning, Placement and Case Review (England) Regulations 2010. The statutory provisions confer a specific duty on the IRO to monitor the delivery of the care plan for the child and to address issues that may contribute to drift and delay. Achieving speedy permanence for children is a key government objective with further legal changes anticipated to support increased expectations for local authorities for example in the area of adoption. The role of the IRO is crucial to ensuring these arrangements are delivered.
- 7.10 The health provision to looked after children is set out in government guidance, and in the Children Act 1989 Guidance and regulations, volume 2, care planning, placement and care review, regulation 7. It is required as part of the Council's statutory duty to looked after children and children in the process of adoption that they make arrangements to ensure that every child looked after has his/her health needs fully assessed. Health authorities must comply with requests from the local authority to provide services to children in need.

- 7.11 Under section 9 Children and Young Persons Act 2008 the local authority has a general duty to secure sufficient accommodation is made available for children they are looking after.
- 7.12 The Council has a duty, pursuant to paragraph 6 of Schedule 2 to the Children Act 1989, to assist individuals who provide care for disabled children, to continue to do so, or to do so more effectively, by giving them breaks from caring. The Breaks for Carers of Disabled Children Regulations 2011, requires the Council, in performing their duty under paragraph 6(1)(c) of Schedule 2 to the 1989 Act(1), to:
- (a) have regard to the needs of those carers who would be unable to continue to provide care unless breaks from caring were given to them; and
 - (b) have regard to the needs of those carers who would be able to provide care for their disabled child more effectively if breaks from caring were given to them to allow them to—
 - (i) undertake education, training or any regular leisure activity,
 - (ii) meet the needs of other children in the family more effectively, or
 - (iii) carry out day to day tasks which they must perform in order to run their household.
- 7.11 As set out in the SEN Code of Practice, case law has established that speech and language therapy can be regarded as either educational or non-educational provision, or both, depending upon the health or developmental history of each child. Prime responsibility for the provision of speech and language therapy services to children rests with the NHS/health authority. Where the NHS/health authority does not provide speech and language therapy for a child whose statement specifies such therapy as educational provision, ultimate responsibility for ensuring that the provision is made rests with the Local Authority.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution, Part 4, Contract Procedure Rules: Rule 5.6 – Acceptance Parameters for Contract Additions, Extensions and Variations – and Table 5-2 set out the Acceptance thresholds for contract additions, extensions and variations In addition, Contract Procedure Rule 5.6.1 provides that, in the case of an extension to a contract:
- 5.6.1.1 The initial contract was based on a competitive tender or quotations;
 - 5.6.1.2 the initial contract has not been extended before; and
 - 5.6.1.3 the value of the extension is less than half the cost of the existing contract without the extension and has a budget allocation having had regard to the following:
 - i. If initial contract was subject to EU tender procedure that the extension option was declared within the OJEU notice; acceptance report (Delegated Powers Report/Cabinet Resources Committee Report) and the contract includes extension clauses
 - ii. If initial contract value was subject to sub EU threshold procedure (Barnet tender/ quotation process) the extension does not take the value past EU threshold.
- 8.2 The Constitution, Part 3, Section 3.6 sets out the functions of the Committee.

- 8.3 Section 5.8 of the Contract Procedure Rules enables a Cabinet Committee to waive the requirements of the Contract Procedure Rules if satisfied that the waiver is justified because:
- 8.3.1 the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procedure Rules is justifiable; or
 - 8.3.2 the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
 - 8.3.3 the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English Law); or
 - 8.3.4 there are other circumstances which are genuinely exceptional
- 8.4 Waivers of the Council's Contract Procedure Rules are required for some contracts to be extended on the basis that the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen and in some circumstances, the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procedure Rules is justifiable. Section 10 below details the waivers required in relation to each relevant contract.

9. BACKGROUND INFORMATION

- 9.1 There is a significant amount of commissioning and procurement activity, both ongoing and planned, across the Children's Service. To maintain continuity in service provision, short term contract extensions have been agreed under Delegated Powers, as set out in Appendix A of this report.
- 9.2 Approval for further extensions is sought from Cabinet Resources Committee to allow sufficient time for ongoing and planned procurement activity to be undertaken. Below is detailed the plan for each of the contracts in respect of which authority is being sought to extend the contracts and the relevant ongoing and future procurement activity.

Contract Extensions

- 9.2.1 Group A contracts requiring waiver of CPR 5.6.1.2 - the initial contract has been extended before
- Norwood Ravenswood*
- 9.2.1.1 A market testing exercise has indicated that Norwood Ravenswood is the only provider of residential respite care for profoundly disabled children, which is located in the borough of Barnet. This is significant as many parents would be unable to transport their severely disabled children to respite provisions if these were a distance from Barnet. A survey of neighbouring boroughs has indicated that Norwood Ravenswood provide services to a significant number of them including Enfield, Haringey, Harrow, Herts, Brent and Camden. This is due to a lack of other suitable provision in the local area. The Council will continue to be alert to new providers who may wish to develop similar services within the borough. It is proposed that this contract be extended until 31 March 2014.

Placements for children in care

- 9.2.1.2 These organisations are providers of placements for children in care, providing services to children and young people of all faiths and cultures with a range of diverse needs. These providers offer specialist provision for young people which includes services for those who have experience of substance misuse, offending behaviour, sexual harmful behaviour, mother and baby provision, support for emotional behavioural difficulties, and provision includes therapy and education services. The ongoing monitoring arrangements with these providers ensure that the service provision meets the diverse needs of Barnet's children and young people. An inability to continue to provide these placements beyond 31 March 2013 would be detrimental to the children in care currently in these placements. It is proposed that the contracts are extended until 31 March 2014.

CLCH Speech and Language Therapy (including Excellence in Clusters and Beam provision) and CLCH Speech and Language Therapy (early intervention and prevention)

- 9.2.1.3 The Council and Barnet CCG are seeking to integrate speech and language therapy service commissioning. A full competitive tender process is currently being planned; bringing together this CLCH speech and language contract with early intervention and prevention speech and language services, Beam (Barnet Early Autism Model) provision for children aged up to 5 years with an Autism Spectrum Condition diagnosis, and Tracker speech and language services. The current contract with CLCH was extended for 3 months under Delegated Powers and a further 2 month extension is sought in this report on the basis that this provider can offer service continuity until the new three year contract is awarded, with a target commencement date of 1 September 2013. The CLCH early intervention and prevention Speech and Language Therapy contract expires on 30 June 2013 and a further 2 month extension is sought in this report.

The Excellence in Clusters schools can only commit to one year's funding due to changes in schools funding mechanisms and therefore cannot commit resources to the new speech and language jointly commissioned contract, as it is for three years. As an interim arrangement, a variation of the current CLCH contract is sought beyond 31 August 2013 to continue the provision, of speech and language therapy in Excellence in Clusters schools until 31 March 2014 to ensure continuity of service provision.

Short breaks to disabled children

- 9.2.1.4 On 7 November 2011, Cabinet Resources Committee approved the option to extend the Short Breaks block contracts by a further year subject to funding being available and satisfactory performance. However, reference was not made in the CRC report to the fact that the value of the extensions would exceed half the value of the existing contracts. Therefore, additional authority for extension is now being sought in relation to these contracts to extend until 31 March 2014.

- 9.2.2 Group B contract requiring waiver of CPR 5.6.1.3 - the value of the extension is more than half the cost of the existing contract without the extension

Aidhour

- 9.2.2.1 The provision of robust Independent Reviewing Officers (IROs) ensures the monitoring of the delivery of services to looked after children and in particular care planning arrangements. Exploration of the market has taken place via a notice of intention to tender. There was a limited response and those who did respond were not in a position to deliver

the required service and this indicated that there are no current providers of IROs other than Aidhour. An extension is sought until 31 March 2014 to ensure continuity of service provision.

- 9.2.3 Group C contracts requiring waiver of CPR 5.6.1.2 and 5.6.1.3 - the initial contract has been extended before and the value of the extension is more than half the cost of the existing contract without the extension

CAMHS Barnet Enfield and Haringey Mental Health Trust (BEHMHT)

- 9.2.3.1 Barnet Enfield and Haringey Mental Health Trust supports vulnerable young people including some who have severe and complex mental health problems. The council and its partners invest significant sums in expensive services to meet the needs of children and young people requiring high levels of support across health social care and education. Since 2003 the Department of Health has distributed some CAMHS funding via local authorities, which is no longer ringfenced and included within the base budget. The majority of funding for CAMHS services is via health, with a smaller Council contribution. To regularise the current arrangements, an extension and variation of the contract is sought to cover the period from 1 April 2012 to 31 March 2014. Current structures offer a limited opportunity to plan jointly for the needs of the most vulnerable children in Barnet. As such, an extension up to 31 March 2014 is required to allow sufficient time to develop a Section 75 Agreement between London Borough of Barnet and Barnet CCG that accurately reflects the respective responsibilities of both parties, ensures financial contributions are appropriate and proportionate in relation to these statutory accountabilities, and enables joint planning. The Council and Barnet CCG are committed to ensuring a more integrated approach to commissioning and it is a key aspiration in the Health and Well Being Board Strategy October 2012-2015.

Placements for children in care

- 9.2.3.2 As detailed above, in paragraph 10.2.1.2

Specialist short breaks services

- 9.2.3.3 Barnet's Council maintained Special Schools found the external tender process was not adopted to their circumstances and did not submit tenders as part of the re commissioning of Short Breaks in 2011. However, it became apparent that despite the award of contracts to ten providers, the market was not able to meet the very specialist needs of some disabled children and young people including those attending special schools. Approval was therefore given to award contracts to two of Barnet's Special Schools Mapledown (Secondary) and Oakleigh (Primary) for the provision of short break services, as single source supplier, as defined in the Council's Contract Procedure Rules, paragraph 6.11. An extension is sought to 31 March 2014.

Short breaks to disabled children

- 9.2.3.4 As detailed above, in paragraph 10.2.1.4

- 9.2.4 **Group D** contracts requiring waiver of CPR 5.6.1.1 and 5.6.1.2 - the initial contract was not based on initial tender or quotations and the contract has been extended before

CLCH Children in Care Healthcare

- 9.2.4.1 The initial provision of health services for looked after children's healthcare was part of pre-existing arrangements with CLCH under an SLA. CLCH is providing the service to looked-after children, and London Borough of Barnet wanted to develop these arrangements so made a financial contribution to CLCH to extend the service

to provide dedicated specialist nurse provision, including for Barnet's children placed outside of the borough. Following market testing, there are no other willing providers of this specialist service at the current time.

To regularise the current arrangements, an extension and variation of the current arrangements is sought to cover the period from 1 April 2012 to 30 September 2013. This is subject to further discussions with health colleagues to ensure that financial contributions are appropriate and proportionate in relation to the statutory accountabilities of each party, including those for out of borough children.

Section 75 agreements

9.3 Legal powers are available to local authority and health commissioners through Section 75 of the National Health Service Act 2006 which sets out three powers:

- Pooled funds – under this arrangement the funding loses its identity and is spent on agreed projects and designated services;
- Lead commissioning – allows one organisation to delegate responsibility for commissioning agreed services to the other.
- Integrated provision – allows partners within the agreement to join together their staff and resources so that structures are integrated from management through to front line service delivery.

9.3.1 Barnet Children's Service and Barnet CCG are seeking to develop a more integrated approach to the commissioning of services for children. The development of an overarching Section 75 agreement is sought to provide flexibility in relation to a wide range of Children's Services which will include, but is not exclusive to:

- Speech and language therapy services
- Child and Adolescent Mental Health services
- Children in Care healthcare services
- Personal support and personal care in the home

9.3.2 Authority is sought from Cabinet Resources Committee to develop an overarching Section 75 agreement between London Borough of Barnet and Barnet Clinical Commissioning Group to jointly commission services. The development of an overarching Section 75 agreement and joint commissioning of Children's Services across London Borough of Barnet and Barnet CCG seeks to build on the existing development of closer working relationships between the council and health. The agreement will enable more effective use and alignment of resources across both organisations, at a time of reduced public sector budgets and increasing demand on Children's Services. It will allow for the pooling or delegation of funds and the opportunity to develop joint commissioning.

9.3.3 There is currently a full competitive tender process being planned, led by Barnet CCG, jointly to re-commission speech and language therapy services, with a three year contract to be awarded from 1 September 2013. This report seeks authority to expedite the development of a Section 75 agreement between London Borough of Barnet and Barnet CCG in relation to the joint commissioning of speech and language therapy services, if necessary, ahead of the development of an overarching Section 75 agreement. The financial values of jointly commissioned speech and language therapy services have been confirmed, as set out in 7.1.2.

9.3.4 This report further seeks a decision to delegate authority to the Cabinet Member for

Resources and Performance and the Cabinet Member for Education, Children and Families to agree the full scope and finances of the Section 75 agreements between London Borough of Barnet and Barnet Clinical Commissioning Group.

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SS

APPENDIX A – Report of decisions taken under Delegated Powers

Contracts in the table below have been extended using the Constitutional Powers set out in paragraphs 9.1 to 9.3 above. Contracts in Group one did not require any waiver of Council Contract Procedure Rules.

Contracts in groups two and three required waivers of Council Contract Procedure Rules to be extended. Council Contract Procedure Rules have been waived using the Constitutional Powers set out in paragraph 9.4 above.

- Contracts in group two required a waiver of Council Contract Procedure Rules 5.6.1.1 and 5.6.1.2 - The initial contract was not based on a competitive tender or quotations and the initial contract has been extended before
- Contracts in group three required a waiver of Council Contract Procedure Rules 5.6.1.3 ii - the initial contract value was subject to sub EU threshold procedure and the extension takes the value past EU threshold

Contract name	Contract description	Extension length and contracts end date	Extension value
Group one – no waivers required			
Beacon Lodge Charitable Trust	Placements for Children in Care	9 months (1 April 2013 to 31 December 2013)	£122,850
Hillfield Children's Home			£159,822
Binoh	Therapies to children with a statement of special educational need	6 months (1 April 2013 to 30 September 2013)	£41,692
Sally Wright Associates	Occupational therapy and physiotherapy to children with a statement of special educational need		£11,825
Action for Kids	Short breaks to disabled children (Short breaks block contracts)		£15,050
Barnet Carers Centre			£4,250
Barnet Mencap			£26,900
Community Focus			£16,100
IPOP/Fair Play Barnet			£171,500
Kisharon			£9,400
Noah's Ark			£4,450
Norwood			£17,750
Resources for Autism			£68,400
SNAAP			£7,550
London Care Solutions Partnership	Placements for children in care		£106,506
Cornerstone Care Homes Ltd			£97,500
Children First Fostering		£66,300	
Capstone Vision		£68,327	
CLCH Speech and Language Therapy	Speech and Language services to schools (Excellence in Clusters and Beam provision)	3 months (1 April 2013 to 30 June 2013)	£82,500 (includes £12,084 Excellence in Clusters and £14,250 Beam provision)
Aidhour	Specialist chairers for safeguarding meetings		£15,000
Caldecott	Specialist residential placements to		£148,200

Foundation	children in care		
Keys Childcare	Specialist residential placements to children in care		£32,500
Oakleigh School	Specialist short breaks services		£12,500
Mapledown School			£42,500
Tavistock and Portman NHS Foundation Trust	Young peoples' drug and alcohol service		£55,000
Brighter Futures Foster care	Placements for children in care		£ 33,540
Barford Park House			£91,200
Motivations Activity projects Ltd			£37,200
Group two - waiver of Council Contract Procedure Rules 5.6.1.1 and 5.6.1.2			
Barnardos	Advocacy to children in care	3 months (1 April 2013 to 30 June 2013)	£14,025
Care Angels	Home care support to children, young people and adults	6 months (1 April 2013 to 30 September 2013)	£23,000
Group three - waiver of Council Contract Procedure Rules 5.6.1.3 ii			
Norwood Ravenswood	Day and respite provision for disabled children	3 months (1 April 2013 to 30 June 2013)	£42,750

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Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Award of Early Intervention and Prevention Contracts
Report of	Cabinet Member for Education, Children and Families
Summary	This report seeks approval to award 13 contracts for early intervention and prevention services to 8 providers for 33 months, commencing from 1 July 2013, to the value of £2,547,095.

Officer Contributors	Stuart Collins, Head of Family Support and Early Intervention, Children’s Service Lindsey Hyde, Commissioner, Children’s Service
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable
Contact for further information:	Stuart Collins, stuart.collins@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Committee approves the award of 13 contracts for early intervention and prevention services to 8 providers for 33 months, commencing from 1 July 2013 to the value of £2,547,095.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee - 27 September 2011 – Decision item 8 – Report of the Cabinet Member for Education, Children and Families, ‘Early Intervention and Prevention Commissioned Contracts’

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The services for consideration will contribute towards the key priorities and objectives of the Council’s 2013/14 - 2015/16 Corporate Plan to provide ‘Create the right environment to promote responsible growth, development and success across the borough’; ‘Support families and individuals that need it – promoting independence, learning and well-being’ by identifying early those children and families who require support and supporting them through appropriate preventative interventions; and ‘Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study’ by supporting families to give every child a good start in life.
- 3.2 Services will also contribute to the priorities outlined in the Children and Young People Plan 2013 - 2016 (to be approved by Cabinet on 18 April 2013):
- Engage families early to ensure children have happy lives at home
 - Ensure children in need of support are identified early and appropriately supported in their early years
 - Offer opportunities for engagement and support, recognising the needs of the individual and supporting them to achieve
 - Enable young people to foster ambitious and realistic aspirations
 - Ensure services are integrated to support young people as they transition to adulthood.

4. RISK MANAGEMENT ISSUES

- 4.1 Early identification, accurate needs assessment and effective interventions are key in supporting and empowering families to ensure that all children have the best possible start. Early intervention is a key strategy in Barnet to achieve better outcomes for children, families and local communities; and also to provide savings. The service specification of the new early intervention and prevention services has been designed to more effectively integrate service provision and better use resources. If the Council does not proceed with awarding the contracts, it will have to continue with the current interim service provision arrangements. The current model of delivery is not the most viable long term option and would risk provision of a fragmented service model. In order to mitigate these risks, it is recommended that the contracts are awarded to the organisations identified in this report.
- 4.2 The tender pack set out that each potential provider will be required to keep service user records, and ensure appropriate information sharing, confidentiality; data protection, data collection and analysis are in place. Policies and protocols should be in place to ensure

that the system is robust and to encourage adherence to it. The tender process assessed providers' existing safeguarding and health and safety policies, supervision arrangements, financial viability and processes; these were found to be satisfactory and appropriate in the case of all providers contained within this report. These aspects will be explored further in the mobilisation and service delivery plans.

- 4.3 To ensure monies are being spent effectively all new contracts will be performance managed throughout the term of the contract using a robust monitoring system. This system is in place for current contracts.
- 4.4 All contracts will be awarded for a 33 month term with an annual break clause exercisable by the local authority. Funding for anniversaries years two and three is subject to future grant settlements from central government and the local authority may reduce or terminate the services in years two and year three depending on the future grant settlements. The Council reserves the right to reduce the amount of funding available should this tender not result in meeting all the priorities the Council has set or the Council has changing priorities.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Under the Equality Act 2010 the Council and all other organisations exercising public functions on its behalf are required when doing so to have due regard to the need to (i) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (ii) advance equality of opportunity between those with a protected characteristic and those without; (iii) promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 This duty, also, applies to a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the general equality duty. This includes any organisation contracted by a local authority to provide services on its behalf.
- 5.3 Early intervention and prevention services have a target group of families, children and young people 0-19 years old (up to 25 with disabilities) who are living in Barnet or children, and young people being educated in Barnet. The services will support a diverse population of children and young people, including:
- Disabled children and young people
 - Young carers
 - Traveller communities
 - Other vulnerable children and young people
- 5.4 The tender process assessed providers' existing equalities and diversity policies and specific questions were asked in the method statement in relation to organisations' recruitment process for new staff and how it is ensured that there is awareness of issues of working with children and young people and families with a range of issues from BME groups.
- 5.5 Access to services and accessibility of services in relation to protected characteristics will be monitored during the regular performance monitoring of the contracts for Early Intervention and Prevention Services.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Procurement

- 6.1.1 The tender for Early Intervention services for the period 1 July 2013 to 31 March 2016 was divided into thirteen service lots with the indicative values as detailed in paragraph 6.2.1 of this paper. The commissioning process has been conducted in accordance with Corporate Contract Procedure Rules.
- 6.1.2 The commissioning process was an open and competitive process. The end to end application process for the tender was managed through the Procure4London portal. The council used the non OJEU open tender process for services which fall within schedule 3, Part B list of the Public Contracts Regulations (as amended).
- 6.1.3 The tender notice was advertised both nationally and locally on a variety of online portals:
- (a) Community Barnet (2 weeks beforehand)
 - (b) Supply4London
 - (c) Notify current commissioned providers
 - (d) A Market Event was held for CYPNET members on 27 November 2012
- 6.1.3 The ITT opened on 3 December 2012 and closed on 1 February 2013, 14 organisations submitted a tender. At this stage organisations detailed the scope of their work as outlined in the project specification. There were 29 submissions as some organisations had submitted multiple applications.
- 6.1.4 The applications were scored 70% for Quality and 30% for Price. The quality scores measured the organisations capacity to meet Barnet's priorities and identify realistic and measurable outcomes.

Evaluation criteria	Method	Weighting
Quality	Commercial questionnaire	10%
	Method Statement schedules	60%
	Post tender interview	0%
Price	Pricing schedule	30%

6.2 Finance

- 6.2.1 The funding available per lot was detailed in the tender pack as set out below:

Lot	Service required	Total budget
1	Supporting parents of disabled children and young people	£126,806
2	Promoting activities for disabled children and young people	£340,478
3a	Young people intervention: peer-to-peer role model scheme	£172,014
3b	Young people intervention: mentoring	£172,017
3c	Young people intervention: activities and workshops	£420,341
4a	Raising standards in quality provision: childcare providers	£306,333
4b	Raising standards in quality provision: breakfast clubs, after school clubs and holiday provision	£68,190
4c	Raising standards in quality provision: inclusive training for	£49,980

	mainstream providers	
5	Supporting young carers	£321,970
6	Services for families experiencing domestic violence	£43,668
7	Parenting programmes for hard to reach communities	£107,861
8	Support to targeted communities	£35,690
9	Community Coaching service for vulnerable families	£440,000

6.2.2 The table below summarises the financial values and the overall weighted price and quality scores of the submissions from prospective providers.

A headline breakdown is provided below.

Lot	Provider	Total 33 month cost	Overall weighted price and quality score
Lot 1	A	£126,770	78.87
	B	£124,633	58.71
Lot 2	C	£279,164	46.87
	D	£290,242	92.39
	E	£284,060	71.74
Lot 3a	F	£171,579	67.87
	G	£169,580	74.74
	H	£172,014	25.91
Lot 3b	I	£168,911	78.07
	J	£169,995	75.74
	K	£172,014	25.91
Lot 3c	L	£419,866	49.00
	M	£419,710	59.42
	N	£420,346	59.29
	O	£419,628	50.40
Lot 4a	P	£305,529	67.71
	Q	£306,332	44.85
Lot 4b	R	£67,964	73.39
Lot 4c	S	£49,954	79.39
Lot 5	T	£317,578	53.12
	U	£321,967	66.47
Lot 6	V	£43,668	77.97
	W	£40,502	19.46
	X	£43,620	69.45
Lot 7	Y	£94,742	28.83
	Z	£107,810	76.93
Lot 8	AA	£35,655	69.89
Lot 9	BB	£439,335	65.77
	CC	£437,240	63.99

6.2.3 The tender submissions were assessed at Evaluation Panels, comprised of relevant Children's Service managers and a Corporate Procurement representative between 11 February 2012 and 1 March 2013, during which time evaluations of commercial questionnaire, pricing schedule and financial checks were also undertaken. All prospective providers were subsequently invited to attend clarification interviews between 1 March 2013 and 15 March 2013. Subsequent consensus meetings were held by the Evaluation Panels who presented their recommendation to the Star Chamber Meeting, comprised of relevant head of service, relevant Children's Service officer,

Children's Service commissioning representative, and Corporate Procurement representative, on 18 March 2013.

- 6.2.4 It became clear in the Star Chamber Meeting that there were wide variations between the pricing schedules submitted by providers within particular lots. The decision was taken to seek further clarification on pricing schedules in relation to all submissions. Once these clarifications were received, a final Star Chamber Meeting took place on 22 March 2013.
- 6.2.5 London Borough of Barnet has sought the most economically advantageous tenders (MEAT) that is best able to meet the Authority's Service Specification. This is based on the evaluations of the relevant Evaluation Panels and the Star Chamber Panel, taking into account the results of financial viability checks provided by Corporate Procurement and Finance.
- 6.2.6 Following the competitive tendering process it is proposed that 13 contracts be awarded to 8 organisations for the sum of £2,547,095. The proposed contractors represent value for money in terms of the competitive cost of the service and their ability to deliver services efficiently to families over the length of the contract. Where organisations are offering a service across more than one service lot, efficiency can be achieved in terms of the resource required to manage the contract including performance monitoring. It is also anticipated that there will also be service benefit for families arising from this due to greater consistency and a reduction in the number of separate organisations currently providing services.
- 6.2.7 The table below summarises the values of the contracts sought to be awarded.

Lot	Provider	Total 33 month contract value
Lot 1	Mencap	£126,770
Lot 2	Fairplay	£290,242
Lot 3a	Barnet Group	£169,580
Lot 3b	Barnardos	£168,911
Lot 3c	Barnet Group	£419,710
Lot 4a	BPSLA	£305,529
Lot 4b	Fairplay	£67,964
Lot 4c	Fairplay	£49,954
Lot 5	Barnet Carers	£321,967
Lot 6	Homestart	£43,668
Lot 7	CommUNITY Barnet	£107,810
Lot 8	CommUNITY Barnet	£35,655
Lot 9	Homestart	£439,335
Total		£2,547,095

6.3 Performance, Value for Money and Sustainability

- 6.3.1 All prospective providers were asked to identify how their organisation would demonstrate value for money. The Invitation to Tender detailed that evaluation would be based on the most economically advantageous tender. Given the specialist nature of the services, quality criteria was set at 70% and Price set lower at 30%.
- 6.3.2 Providers will be expected to submit quarterly performance reports, in addition to mid-term and end of contract evaluations reports, to be agreed with the council at the start of the contract. Performance will be used to confirm quarterly payments. In the event of underperformance, providers will be required to attend additional review meetings and will be monitored for a period of three months. If underperformance continues after the three month period, funding clawback will apply and money will be reinvested into other services in the council.

6.4 Staffing, ICT and Property

- 6.4.1 TUPE information was set out in the tender pack for prospective providers. There are no TUPE implications for any organisations for which contracts awards are sought.
- 6.4.2 As part of the quality evaluation, organisations were required to provide evidence of their policies and procedures related to safeguarding and child protection. This embraced the recruitment, training and management of staff, processes for identifying, reporting and managing concerns about families.
- 6.4.3 There are no ICT or property implications for the council.

7. LEGAL ISSUES

- 7.1 For the purposes of European procurement rules, the Early Intervention and Prevention Service contracts fall within Category B of Schedule 3 to the Public Contracts Regulations 2006 (as amended). Procurements of Category B services do not have to follow the full European procurement regime. However, as indicated under section 6 above, a competitive tender process was carried out using the European 'open procedure' and this will have ensured compliance with the, relevant, Treaty principles.
- 7.2 All new providers will be required to enter into an agreement/contract with the Council specifying the term and conditions for provision of the services.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee.
- 8.2 Paragraph 7.3 of the Council's Contract Procedure Rules sets out the authorisation and acceptance procedures, arrangements for authorisation before quotations or tenders for supplies, services or works may be sought and for the subsequent acceptance of tenders or other purchase arrangements.
- 8.2 Paragraph 7 7-3 of the Contract Procedure Rule provides the threshold for authorisation and acceptance of contracts. In the case of the proposed award of contracts specified in

this report, authorisation and acceptance by the Cabinet Committee is required in view of the expected value of some of the contracts.

9. BACKGROUND INFORMATION

- 9.1 According to Census 2011, there are currently 90,464 children and young people aged 0 to 19 in Barnet, making up just over a quarter of Barnet's population. Barnet is the second most populous borough in London. Barnet is a linguistically diverse borough, with around 140 languages spoken by pupils in our schools. While Barnet as a whole is generally affluent, there are pockets of deprivation scattered throughout the borough.
- 9.2 A key theme which underpins the work of the Children's Service is early intervention and prevention. The Early Intervention and Prevention (EIP) Team's core values support early intervention and prevention services for children and young people. Taking a preventative approach, ensuring that children and young people are able to reach their potential, and intervening early to strengthen families is the best way of making a long term impact on outcomes.
- 9.3 The EIP team is seeking a number of external service providers for the provision of successful and cost-effective evidenced based early intervention and prevention services. The services are for families, children and young people aged 0-19 year olds and up to 25 year olds with disabilities. The services for consideration will contribute towards the priorities of:
- Barnet Children and Young People Plan 2013/14 – 2015/16
 - Barnet's Corporate Plan 2013/14 – 2015/16
- 9.4 There are a number of different services required and in order to meet the key priorities the tender was divided into thirteen lots.

Lot	Service required	Total budget
1	Supporting parents of disabled children and young people	£126,806
2	Promoting activities for disabled children and young people	£340,478
3a	Young people intervention: peer-to-peer role model scheme	£172,014
3b	Young people intervention: mentoring	£172,017
3c	Young people intervention: activities and workshops	£420,341
4a	Raising standards in quality provision: childcare providers	£306,333
4b	Raising standards in quality provision: breakfast clubs, after school clubs and holiday provision	£68,190
4c	Raising standards in quality provision: inclusive training for mainstream providers	£49,980
5	Supporting young carers	£321,970
6	Services for families experiencing domestic violence	£43,668
7	Parenting programmes for hard to reach communities	£107,861
8	Support to targeted communities	£35,690
9	Community Coaching service for vulnerable families	£440,000

- 9.5 All contracts will be awarded for a 33 month term with an annual break clause exercisable by the local authority. For the contract duration, contracts will be regularly monitored to ensure that they meet the specified outcomes and represent value for

money. In the event of underperformance, providers will be required to attend additional review meetings and addition monitoring will be undertaken.

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SS

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Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Waste Collections for the Future
Report of	Cabinet Member for Environment
Summary	<p>The report seeks approval for:</p> <ul style="list-style-type: none"> • Additional funding to enable the successful implementation of Waste Collections for the Future • Authorisation of procurement of all items needed to implement Waste Collections for the Future • Authorisation of additional spend with May Gurney in order to successfully transition the recycling service to the Council's management • Increase of the Capital Programme to purchase new fleet to implement Waste Collections for the Future

Officer Contributors	Lynn Bishop - StreetScene Director Andrew Cox - Senior Project Manager
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	None
Contact for Further Information:	Andrew Cox, Senior Project Manager, andrew.cox@barnet.gov.uk

1. RECOMMENDATIONS

That the Committee:

- 1.1 Authorise the carrying out of tender processes for the following items:**
 - **New waste containers (kitchen waste both internal and external and dry recycling) including distribution**
 - **Recycling reward scheme**
 - **Communications activity**
 - **Disposal outlets for Recyclates**
 - **Purchase of Household Waste and Recycling Centre (HWRC) equipment**
 - **Waste and recycling fleet**
- 1.2 Delegate acceptance of tenders to the Cabinet Member for Environment, in accordance with the council's Contract Procedure Rules, for the items in 1.1 above.**
- 1.3 Authorise further spend of up to £400,000 with May Gurney associated with the end of the contract to ensure any May Gurney assets required by the Council transfer to the Council's ownership.**
- 1.4 Allocate £1,551,000 from the Transformation Reserve for the delivery of the project.**
- 1.5 Approve the addition to the Capital Programme of up to £8,500,000 funded by Revenue Contribution from the StreetScene Budget over five years.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 4 April 2012, Decision Item 11, approved Waste Collection Options for the Future**
- 2.2 Cabinet Resources Committee, 7 November 2012, Decision Item 5, approved the Outline Business Case and Options Appraisal for Waste and Street Scene Services**
- 2.3 Cabinet Resources Committee, 25 March 2008, Decision Item 20 and 31 resolved that:**
 - **the Fleet Procurement with Maintenance Services Contract be awarded for a period of 10 years with the option at the Council's discretion to extend it for a further 5 years as indicated within the body of the report.**
 - **That the Fleet Procurement with Maintenance Services Contract be awarded to Go Plant Limited (GPL), on terms to be agreed based on their bid made on 4 February 2008 and subject to the completion of legal documentation.**
 - **That any minor variations required in concluding contract terms be agreed by the Director of Environment and Transport in consultation with the Cabinet Member for Environment and Transport**

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The strands of the Corporate Plan (2012 – 2013) that relate to this work are 'Better Services, Less Money' and 'Sharing Opportunities, Sharing Responsibilities'.
- 3.2 Under the strand 'Better Services, Less Money' there are the strategic objectives to 'manage resources and assets effectively and sustainably across the public sector in Barnet'. The options proposed for future waste collections are designed to deliver better services and cost savings when compared with a 'do nothing' scenario.
- 3.3 Under the strand 'Sharing Opportunities, Sharing Responsibilities' there is a strategic objective to 'decrease overall levels of household waste whilst increasing the proportion of waste being recycled'. The options proposed for future waste collections are designed to decrease overall levels of household waste and increase the proportion of waste being recycled.

4. RISK MANAGEMENT ISSUES

- 4.1 Risks associated with the delivery of this project are managed and reported in accordance with corporate risk and project management processes and will also be reported through existing democratic processes. A formal Programme Board is in place chaired by the Chief Operating Officer.
- 4.2 The implementation of these new initiatives mitigates significant financial risks for the council as they are designed to increase recycling rates and therefore are anticipated to reduce the amount of residual waste that the council has to send for disposal.

The costs for treating residual waste are increasing, and forecasts show that these are likely to increase substantially, as beyond 2016 the Council will no longer have use of a cheap waste disposal outlet in the form of the Edmonton incinerator as it is projected to be coming to the end of its life.

The North London Waste Authority (NLWA) procurement, the National Waste Strategy 2007 and European legislation (the Waste Framework Directive) seek to achieve a 50% recycling rate by 2020. There are currently no financial penalties for non-achievement of this target. However the more that is recycled and composted, the less Barnet Council has to pay for waste disposal.

- 4.3 Over the last four years, Barnet has made only incremental improvements in recycling performance and waste reduction. Barnet is currently 15th out of 33 London Boroughs in relation to the percentage of its household waste that is recycled, reused or composted. Barnet is currently 27th out of 33 in relation to the amount of household waste per household that is sent for disposal. Other authorities are overtaking Barnet in performance terms and projections show that without significant changes to our services there will be no step change in our performance. This is therefore a reputational risk to the Council. In order to mitigate this risk it is essential that the planned communications activity is delivered successfully and achieves its expected outcomes.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, 'protected characteristics' are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination.
- 5.2 The Corporate Plan (2012-2013) sets out a commitment that major policies, functions and activities should be assessed for their equalities and diversity risks.
- 5.3 Any Equalities and Diversity Issues associated with these changes were addressed in the 4 April 2012 Cabinet Paper. It was not, and still is not envisaged that any option will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The challenge to the Council is to ensure that the accompanying communications plan includes both targeted and general messaging mechanisms to ensure that people with 'protected characteristics' understand the proposed options as well as those from non-protected groups. The Council understands its obligation to pay due regard to the Equality Act 2010 and will do everything necessary to ensure this duty is met throughout the process. The Council remains committed to providing an efficient, user friendly and cost-effective service for the benefit of all residents.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Finance

A total budget of £7,683,000 is required to implement the changes identified within this report.

- 6.1.1. £6,132,000 funding is already allocated to the programme of work:
- £2,720,000 – Capital Funding within the council's Capital programme
 - £391,000 – Transformation Reserve
 - £3,021,000 – Weekly Collection Support Scheme (Grant from the Department for Communities and Local Government)
- 6.1.2. In working up the detailed project plan, as was anticipated in the Cabinet report of April 2012, additional funding requirements have been identified. These requirements, totalling £1,551,000, will be funded from the council's Transformation Reserve.
- 6.1.3. The provision of new fleet will be covered by existing Street Scene budgets.
- 6.1.3.1 If Capital purchase is the preferred model for provision of new fleet this will be added to the Capital Programme and funded by borrowing with the loan repayments and interest payments funded by the existing Revenue budget.

6.1.3.2 The table below indicates an indicative position regarding this Capital spend and repayments. This shows that based on current estimates for the purchase cost of vehicles the maximum total Capital spend will be £7,642,985, which will cost £458,579 in loan repayments over the five year term. This, including estimated maintenance costs, gives a total cost for the provision of fleet over the five years of £10,719,374. This compares to an indicative contract hire cost of the entire fleet over the five year period of £12,989,375. With these figures the capital purchase model suggests a saving over the five year term of approximately £2,200,000.

	2013/14	2014/15	2015/16	2016/17	2017/18
Loan repayment / £	1,528,597	1,528,597	1,528,597	1,528,597	1,528,597
Interest payment / £	91,716	91,716	91,716	91,716	91,716
Maintenance costs / £	495,547	509,175	523,177	537,564	552,347
Total Spend / £	2,115,860	2,129,488	2,143,490	2,157,877	2,172,660

6.1.3.3 Extrapolating these figures indicates that contract hire only becomes the best value for money option when the cost of purchase is £9,500,000 or over. This has resulted in the figure of £8,500,000 being included as the requested addition to the Capital Programme, which would still represent a considerable saving over the five year term.

6.2 Procurement

All procurement activity in the project will proceed in accordance with the requirements of the council's Contract Procedure Rules, EU Procurement Rules and the principles of the Treaty on the Functioning of the European Union. The items to be procured include:

- 6.2.1 New waste containers. These are kitchen waste containers, dry recycling containers, waste bags and sacks, kitchen caddy liners and distribution of these. The anticipated cost of these items is £4,300,000.
- 6.2.2 Recycling reward scheme. This is required in order to incentivise and encourage increased recycling rates and reduce volumes of residual waste. The anticipated cost of this is £1,400,000.
- 6.2.3 Communications activity. It is essential that the Council communicates to all Barnet residents about the changes in waste collection, in order to support and enable increased recycling rates. The anticipated cost of the elements of the communication activity that will require procurement (i.e. will not be delivered by existing council resources or contracts) is up to £600,000.
- 6.2.4 Recyclates outlet. The Council will need to source an outlet for the dry co-mingled recyclate that is collected from households. The actual details of the contract will obviously not be known until the completion of the procurement exercise; however following benchmarking with other local authorities there is the possibility that this could cost (over the contract term to 31 March 2016) £900,000 or provide the authority with an income of £2,500,000. Recent contracts let by other local authorities have fallen somewhere in between these two extremes; therefore it is anticipated that this contract will yield an income of approximately £800,000 (the median of the two extremes).

6.2.5 Household Waste and Recycling centre equipment. For the Council to run the HWRC it is essential that all the necessary equipment needed within the facility is available. There will therefore be the requirement to purchase and/or put in place contracts for a number of items of equipment. The maximum anticipated cost of this is £400,000.

6.2.6 Waste and recycling fleet. In order to implement Waste Collections for the Future it is necessary to provide a new fleet of vehicles, as the current vehicles do not have the capability to deliver the new model of Waste Collection. The council currently has contract with Go Plant Limited, which it can use for this fleet; however in order to ensure Value for Money a competitive procurement exercise will also be initiated. This will confirm the best value for money option between contract hire from the existing contract, contract hire from a new contractor or capital purchase. The anticipated cost of this contract over five years is a maximum of £8,500,000.

6.3 Performance and Value for Money

6.3.1 Implementation of Waste Collections for the Future is intended to increase participation in the recycling and organic waste services.

6.3.2 Over the last four years Barnet has made only incremental improvements in recycling performance and waste reduction. In 2011/12 Barnet was 18th out of 33 London Boroughs in relation to the percentage of its household waste that is recycled, reused or composted and 29th out of 33 in relation to the amount of household waste per household that is sent for disposal.

6.3.3 The costs for treating residual waste are increasing, and forecasts show that these are likely to increase substantially, as beyond 2016 the Council will no longer have use of a cheap waste disposal outlet in the form of the Edmonton incinerator as it is projected to be coming to the end of its life.

6.3.4 In order to keep future costs to a minimum it is therefore financially beneficial to recycle, compost or reduce waste as much as possible. Greater resident participation in the recycling and organic waste services is essential.

6.4 Staffing

6.4.1 All internal staffing changes will be managed in accordance with the council's Managing Organisational Change Policy and individual staff contracts of employment.

6.4.2 The transfer of staff from May Gurney to the Council will be conducted in accordance with the council's obligations under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

6.4.3 Permission to implement the TUPE transfer of staff from May Gurney to the Council will be sought from the General Functions Committee.

6.4.4 The pensions implications will be put to the Pension Fund Committee.

6.5 IT

There are no IT issues.

6.6 Property
There are no Property Issues

6.7 Sustainability
The changes to the waste service provided to Barnet residents seek to increase recycling rates in line with the national target to achieve a 50% recycling rate by 2020.

3.1

7. LEGAL ISSUES

7.1 The procurements must be carried out in compliance with the Public Contracts Regulations 2006 (as amended); with the Treaty principles of equal treatment, non-discrimination and transparency; and in accordance with the Council's, own, Contract Procedure Rules.

7.2 The Council's public sector equality duty, imposed by the Equality Act 2010, is set out under section 5 of this report.

7.3 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246), broadly:

7.3.1 transfer all the employees working in the undertaking, together with their contracts of employment (subject to their individual right to object and excluding rights in relation to occupational pension schemes);

7.3.2 transfer liability in respect of employees dismissed by the transferor in advance of the transfer if the reason was connected with the transfer;

7.3.3 render any dismissal for a reason connected with the transfer automatically unfair (subject to one exception) in relation to those with more than one year's service;

7.3.4 transfer any trade union recognition in respect of the transferred employees;

7.3.5 transfer any collective agreements applicable to the transferred employees;

7.3.6 require the provision of information to and consultation with employee representatives;

7.3.7 require the supply of employee liability information by the transferor to the transferee in respect of the transferring employees;

7.3.8 permit variations to employees' contracts where a relevant transfer occurs in the context of insolvency.

7.4 Whilst occupational pension schemes do not transfer under TUPE, any rights which are covered by occupational pension schemes but which are not related to old age or infirmity will transfer with contracts of employment.

7.5 Following their transfer to the Council and, as employees of the Council, the transferred staff will be entitled to participate in the Pension Fund administered

by the Council in accordance with the Local Government Pension Scheme Regulations.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Constitution, Part 3, Paragraph 3.6, Cabinet Resources Committee has responsibility for:
- (i) Capital and revenue finance, forecasting, monitoring, borrowing and taxation
 - (ii) Approval of schemes not in performance management plans but not outside the Council's budget or policy framework.
- 8.2 Constitution – Contract Procedure Rules – Section 5.5 requires Cabinet Resources Committee to authorise the requests for quotations or tenders for supplies above £500,000 (and may authorise such processes up to £500,000)
- 8.3 Constitution – Contract Procedure Rules – Section 5.6 require Cabinet Resources Committee to authorise contract variations above £156,422 when:
- the contract variation is notified to and agreed in contracting with the contractor
 - any additional expenditure necessarily incurred does not exceed 10% of the initial contract

9. BACKGROUND INFORMATION

- 9.1 In approving Waste Collections for the Future in April 2012 Cabinet agreed to the following model for household waste collection in Barnet:
- Residual waste collection to remain as weekly collections
 - Dry recycling to move to co-mingled and to be collected weekly
 - Kitchen waste to be collected in an external caddy on a weekly basis (this is currently co-mingled with Garden Waste)
 - Garden waste to be collected fortnightly (currently this is collected weekly)
- 9.2 In approving Waste Collections for the Future in April 2012 Cabinet noted the existing funding available for the delivery of the changes. The report also stated that “any additional capital costs will need to be profiled by financial year and included as a new bid in the 2013/14 finance and business planning process along with any additional one off and on-going revenue costs”. This paper is that bid for additional funding.
- 9.3 The council has been awarded £4,492,000 by DCLG from the Weekly Collections Support Scheme to enable:
- The separate collection of kitchen waste from houses and flats on a weekly basis
 - The retention of weekly refuse collections (i.e. to cover the savings that could have been made by moving to alternative weekly collections)
 - A reward scheme for dry recycling.
- 9.4 The One Barnet Wave 2 Waste and Street Scene project, the Outline Business Case for which was approved in November 2012, approved that

Street Scene services should be retained and developed in-house and that in doing this the baseline cost of services would be reduced by approximately £2.5million.

9.5 The Streetscene service's current vehicle provision is via contract hire arrangements with Go Plant Ltd. An options analysis has been completed that indicates, based on indicative costs, that the best value for money option is expected to be a mixed model of capital purchase and contract hire, rather than the current model of contract hire only. As such, once definitive costs are known, the best value for money option over the five year term will be taken forward. This/these new arrangements will replace the current contract hire arrangements and are anticipated to enable savings within the Streetscene budget as indicated in section 6.1.3.

9.6 The key Programme milestones are as follows:

Task	Milestone date
Communications programme start	1/4/13
Serve formal notice on May Gurney of contract termination	5/4/13
HR meetings (Trade Unions, May Gurney, NSCSO) start	1/5/13
New recycling containers procurement complete	8/5/13
Disposal of recyclates procurement complete	31/5/13
Final Measures Letter sent to May Gurney	1/9/13
New recycling containers roll-out start	2/9/13
New staffing model for Waste Services implemented	30/9/13
New Incentive system implemented	1/10/13
New recycling containers roll-out complete	4/10/13
Kerbside contract with May Gurney ends	5/10/13
Kerbside staff first day as LBB employees	7/10/13
HWRC contract with May Gurney ends	8/10/13
HWRC staff first day as LBB employees	9/10/13
HWRC delivered by Barnet reopens	11/10/13
Barnet kerbside collection restarts	14/10/13
New household waste collection model go live	14/10/13

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	JH/MC
Cleared by Legal (Officer's initials)	SCS

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Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Brent Cross Cricklewood Regeneration
Report of	Leader of the Council
Summary	

Officer Contributors	Tony Westbrook - Head of Regeneration Service Karen Mercer - Regeneration Manager
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Status (public or exempt)	Public
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Wards affected	Childs Hill, Golders Green and West Hendon
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Function of	Executive
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Reason for urgency / exemption from call-in (if appropriate)	Not applicable
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Contact for further information: Tony Westbrook, Head of Regeneration 020 8359 7381.

1. RECOMMENDATION

That the Committee:

- 1.1 Note that the Development Partners wish to apply to modify the existing planning consent to allow re-phasing.**
- 1.2 Agree that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area.**
- 1.3 Confirm the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal necessary contractual issues or arrangements.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 26 April 2004 (Decision item 8) – approved the adoption of the Cricklewood, Brent Cross and West Hendon Development Framework as Supplementary Planning Guidance.
- 2.2 Cabinet, 29 March 2005 (Decision item 6) – agreed to enter into a collaboration agreement with the development partnership (Cricklewood Regeneration Limited [CRL], Hammerson and Standard Life).
- 2.3 Cabinet, 5 December 2005 (Decision item 7) – approved, amongst other matters, that (i) the Eastern Lands Addendum be adopted as Supplementary Planning Guidance; and (ii) the Eastern Lands Supplementary Guidance be incorporated into the Cricklewood, Brent Cross and West Hendon Development Framework.
- 2.4 Cabinet Resources Committee, 25 March 2008 (Decision item 16) – approved the outline terms so far agreed with the Brent Cross partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel’s advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement (DFA) and the Principal Development Agreements (PDAs) be reported to a future meeting of the Cabinet for approval.
- 2.5 Cabinet, 21 October 2009 (Decision item 7) – approved the terms and conditions of entering into the Development Framework Agreement (DFA) and the Principal Development Agreements (PDAs), subject to approval of the Brookfield Europe and Hammerson Guarantor companies by the Director of Finance and the Leader of the Council, and the approval of the appropriate land transaction and financial arrangements by the Secretary of State. The approval was also subject to agreement of the plans, the historic costs and the form of the legal documents.
- 2.6 Cabinet Resources, 19 October 2010 (Decision item 5) – approved the changes to the terms and conditions of the Development Framework Agreement (DFA) and the two Principal Development Agreements (PDA) regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The regeneration of Brent Cross Cricklewood contributes to all three priorities in the Corporate Plan 2012/13:
- Better services with less money
 - Sharing opportunities, sharing responsibilities
 - A successful London Suburb
- 3.2 The 2012 Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the borough and maintaining Barnet as a successful London Suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross Cricklewood is one of Barnet's priority regeneration areas, and will provide over 7500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.
- 3.3 The first phase of the project, which is proposed to be delivered over the next 5-10 years, includes the redevelopment of the shopping centre, creation of major new infrastructure, improved links to the existing tube station, and delivery of around 1,300 new homes. This will create an estimated 3,000 construction jobs, and 2,500-3,000 permanent jobs.
- 3.4 As well as meeting the housing and employment needs of residents, growth can play a role in the longer term sustainability of Council services. The first phase of development at Brent Cross Cricklewood is expected to generate approximately an additional 91,500 sqm of net retail and commercial floorspace, equating to a potential business rate growth of up to £10m per annum. The 1,300 new homes delivered over the same period are expected to generate around £10.4m in New Homes Bonus payments and around £10.9m in Council Tax for new homes by 2020.

4. RISK MANAGEMENT ISSUES

- 4.1 Risk management issues remain as noted in the previous reports in October 2009 and October 2010.
- 4.2 The delivery of the Brent Cross Regeneration proposal (including the procurement of a development partner for the southern parts of the regeneration area) is subject to modification of the planning consent to allow re-phasing of the masterplan. Council officers are working closely with development partners, Transport for London and the Greater London Authority to ensure this happens as quickly as possible.
- 4.3 There is also the risk that the procurement of a development partner could be subject to challenge. To mitigate this risk, the procurement process will be subject to the relevant European Union procurement procedures, including if required, submitting a contract notice to the official Journal of the European Union (OJEU), of the procurement. The Council has retained specialist legal advice on the scheme as a means of ensuring that all actions taken by the Council accord with the provisions of relevant national and international laws, regulations and directives.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council is committed to improving the quality of life and wider participation for all the economic, educational, cultural, social and community life in the Borough.
- 5.2 The development proposals for the Brent Cross scheme will make a significant contribution to the provision of additional, high quality affordable housing units in the Borough as well as providing employment through the creation of a new town centre with leisure, health and educational facilities.
- 5.3 Extensive consultation has and will continue to be undertaken with the community to ensure that the scheme reflects local needs, as well as securing the future of North London's only regional shopping centre. The approach aims to secure the delivery of a cohesive and successful suburban environment which will help to address the deprivation that is concentrated in parts of the Borough.
- 5.4 In this regard, the Council and the Development Partners have appointed an Independent Residents Advisor to work with the residents on the Whitefields Estate within the regeneration area, and have established the Whitefields Estate Steering Group. The Council meets with the Steering Group on a regular basis. The Council and the Development Partners will be meeting with residents again in May to provide an update and discuss the re-phasing proposals.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The Council has the following consultant team in place to advise the Council on the Brent Cross Cricklewood project. Cabinet Resources Committee is asked to confirm the continued appointment of the external advisors for this project and that the Director for Place should deal with any necessary contractual issues or arrangements.

		Date Appointed
Eversheds	Legal – Commercial	July 2005 and Jan 2009
Paul Winter & Co	Legal – Planning	April 2011 (DPR) and July 2011 (Framework Agreement)
CBRE	Commercial	July 2007 (DPR 305)
GVA Grimley	Strategic Property Advice / Specialist Support	Nov 12 (DPR 1830)
PEP	Community Engagement	May 2011 (DPR 1317)

- 6.2 These contracts were subject to a competitive process and continue to represent the best available option for the Council. Further advice may be required on design, planning, transport and environmental matters, and consultants will be procured through the Council's procurement procedures.
- 6.3 Eversheds were appointed as legal advisors to the project on 18 July 2005 to support the Council in negotiations for the Cricklewood and Brent Cross project. This was following a competitive tender where Eversheds represented value for money and was the best available option for the Council. Eversheds appointment was reconfirmed by the Cabinet Resources Committee on 19 January 2009.
- 6.4 Paul Winter was at that time employed by Eversheds to provide legal planning advice to the Council's Planning team. He has since set up his own practice and, following a

competitive process, has continued to advise the Council's Planning and Legal Services on the Copthall and Brent Cross Cricklewood projects in accordance with the Framework Agreement dated 15 January 2011. Cabinet Resources Approval is sought to enable the Director of Place to extend this contract in accordance with the provisions contained within the Framework Agreement.

- 6.5 Under the terms of the Collaboration Agreement signed by the Council and the Development Partners, Hammerson/Cricklewood Regeneration Limited and Standard Life are obliged to pay the Council's consultants costs in connection with this project. Spend to date is approximately £3.73m and this has been recovered from the Development Partners. The costs associated with the further work required to progress the project in 2013/14 are estimated to be approximately £1.18m and will be recovered from the Development Partners. The Development Partners have confirmed that these costs are included in their approved budget. If the costs through monthly cost monitoring are likely to exceed this provision, then we will renegotiate additional costs with the Development Partners.
- 6.6 Cabinet Resources Committee approval will be sought to commence the formal procurement process.

7. LEGAL ISSUES

- 7.1 The Council has power a general power of competence under Section 1 of Chapter 1 of the Localism Act 2011 and this empowers the Council to enter into a joint venture arrangement with a private sector partner for the development of the South side of the Brent Cross Cricklewood Development Scheme. Section 1 of the Localism Act 2011 provides local authorities with a broad power to do anything that individuals can do subject to any specific restrictions contained in legislation.
- 7.2 The procurement of a development partner for the south side of the scheme would be carried out in accordance with the relevant European Union Procurement Regulations.
- 7.3 The procurement exercise for the appointment of the Consultants mentioned at paragraph 6.1 of this report was carried out in accordance with the Council's Contract Procedure Rules and with due regard to the European Union Procurement regulations.
- 7.4 The Local Government (Contracts) Act 1997 provides an express general power for local authorities to enter into contracts with third parties.
- 7.5 Section 111 of the local Government Act 1972 provides that a local authority has power to do anything which is calculated to facilitate, or is conducive or is incidental to the discharge of its functions.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's Constitution in Part 3, Responsibility for Functions, states in paragraph 3.6 the functions delegated to the Cabinet Resources Committee to agree contracts, and including all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION / REPORT

Background

- 9.1 Brent Cross Cricklewood is one of London's major regeneration schemes and among the most significant planned new developments in Europe. It extends to circa 151 hectares. The Regeneration Scheme is being driven by a partnership comprising the Cricklewood Brent Cross Development Partners (Hammerson and Standard Life Investments) and the London Borough of Barnet.
- 9.2 The site represents a significantly under used area of brownfield land comprising industrial uses, former railway land and retailing premises surrounded by large areas of surface level car parking. The site is dominated and constrained by the existing road network and rail infrastructure. Nevertheless, given its location at the connection between the M1 and the A406, Brent Cross Cricklewood represents an underused gateway site into London. The potential of the site is reinforced by its connection with the A5 and A41, and its close proximity to the Northern Line at Brent Cross station, the Midland mainline and Brent Cross bus station.
- 9.3 The overall aim is to create a new town centre, uniting the areas north and south of the A406, and to stitch together the damaged fabric of this extensive urban area. The scheme will deliver a sustainable town centre comprising attractive residential environments, an expanded and improved shopping centre and an attractive retail environment along a new High Street. Brent Cross Cricklewood represents an opportunity to create a high quality modern development within a mixed community providing local shops, restaurants, offices and schools, set around parkland and green space.
- 9.4 As detailed in the Corporate Strategy section, the development of this strategic gateway site will not only provide an attractive and vibrant place to live and work but will also contribute to the future prosperity of the borough. Phase 1 alone is expected to create an additional 3,000 construction jobs, and 2500-3000 permanent jobs over the next 5-7 years and will generate approximately an additional 91,500 sqm of net retail and commercial floorspace, equating to potential business rate growth of up to £10m per annum.
- 9.5 The report to Cabinet Resources on 19 October 2010 set out the final agreed commercial terms to be incorporated into the legal agreements between the Council, Hammerson/Standard Life and Cricklewood Regeneration Ltd in respect of the Brent Cross shopping centre and the lands to the south of the A406.
- 9.6 Outline planning permission for the comprehensive regeneration of the Brent Cross Cricklewood area was granted on 28 October 2010.

Progress Update

- 9.7 In the last two years the Development Partners have been working up a re-phasing of the existing outline planning consent that will provide a more viable scheme and will meet the planning conditions of the outline permission. The risk of the need for re-phasing was highlighted in the Cabinet Resources Committee Report in 2009 given the existing economic conditions.
- 9.8 This re-phasing exercise has provided the Development Partners with the opportunity to revisit the masterplan and the introduction of improvements, for example better

pedestrian links between Brent Cross Shopping Centre and the proposed new high street to the south of the A406. This is subject to Planning and therefore needs to be considered and reviewed by the Council's planning team as part of the application to modify the existing consent.

- 9.9 This re-phasing strategy will enable a start on site by 2017 in accordance with the existing permission, and a potential opening date for the new shopping centre by 2020.

Procurement of Development Partner to deliver the southern parts of the Brent Cross Regeneration.

- 9.10 The Council and Hammerson/Cricklewood Regeneration Limited are investigating the best way to secure a development partner to deliver the southern parts of the Brent Cross Cricklewood Regeneration. The Council will lead this process with the support of Hammerson / Cricklewood Regeneration Limited. This approach will enable Hammerson to focus on the delivery of the shopping centre at Brent Cross and the significant infrastructure required to support the comprehensive regeneration proposals. The legal agreements with the Development Partners will be updated to reflect this revised approach and will be reported to Cabinet Resources Committee for approval..
- 9.11 The Council has also instructed GVA Grimley to provide strategic property development advice and specialist support on the delivery of the southern parts of the scheme. The first stage of that advice is to review the existing masterplan and consider the most appropriate delivery mechanism and procurement route to find a delivery partner. This work, which is commercially sensitive, will be reported to Cabinet Resources Committee later this year.
- 9.12 Cabinet Resources Committee approval is therefore sought to allow the Council and Hammerson/CRL to begin preparations for the Council to procure a partner to deliver the southern part of the regeneration proposals. This work will include GVA, on the Council's behalf, undertaking research to understand the market on bringing forward the regeneration proposals and determine the most suitable delivery mechanism and the appropriate procurement route.
- 9.13 GVA are also commissioned to explore potential funding strategies to bring forward critical infrastructure within the Regeneration Area, including the Thameslink Station. This review will be complete in April 2013 and reported to Cabinet Resources later this year.
- 9.14 Following this exercise and the conclusion of the GVA work, Cabinet Resources Committee approval will be sought to commence the formal procurement process in early 2014 based on a clear procurement strategy and delivery mechanism.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	JF

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Meeting	Cabinet Resources Committee
Date	18th April 2013
Subject	West Hendon Regeneration Scheme
Report of	Leader of the Council
Summary	The report seeks consent to approve the Heads of Terms and to delegate authority to the Director for Place, in consultation with the Leader of the Council, to agree the Deed of Variation to the Principal Development Agreement for the West Hendon Regeneration Scheme. This will enable Barratt Metropolitan Limited Liability Partnership to commence construction works by the end of summer 2013 on Phase 3 of the West Hendon Regeneration scheme delivering circa 659 units

Officer Contributors	Abid Arai, Regeneration Manager Strategic Planning & Regeneration
Status (public or exempt)	Public with no separate Exempt Report
Wards Affected	West Hendon
Key Decision	
Reason for urgency / exemption from call-in	Not applicable
Function of	Executive
Enclosures	Appendix 1 - Phasing Drawing Appendix 2 - Red Line of estate Appendix 3 - Phase 3 Drawing 3a,3b,3c bullet point 6.8 Appendix 4 - School Location Appendix 5 - Heads of Terms Appendix 6 - Drawing of York Park 1, 2 bullet point 6.11
Contact for Further Information:	Abid Arai Regeneration Manager Strategic Planning & Regeneration Tel: 020 8359 4980

1. RECOMMENDATIONS

1.1 That the Committee:

- (a) agree the Heads of Terms for the Deed of Variation to the West Hendon Principal Development Agreement as set out in Appendix 5.**
- (b) authorise the Director for Place in consultation with the Leader of the Council and the Chief Operating Officer to agree the final terms to the Deed of Variation to the Principal Development Agreement between the Council and Barratt Metropolitan Limited Liability Partnership, Metropolitan Housing Trust, Metropolitan Living Limited, Barratt Home Limited and Barratt Developments Plc for the regeneration and redevelopment of the West Hendon Regeneration Scheme.**
- (c) authorise the Director for Place to notify secure tenants affected by the proposed regeneration of West Hendon to enable the same to make representations to the Council in accordance with the requirements of Part V of schedule 2 of the Housing Act 1985.**
- (d) authorise the Director for Place in consultation with the Leader of the Council to consider any representations made by secure tenants received under the process and if as a consequence of such representations, she believes it appropriate, to seek relevant changes to the proposed regeneration of West Hendon.**
- (e) authorise the Director for Place in accordance with provisions of Section 122 (2A) Local Government Act 1972, to advertise the intention to appropriate the freehold of York Park and any other open space within the red line boundary from the purpose for which it is currently held to planning purpose reporting ant representations / objections received to a future Cabinet Resource Committee meeting for consideration.**
- (f) authorise the Director for Place in accordance with provisions of Section 123 (2A) Local Government Act 1972, to advertise the intention to appropriate the freehold of York Park and any other open space within the red line boundary from the purpose for which it is currently held, to planning purpose reporting any representations/objections received to a future Cabinet Resource Committee meeting for consideration. of the West Hendon Regeneration Scheme to Barratt Metropolitan Limited Liability Partnership (BMLLP), in keeping with the terms of the PDA for the scheme, /reporting any representations / objections received to a future Cabinet reporting any representations received to a future Cabinet meeting for consideration.**
- (g) authorise the Director for Place to approve the service of demolition notices as required, for the delivery of the regeneration project, pursuant to schedule 9 and section 182 of the Housing Act 2004.**
- (h) authorise the Director for Place to grant a temporary works licence to Barratt Metropolitan Limited Liability Partnership (BMLLP) in advance of land transfer, in order for BMLLP to carry out preliminary works**

including demolition of existing structures to enable the commencement of the next phase of the West Hendon Regeneration.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Planning and Environment Committee, 27 July 2005 (Decision item 8); Outline planning consent for the West Hendon Regeneration Scheme (W13937/04), subject to an agreed Section 106 Agreement.
- 2.2 Cabinet, 30 August 2005 (Decision item 5); West Hendon Regeneration Scheme – Approval to enter into a Principal Development Agreement
- 2.3 Cabinet, 11 October 2005 (Decision item 7); West Hendon Regeneration Scheme – resolved that the final arrangements for entering into the Principal Development Agreement be subject to approval by the Leader of the Council.
- 2.4 Planning and Environment Committee, 25 January 2006 (Decision item 7) - approved amendments to Outline Planning Consent (W13937/04), to vary the Section 106 Agreement Heads of Terms by inclusion of additional planning obligations relating to Energy Strategy and Accessibility and Inclusive Design.
- 2.5 Cabinet, 3 April 2006 (Decision item 8) – approved the final arrangements for entering into the Principal Development Agreement for the West Hendon regeneration project.
- 2.6 Cabinet Resources Committee, 28 November 2006 (Decision item 15) – resolved to make a Compulsory Purchase Order for the acquisition of all non-Council owned property and other proprietary interests in the West Hendon regeneration area as shown on the attached plan and that the appropriate Chief Officers be authorised to take all necessary action to secure the confirmation and implementation of the Compulsory Purchase Order.
- 2.7 Planning and Environment Committee, 19 March 2008 (Decision item 8) - approved amendments to Outline Planning Consent (W13937/04) to vary phasing; reconfigure the central square; make general changes to the alignment of building blocks and vary the layout of block 'L' and surrounding road layout.
- 2.8 Planning and Environment Committee, 22 December 2008 (Decision item 8) - approved Reserved Matters Application to develop Phase 2A of the development.
- 2.9 Delegated Powers Report, 7 August 2009 (number 870) – the Leader of the Council approved and agreed a Deed of Variation to extend the expiry date on the Principal Development Agreement and to make amendments to the provisions for the TUPE agreement and information on the Masterplan.
- 2.10 Delegated Powers Report, 15 February 2010 (number 993) – the Leader of the Council approved the extension of the Principal Development Agreement expiry date by four months to 15 June 2010, and to enter the Deed of Variation to the Principal Development Agreement for commencement of the Initial Phase (Pilot and Phase 2A).

- 2.11 Delegated Powers Report, 16 June 2010 (number 1092) – the Leader of the Council approved the extension of the Principal Development Agreement expiry date by six months to 15 December 2010.
- 2.12 Cabinet Resources Committee, 30 November 2010 (Decision item 7) - approved the extension of the Principal Development Agreement by twelve months to 15 December 2011 and authorised officers to grant a further extension of up to twelve months to 15 December 2012 (which has now been granted – see paragraph 2.13).
- 2.13 Delegated Powers Report, 3 October 2011 (number 1444) – the Interim Director of Environment, Planning and Regeneration approved an extension of the West Hendon Principal Development Agreement expiry date by 12 months to 15 December 2012 to review feasibility options.
- 2.14 Delegated Powers Report, 22 December 2011 (number 1524) – the Leader of the Council authorised that officers can undertake a mini tender competition to select external legal advisers for the West Hendon Regeneration Scheme. DLA Piper was the external legal advisors appointed under this tender exercise.
- 2.15 Cabinet Resources Committee, 28 February 2012 (Decision item 19) – approved that the Deputy Chief Executive be authorised to negotiate revised terms for the West Hendon Principal Development Agreement to enable the West Hendon regeneration scheme to progress with a new master plan that guarantees scheme viability, consulting relevant stakeholders as necessary and to report back to the Committee later this year on the result of these negotiations and any proposed changes.
- 2.16 Cabinet Resources Committee, 7 November 2012 (Decision item 7) – approved the extension to the Principal Development Agreement for a period of 6 months to June 2013.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The regeneration of the West Hendon estate supports the Corporate Plan 2012-2013 priority of *'A successful London Suburb' and the strategic objective under this priority to sustain Barnet as a successful place through regeneration, and supporting enterprise and employment'*.
- 3.2 The regeneration of the West Hendon regeneration estate also supports the Sustainable Community Strategy for Barnet 2010–2020 through the following objectives:
- A new relationship with citizens - the new developments will offer more choice and promote independence by providing a number of different housing options such as shared ownership to residents and to other people in the wider community.
 - A one-public-sector approach - the Council is working together with other public sector partners to ensure the delivery of the schemes.

- A relentless drive for efficiency - the Council is working with development partners to ensure that the scheme is delivered in the most cost effective way.
- 3.3 The regeneration scheme also complies with strategic objectives in the Council's Housing Strategy 2010-2025 which include:
- Increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and promoting mixed communities and maximising opportunities available for those residents wishing to own their own home.

4. RISK MANAGEMENT ISSUES

- 4.1 The delivery of a residential led housing scheme over a period of 17 years could give rise to a level of market risk for the development partners and the Council. The relationship between house price inflation and construction inflation is likely to impact the future viability of the scheme. If construction cost inflation exceeds house price inflation, there is a risk that the project may become unviable. The partners have sought to manage this risk by seeking to adopt a revised phasing strategy that enables the development partner, in consultation with the Council to continue work, by implementing smaller development phases.
- 4.2 If the regeneration of the estate fails to proceed, the Council will need to ensure that the homes are free from Category 1 Hazards as defined in the Housing Health and Safety Rating System (HHSRS) under the Housing Act 2004. The HHSRS sets out the minimum standard for housing. The properties in Council ownership would require major investment to ensure that they remain habitable in the longer term. There is currently no financial provision to upgrade these homes and therefore funding sources would need to be identified. This could have significant financial implications for the Council due to the poor state of repair of many of the dwellings within the estate. On a similar regeneration scheme the cost of evaluating this work was calculated at circa £53,000 per dwelling.
- 4.3 On the 7 November 2012 Cabinet Resources Committee approved the extension of the Principal Development Agreement to 15 June 2013, with a further twelve-month extension subject to Barratt Metropolitan Limited Liability Partnership (the Council's development partner for the scheme) submitting a hybrid planning application before 15 June 2013. There is a risk that should the Principal Development Agreement not be extended beyond this date, the Principal Development Agreement could be terminated. If this unlikely event were to occur then the Council would be required to commence a new procurement process to find a partner to regenerate the West Hendon estate. Appointing an alternative development partner would result in major time (approx. two years) and cost implications, with the prospect that a fresh procurement exercise could end up not guaranteeing an alternative viable delivery solution.
- 4.4 Under the existing Principal Development Agreement, the development partners are responsible for Council costs up to £500,000 some of which were recovered under the existing Deed of Variation to the Initial Phase (entered

into 29 April 2010). The Principal Development Agreement also enables the Council to recover costs of up to £100,000 per annum during the development period. These Council costs can be recovered when the Principal Development Agreement goes unconditional. If the Principal Development Agreement terminates, the Council will no longer be able to recover these costs.

- 4.5 In order to improve scheme viability for the Initial Phase, the Council deferred the Section 106 contributions on the former site of the Lakeview Children's centre to later phases of the regeneration scheme. If Barratt Metropolitan Limited Liability Partnership does not proceed with the rest of the regeneration, this contribution will be lost. The total amount deferred is circa £1.6million (indexed linked). The deferment has had an impact on the Council's Education Capital Fund.
- 4.6 Given the market exposure, whilst the economy is still fragile the scheme is likely to need external funding. External funding sources that have been explored, thus far include an application to the Greater London Authority (GLA) ¹ for Get Britain Building funding along with a bid to Transport for London for infrastructure improvement works along the A5. Under the previous grant funding provisions Metropolitan Housing were awarded £5.5m, which has been allocated to the West Hendon Scheme and will deliver 43 Affordable units by March 2015.
- 4.7 Ground 10A approval - a successful land assembly exercise which is required to facilitate the regeneration of the scheme area is partly dependent upon tenants relocating from their existing properties to other suitable alternative premises. There is a risk that should consent /scheme approval, by the Secretary of State for Communities and Local government not be granted, tenants may decide not to relocate. Extensive consultation continues to be carried out with residents and consent from the Secretary of State will enable the Council to serve Ground 10A notices under the Housing Act 1985 to gain vacant possession of homes. In order to further mitigate this risk, it is also proposed that all tenures, including premises occupied under a secure tenancy on the estate, would be included within the proposed Compulsory Purchase Order for the Scheme.
- 4.8 Prior to the commencement of each development phase, a financial assessment will be undertaken to ensure the phase minimum return as set out in the Principal Development Agreement can be met. In the event that it is below the threshold the financial delay provision in the Principal Development Agreement may be triggered, resulting in programme delays. Under the revised Heads of Terms, this risk has been reviewed by the Council with Barratt Metropolitan agreeing in principal to commence a development phase where the minimum return is below the threshold.
- 4.9 Phase 3 of the West Hendon Regeneration scheme is dependent upon Barratts Metropolitan Limited Liability Partnership acquiring the former Perryfields site from Catalyst Housing Limited. Should negotiations via private treaty fail, the site would need to be acquired by the Council through its Compulsory Purchase powers and could inevitably result in program delays.

¹ As of April 2012, the Homes and Communities Agency's London functions have been devolved to the Greater London Authority.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, and social and community life of the Borough. The West Hendon Regeneration Scheme will provide a mix of affordable and private sale properties. The new mixed tenure housing will improve the community cohesion in an area with a highly diverse population. It will provide increased choice and opportunity for Barnet residents. This supports the overall aim of the Council's Equalities Policy and the Council's duties under the Equality Act 2010.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

Finance

- 6.1 Financial consultants have assisted the Council with the preparation, making and progressing of the variation to the scheme structure and revised proposal. Work carried out internally with respect to aspects of the financial assessment and evaluations will be done using existing staffing resources.
- 6.2 On the face of it, there is no monetary consideration for the land transfers that would result from the implementation of the scheme, however, certain costs incidental to the scheme including the cost of land assembly will be met by the developer. Barratt Metropolitan Limited Liability Partnership will also be required to meet all the Council's fees, costs and any tax liability applicable to this transaction, with provision being made for this in the Deed of Variation.
- 6.3 Under the Principal Development Agreement (PDA) the Council can also recover £500,000 of its historic costs from the development partners. Part of these costs has been recovered through the Initial phase, with the balance to be recovered under the Deed of Variation to be agreed between parties.
- 6.4 Perryfields car park generates an income for the Council and once this land is transferred to Barratt Metropolitan Limited Liability Partnership there will be a revenue loss to the Council. The current annual revenue return from the pay & display car park is £36,400 however this loss was previously contemplated prior to entering into the Principal Development Agreement.
- 6.5 The Development will result in properties becoming vacant and Class C Council Tax exemption being applied for a maximum of six months. After six months have elapsed a further 12 month exemption can be applied if necessary. Subject to the programme, empty properties that become vacant will be available for short term lettings.
- 6.6 As there is an overall net increase of circa 1500 properties, Council Tax revenue will increase. Under band D the potential Council Tax income generated for the West Hendon Estate is likely to be £3.1m.
- 6.7 Under the Governments New Homes Bonus grant, the Council is projecting an income of circa £11m to be generated for new properties built at West Hendon.

Property

- 6.8 The revised Masterplan proposes to bring forward the regeneration of the estate in six Phases, as shown on the phasing strategy in Appendix 3 of this report. Phase 3 is split into sub-phases 3a, 3b & 3c. The next phase, sub-phase 3a, aims to bring forward around 216 residential dwellings. Part of this sub-phase will be built on the site of a former residential care home owned by Catalyst Housing Limited. Barratt Metropolitan Limited Liability Partnership is currently in negotiations with Catalyst regarding the acquisition of the catalyst site.
- 6.9 As a result of the proposed regeneration of West Hendon, future phases will require the demolition of eight properties along the A5 of West Hendon Broadway. These properties are currently leased or licensed by the Council and any loss of income as a result has previously been taken into consideration prior to entering into the Principal Development Agreement.
- 6.10 Following the introduction of Housing Revenue Account (HRA) self financing in April 2012, the impact of removing stock from the Housing Revenue Account (HRA) results in the loss of rental income. However, this loss of stock was taken into account by Communities and Local Government (CLG) when self financing was introduced, and will not impact significantly on the Council's HRA Business Plan.

Public Open Space

- 6.11 York Park is an area of public open space which is required for the regeneration scheme. This area is required to be built on as various phases of the development come forward. A new park will be provided for the whole length of the site's boundary extending its current length within the development site from 395m by almost 25% to 485m. See Appendix 6 – Drawings 1 and 2.
- 6.12 As York Park is public open space the Council must advertise its intention to dispose of the park to Barratt Metropolitan Limited Liability Partnership at nil value pursuant to Section 123 (2A) of the Local Government Act 1972. If any representations or objections are made, then, any such objections will be reported to the Cabinet Resources Committee for consideration, prior to the disposal of land. The Council will have to follow its procedure in its Real Estate Management of Land Rules in order to achieve this.

Education

- 6.13 The West Hendon estate is part of the Brent Cross Cricklewood regeneration scheme, but being developed separately. As part of the first phase of Brent Cross Cricklewood development Claremont primary school is to be re-built and expanded from a two to a three form entry school. This proposal to meet demand arising from the regeneration scheme was based on an assumption regarding capacity within existing schools continuing. However, since this was negotiated in 2007 there has been a significant increase in school rolls and there is no longer capacity within any existing primary schools in the area to meet new demand for pupil places. A solution is therefore required to meet the projected demand in the West Hendon. It is proposed that new two form

entry primary school is commissioned as part of the West Hendon Regeneration scheme. This will partly be funded through S106 contributions. Until this new provision becomes available, it will also be necessary to expand provision at an existing primary school within the West Hendon estate area to meet the needs of families within the new development.

Procurement

- 6.14 It is intended that the proposals set out in this report will be taken forward by means of a variation to the existing Principal Development Agreement for the West Hendon Regeneration Scheme. The Deed of Variation will be subject to detailed legal advice from the Council's Legal Advisors in respect of any procurement issues.

Performance and Value for Money

- 6.15 The Council and Barratt Metropolitan Limited Liability Partnership have agreed to adopt a transparent and open book approach to the management of the West Hendon Regeneration Scheme. The Council has the right to access management accounts and other relevant documentation to ensure that information being provided in connection with financial matters is accurate and accords with 'Value for Money' criteria.
- 6.16 The Principal Development Agreement at present allows for the Council to appoint monitoring consultants to ensure performance and Value for Money of the regeneration project. This function will also be provided for in the Deed of Variation to the Principal Development Agreement.

Staffing, IT and Sustainability

- 6.17 There are no issues to report in relation to IT and sustainability. However, The Council has addressed issues around staffing resources for Planning, Highways and Legal as part of the Major Planning Application with Barratt Metropolitan Limited Liability Partnership covering these costs through a performance agreement.

7. LEGAL ISSUES

- 7.1 The Council is empowered under Section 1 of the Localism Act 2011 to enter into the transaction proposed by this report, subject to observance of the provisions of other relevant legislation or European Union directive or regulation.
- 7.2 Projects like the West Hendon Regeneration Scheme (which involve building or development obligations on the part of the developer to specific requirements or standards) are generally viewed by the courts as public works contracts which are required to be tendered within the Public Contracts Regulations. Any new arrangements with an alternative developer or consortium would very likely require the Council to run a formal public procurement competition under the Public Contracts Regulations - involving both considerable time and delay in the project and significant cost. Furthermore, given the effects of the recession on the housing market and the

relatively few numbers of developers who have the necessary funding in place the Council may find it difficult to attract sufficient interest from bidders in running a new procurement exercise. Experience has shown that many developers are reluctant to commit the necessary funds and resources that are required to submit a formal tender under the Public Contracts Regulations.

- 7.3 The Council has the power to dispose of land held for housing purposes under section 32 of the Housing Act 1985 and further the Council has the power to dispose of land which is not held for housing purposes under section 123 of the Local Government Act 1972 provided that 'disposal of land under this section; otherwise than by way of a short tenancy, for consideration less than best that can reasonably be obtained.'
- 7.4 The Local Government Act 1972: General Disposal Consent (England) 2003 provides local authorities with scope for flexibility without the need to obtain the Secretary of State's specific consent under Section 123 of the Local Government Act 1972 when dealing with a 'disposal' at less than best consideration subject to the condition that the value does not exceed £2 million and the Local Authority considers that the purpose for which the land is disposed is likely to contribute to the achievement of any one or more of the following objectives in respect of the whole or any part of its area, or all or any persons resident or present in its area; i) the promotion or improvement of economic well-being; ii) the promotion or improvement of social well-being; iii) the promotion or improvement of environmental well-being.
- 7.5 Notwithstanding the above, because transferring the Housing Revenue Account land at nil consideration is financial assistance pursuant to Sections 24 and 25 of the Local Government Act 1988 then consent of the Secretary of State is required. The Secretary of State has through the General Consents under Section 25 Local Government Act 1988 (2005) published pre-approved consents in connection with financial assistance. If the form of financial assistance complies with one or more of the General Consents then the Council could proceed without a specific application to the Secretary of State. This transaction does not readily sit within the General Consents. The proposed disposal is to a private entity and not a Registered Provider (RP). Even if it was to an (RP) the number of regeneration programmes being undertaken in the borough could mean that the Council exceeds the £10 million limit set in General Consent (A).
- 7.6 If the Council mistakenly relies on General Consent and it is found that the Council then the transaction would be ultra vires and void. In such circumstances the Council is likely to have to defend a legal claim from its partners for any improvement works undertaken on the land, except in cases where the developer is afforded the protection by Section 128 of the Local Government Act 1972.
- 7.7 For these reasons above, it is suggested that the Council should carefully consider whether or not it can rely on any of the general consents referred to above and if not convinced that it can rely on any of the general consents, the Council should make an application to the Secretary of State for specific consent.

7.8 The Council has the power to appropriate land currently held for housing purposes to planning purposes pursuant to Section 122 of the Local Government Act 1972.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

8.1 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION

Context and Background

9.1 In 2002 the Council embarked upon a scheme for the regeneration of the West Hendon Estate which aimed to transform it into a 2,171-home mixed tenure community with improved transport links and associated commercial and retail space. In July 2002, following a detailed procurement process, the Council selected Metropolitan Housing Trust, Bellhouse Joseph and Lovell Partnerships as the preferred development partner for the West Hendon regeneration scheme. However, Bellhouse Joseph and Lovell Partnerships later withdrew from the scheme, and a new partnership was formed between Metropolitan Housing Trust and Barratt Homes in May 2005. This partnership is known as the Barratt Metropolitan Limited Liability Partnership (BM LLP).

9.2 The development partners submitted an outline planning application in December 2004 for the construction of 2,171 new dwellings and up to 10,000m² of associated commercial, retail and community space; associated public and private open space, landscaping, car parking, access arrangements and highway improvements.

9.3 Resolution to approve the outline planning application was given at the Planning and Environment Committee of 27 July 2005. An application was brought back to Planning and Environment Committee on 25 January 2006 for amendments to the Section 106 Agreement Heads of Terms and on 19 March 2008 for amendments to the phasing strategy in order to address viability issues. Following the completion of the Section 106 Agreement planning permission was formally granted on 1 July 2008.

9.4 The Council entered into a Principal Development Agreement with Barratt Metropolitan Limited Liability Partnership, Metropolitan Housing Trust, Metropolitan Living Limited, BDW Trading Limited and Barratt Development Plc on 11 August 2006, to provide for the regeneration of the West Hendon Estate.

9.5 A deed of variation to the Principal Development Agreement was entered into on 29 April 2010, to allow for delivery of an initial phase of 194 residential units (currently on site and due to complete in 2013) without the Principal Development Agreement becoming unconditional.

9.6 A Deed of Variation to the Section 106 Agreement for the main outline (W13937/04) and pilot (W13230A/07) applications was agreed at Planning and Environment Committee on 29 July 2010. This variation sought to defer triggers for education payments and to spread a requirement of circa £1.6m, attached to the pilot scheme, over later phases of the outline planning application. The Initial Phase was only able to start following the allocation of a proportion of the Council's Growth Area Funding pot, and Homes and Communities Agency gap funding.

9.7 Progress to date – Initial Phase and Review of the Masterplan

Initial Phase

9.7.1 An initial phase comprising 194 homes (including 43 homes for rent) started on site in March 2011 following the allocation of funding as outlined in Table 1 below:

9.7.2 Table 1: Funding to enable delivery of Initial Phase

Funding Type	Amount
National Affordable Housing Programme funding, Homes and Communities Agency	£4,775,299
Kick-start National Affordable Housing Programme funding, Homes and Communities Agency	£426,000
Gap funding (Kick-start Two), Homes and Communities Agency	£1,150,967
Council's Growth Area Funding towards infrastructure	£3,850,000
Total	£10,202,266

9.7.3 Deferment of Section 106 payments relating to education, Lakeview Children's Centre and an employment and training contribution to later phases also enabled commencement of this phase. A Deed of Variation to the West Hendon Regeneration Scheme Principal Development Agreement was signed to allow the delivery of this phase without triggering certain provisions in the main Principal Development Agreement.

9.7.4 The 43 Social rent units being delivered in the Initial Phase have been completed and partially decanted into. The remaining 151 Private sale units are on track for completion by spring 2013. To date only 13 of the 151 new homes for private sale remain unsold with an average price of £416/sqft being achieved across this phase. 60% of purchasers are local and first time buyers, 21% are just outside Greater London and 15% across the country.

9.8 Review of the Masterplan

- 9.8.1 As reported to Committee in February 2012, the original masterplan for the West Hendon Regeneration scheme was not financially viable. With the agreement of the Council, Barratt Metropolitan Limited Liability Partnership undertook a review of the masterplan, led by a professional team appointed in September 2011. The team was appointed to produce a strategy that could be supported by the Council for the viable and complete regeneration of the West Hendon Estate.
- 9.8.2 The masterplan review considered five options, of which Option '3' was recommended as the favoured option to be taken forward. This option included 1,977 new homes, retention of Ramsey Close, minimum Compulsory Purchase Order costs, creating a new town centre focus (but not redeveloping The Broadway commercial space) and highways junctions, highways capacity and pedestrian improvements. Following the Committee meeting, a public consultation event was held on 27 March 2012 on Option '3', whereby approximately 70 local residents, business owners and community group members attended the exhibition. The details of this proposal were also presented to members of the West Hendon Residents' Regeneration Forum.
- 9.8.3 Since February 2012 the professional team, in consultation with the Council, has been developing the design further which would enable submission of a hybrid planning application for the regeneration of the West Hendon estate comprising a detailed planning application for the first phase of the development (approximately 366 new homes) and an outline planning application for the remainder of the West Hendon Regeneration Scheme (approximately 1,634 new homes). On the 15 March 2013 the Council received the hybrid planning application for the West Hendon estate, this is now likely to go to the Council's Planning and Environment Committee in the summer of 2013. Consultation with residents and local stakeholders will continue throughout the design, planning and development period.
- 9.8.4 Residents and stakeholders' views were sought during a two-stage consultation process. Stage one was held at an early stage of the masterplan review. Any ideas or concerns people had about the emerging plans were fed back to the design team. Meetings and a public consultation event were held to collect views and explain the design team's emerging ideas. Stage two was delivered prior to submission of this planning application and culminated in a public exhibition held in December. Full details of the planning application were displayed over two days so that residents could understand the proposals.
- 9.8.5 Meetings with West Hendon's Ward Members were held prior to any public events and their advice was taken on how best to consult with their constituents. The custodians of the Welsh Harp, the Welsh Harp Consultative Committee, were also fully briefed.

Other activities carried out included:

- Regular newsletters
- Regular briefing meetings with relevant local stakeholders
- Attendance at London Borough of Barnet committee meetings to brief

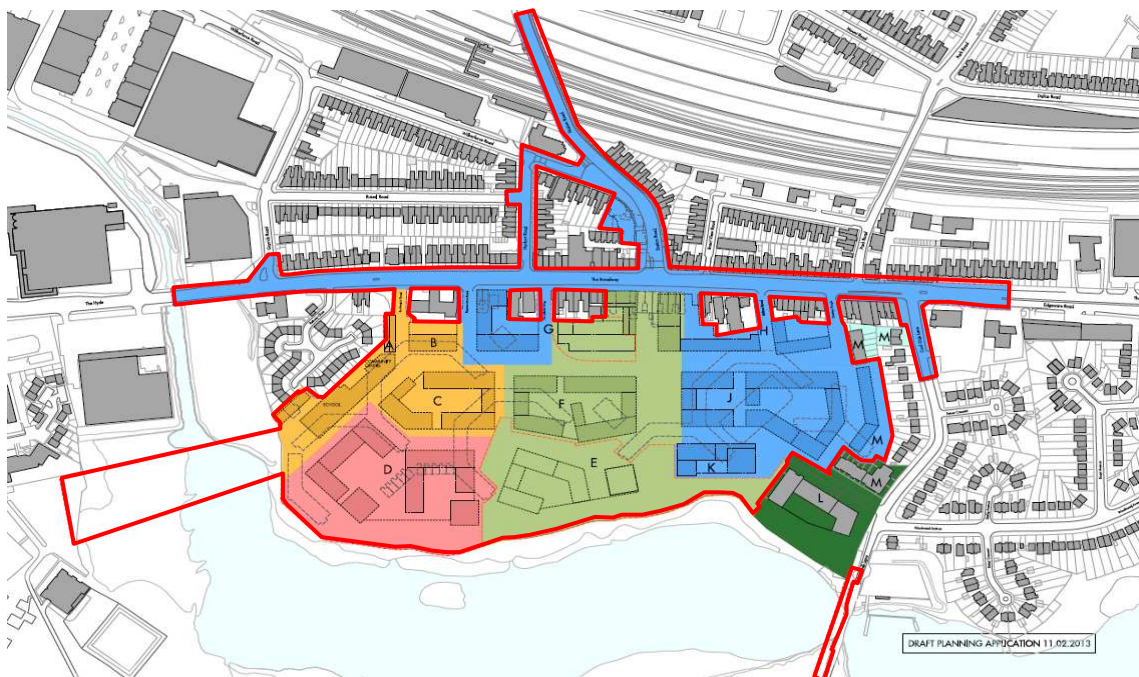
members and local stakeholders

- A consultation telephone helpline, email address and postal address publicized throughout the consultation
- Media coverage of the proposals
- Adverts placed in local media

9.9 The proposed Masterplan will deliver the following key benefits;

- a. Creation of a sustainable development both in the construction period and through the life of the development through the delivery of:*
- b. A new mixed tenure high quality housing development of 2000 homes, including 506 affordable homes (mix of social rent, shared equity and shared ownership)*
- c. Retention of the West Hendon Broadway*
- d. Creation of a new Town area, with new shops, restaurants*
- e. Provide land for a new 2 form entry school for around 400 pupils*
- f. An increase in the amount of public and communal amenity space by almost 20%*
- g. 1000 full time construction jobs*
- h. 126 full time jobs in the new commercial and community centre on site*
- i. A new bridge across the silk stream and Cool Oak Lane*
- j. New Road links- including the removal of the Gyrotory system*
- k. Improvement works along the A5 road, i.e. removing the Bus Lane & widening of Station Road*

9.10 The figure below shows the proposed West Hendon Phasing plan



Key: ● Pilot Phase ● Phase 2 ● Phase 3 ● Phase 4 ● Phase 5 ● Phase 6

9.11 The table below sets out the number of units delivered as part of the Initial Phase & those to be delivered as part of the proposed phasing strategy stated above.

	Phases	Private	Affordable	Total
INITIAL MASTERPLAN	2003-2013			
	Pilot Phase		8	8
	Phase 2a	151	35	186
REVISED MASTERPLAN	2013 – 2017			
	Phase 3a	142	74	216
	Phase 3b	46	41	87
	Phase 3c	280	76	356
	2017 - 2021			
	Phase 4	423	116	539
	2021 – 2025			
	Phase 5	178	109	287
	2025 – 2029			
	Phase 6	425	90	515
Total	1494	506	2000	

9.12 Highways

9.12.1 The development partner no longer intends making a single stopping up order for the entire public highway as previously reported in 2005. Each development phase will be brought forward with its own stopping up order application. Once a stopping up order becomes effective the public highway will become private estate roads and paths and the responsibility, management and maintenance (until the land is transferred to the development partners) will be transferred to the Housing Revenue account. This will result in additional costs for the Housing Revenue Account and savings to the general fund.

9.12.2 A stopping up order is also required to enable the commencement of sub-phase 3a; Barratt Metropolitan Limited Liability Partnership have submitted a Stopping up Order for Perryfield Way car park and Telford Road to remove it from the public highway so it can be built upon. The land will be appropriated from Highways to planning in accordance with S122 Local Government Act along with an application to Communities Local Government department for the disposal of planning land at less than best consideration s233 Town & Country planning act. Both car parks formed part of the original master plan; however they are not now required until later phases. In the event of this site being brought forward the existing car park is proposed to be relocated on an alternative site identified as Tyrrel Way car park that is currently held by the Council for as Housing purposes and will need to be appropriated to Highways. Consultation with local residents and business interests along the Broadway was undertaken in December 2012 in advance of submission of an application.

9.13 Expiry date of the Principal Development Agreement for the West Hendon Regeneration Scheme

9.13.1 On 2 October 2011, the Interim Director of Environment Planning and Regeneration approved the Council to enter into a Deed of Variation to the Principal Development Agreement for the West Hendon Regeneration Scheme which extended the expiry date of the Principal Development Agreement for a further twelve months to 15 December 2012. This extension enabled Barratt Metropolitan Limited Liability Partnership to develop the design of the revised masterplan in greater detail as well as undertake consultation and financial viability testing.

9.13.2 The original expiry date for the West Hendon Principal Development Agreement was 10 August 2009, however, all parties agreed to extend the expiry date to 15 February 2010 in accordance with the terms of the Principal Development Agreement. Further extensions to the 15 June 2010, 15 December 2010, 15 December 2011 and 15 December 2012 ensued.

9.13.3 On the basis that Barratt Metropolitan Limited Liability Partnership made progress on the masterplan review, officers recommend to Cabinet on the 7 November 2012 that a further extension to the Principal Development Agreement for a period of six months to 15 June 2013 be agreed. Subject to Barratt Metropolitan Limited Liability Partnership submitting a planning application by the above date the Council has the option to grant a further extension of 12 months.

9.14 Heads of Terms for a variation to the Principal Development Agreement

- 9.14.1 The Heads of Terms for a variation to the Principal Development Agreement are attached to this report in Appendix 5.
- 9.14.2 The Heads of Terms are the outcome of negotiations undertaken over the past six months and have led to the Barratt Metropolitan Limited Liability Partnership agreeing to proceed with development of the next phase of the scheme (Phase 3) despite that phase being unviable. The Barratt Metropolitan Limited Liability Partnership are prepared to proceed on this basis as they have assessed the scheme overall to be viable; that is, over the remaining four phases of the scheme assumed revenues and costs produce a developer's prior return of 17.6% overall.
- 9.14.3 As part of these negotiations it has also been agreed to simplify the sales overage arrangements. Overage will now be linked directly to sales receipts and paid upon the completion of each phase and not out of overall profits in excess of the developer's prior return at the completion of the entire scheme, as under the Principal Development Agreement. Overage would be split 50:50 with the Council.
- 9.14.4 To facilitate this revised overage agreement, a formula has been agreed as part of the Heads of Terms where the sales overage kicks in when a price per square foot that just achieves the developer's prior return applies at each phase plus 10% to allow for cost and revenue exigencies.
- 9.14.5 The Council's actual receipt of overage will depend on a number of assumptions, notably:
- Current overage forecasts are modelled assuming no uplift in broader housing market values. If the market continues to improve, then overage will kick in earlier than forecast.
 - A 'regeneration premium', which is likely to kick in as the scheme is built out and the local environment improves, which will attract a premium in sales values. The developer's viability model has assumed a 4.5% uplift on phase 3. On current projections all else being equal, this means the Council's overage would be positively impacted in Phase 5.
 - Build cost inflation (as defined by the Royal Institute of Chartered Surveyors (RICS) Build Cost Information Service) will be deductible from sales overage payments. This will positively or (negatively) affect overage payments where build costs decrease or (increases) at a rate greater (less) than sales values. Build costs deductions will also be made in response to changes in design standards and relevant legislation and standards that may occur during each Phase of the project.

9.15 Other revisions to the Heads of Terms include;

- i) Phasing- the remainder of the regeneration scheme will be delivered sequentially in four defined phases which will be further split into sub-phases. If the viability determines that the Principal Development Agreement (PDA) minimum return would be achievable for a phase, then Barratt Metropolitan Limited Liability Partnership will commit to deliver that phase in its entirety. If the viability determines that the PDA minimum return would not be achievable for a phase, then Barratt Metropolitan Limited Liability Partnership can opt to put the development on hold for a defined period of time. The viability will be reassessed on a quarterly basis. The London Borough of Barnet (LBB) will have the right for an independent assessment of the viability; if viability is not achieved after this time, the contract falls away.
- ii) To facilitate taking forward the development, under the terms of the revised Principal Development Agreement(PDA) there will be three sets of Compulsory Purchase Order's (CPO's) as opposed to one under the current Principal Development Agreement(scheme-wide Compulsory Purchase Order, development, phase-specific Compulsory Purchase Orders and sub development phase-specific Compulsory Purchase Orders). For the overall project to become unconditional, scheme wide Compulsory Purchase Orders must be satisfied. For a Development Phase to become unconditional, Development Phase-specific Compulsory Purchase Orders must be satisfied and sub development phase Compulsory Purchase Orders where appropriate.
- iii) Commencement of works to subsequent Development Phases can start at any point in time following the commencement of Phase 3 subject to the viability testing and subject to Planning. A minimum number of units are to be delivered on Development Phase 3 before works on future Development Phases can commence (but this will not prevent necessary infrastructure and enabling works in future Development Phases being delivered for the benefit of the current Development Phase).
- iv) Employment and training initiatives to be delivered by the Council.
- v) Education land is to be set aside within the masterplan redline for the provision of a two form entry primary school. The final location for this site is to be determined through the planning process.

9.16 Next Steps

- Planning Application Submission March 2013
- Planning Application Determination July 2013
- Signing the Deed of Variation July 2013
- Phase 3a Start on site, Late Summer 2013
- Completion of Phase 3a, March 2015

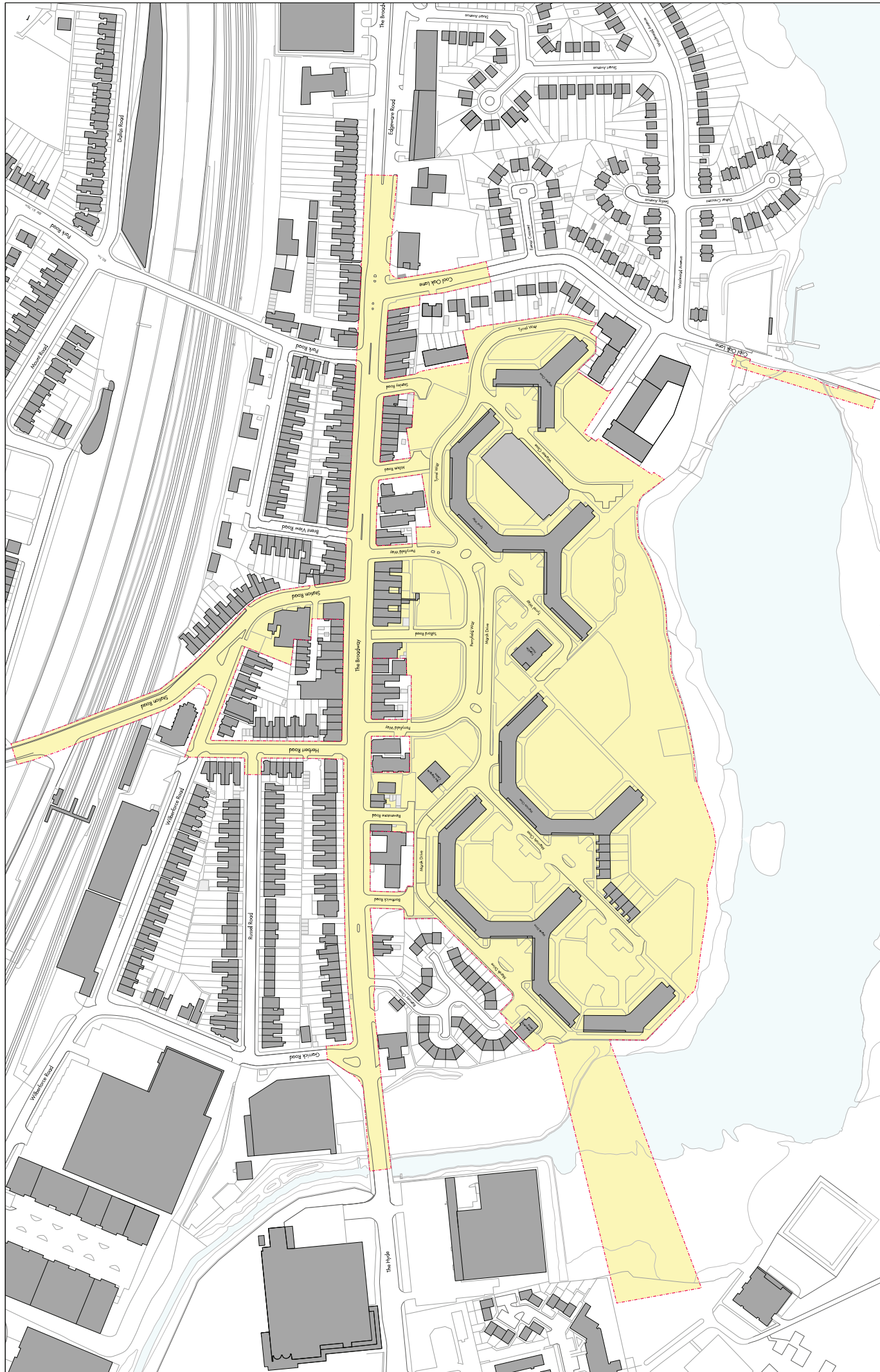
10. LIST OF BACKGROUND PAPERS

10.1. None

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	TE

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**WEST HENDON MASTERPLAN
PLANNING APPLICATION BOUNDARY
PLANNING
716_07_000**

Scale 1:1250 @A1 1:25000A3
ADM JOB NO: 716

Alles and Morrison
85 Southwick Street
London SE10 0HK
Telephone 020 7921 0100
Facsimile 020 7921 0101
Email info@allesandmorrison.co.uk

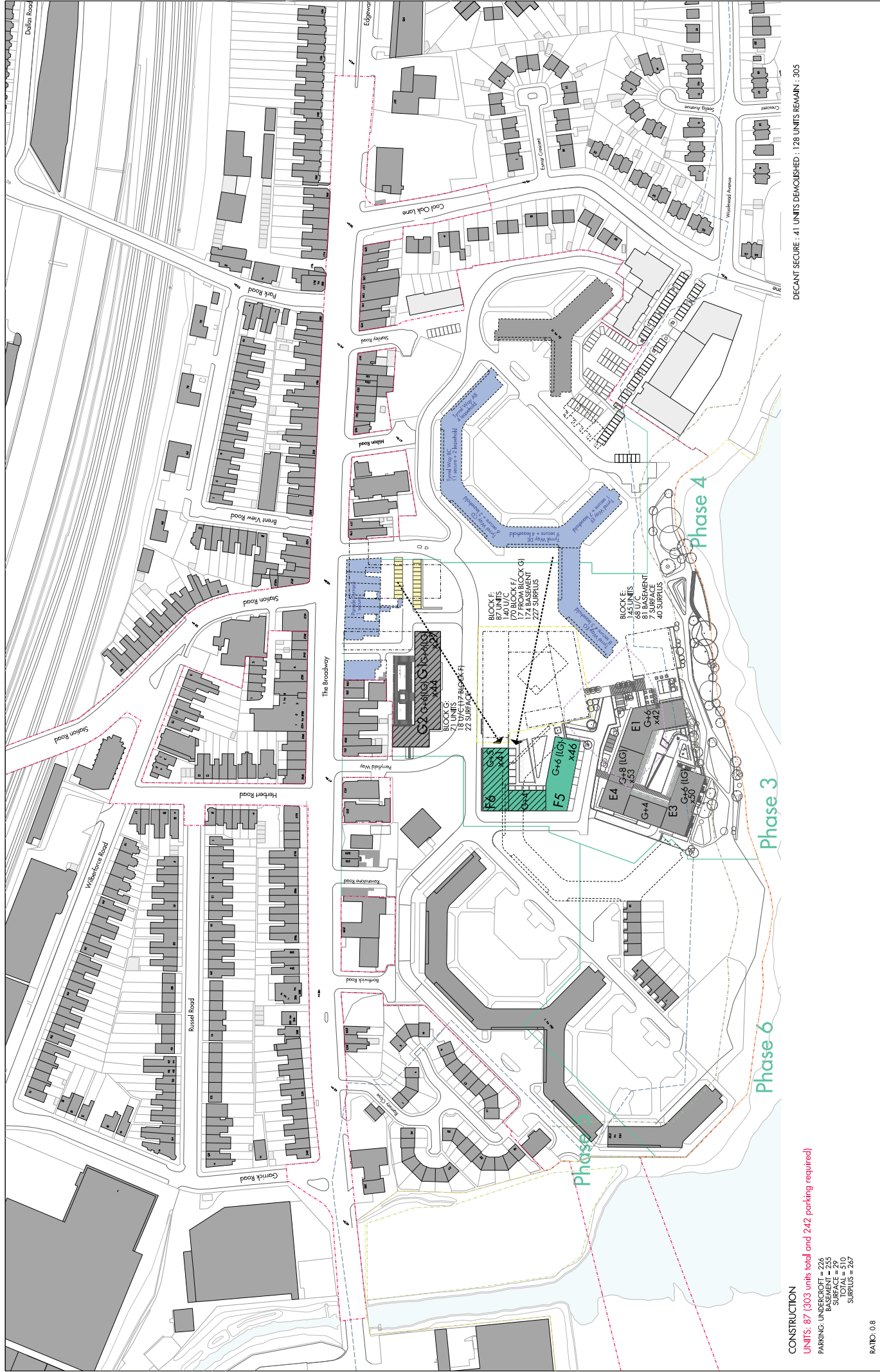
REV	DATE	DESCRIPTION	BY	CHK
01	11/03/2013	Issue for consultation		
02				
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LEGEND
 Planning application boundary
 Area: 129,000 sqm, 12.97 hectares

Our work is done in accordance with the planning legislation and we will be held responsible for the accuracy of the information we provide. We do not warrant the accuracy of the information we provide. We do not warrant the accuracy of the information we provide. We do not warrant the accuracy of the information we provide.

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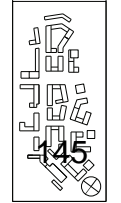
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DECANT SECURE : 41 UNITS DEMOLISHED : 128 UNITS REMAIN : 305

CONSTRUCTION
 UNITS: 87 (303 units total and 242 parking required)
 PARKING: UNDERCROFT = 226
 SURFACE = 29
 TOTAL = 510
 SURPLUS = 267

RATIO: 0.8



On our drawings the following information is provided:
 - All dimensions are in meters unless otherwise stated.
 - All dimensions are to the center of the building unless otherwise stated.
 - All dimensions are to the center of the building unless otherwise stated.
 - All dimensions are to the center of the building unless otherwise stated.
 - All dimensions are to the center of the building unless otherwise stated.

LEGEND

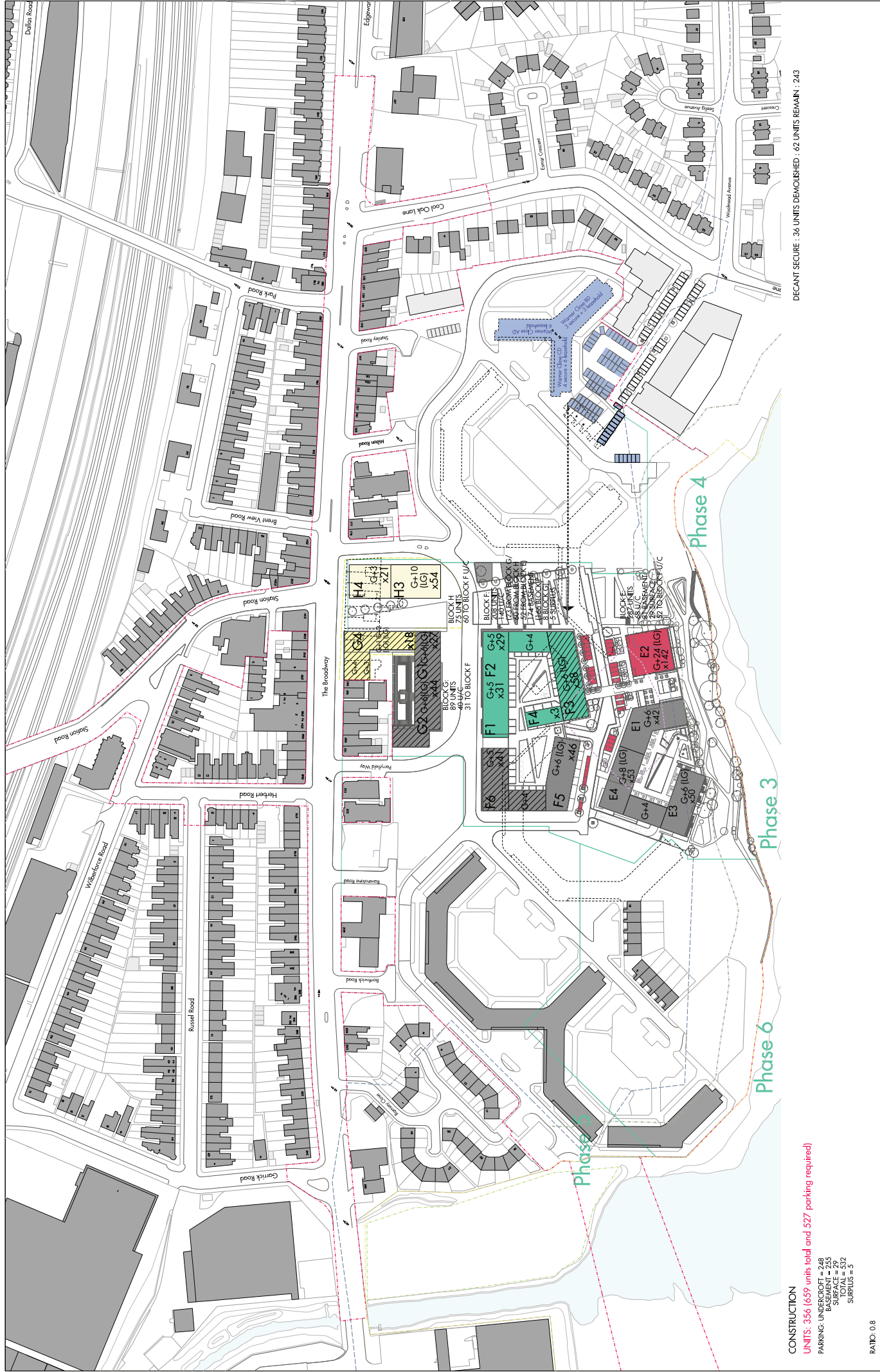
Existing Sewer Line	Category Site
Site No. Build Zone	Planning Boundary
Planning Application Line	Affordable Units
Hoarding Line	Units to be demolished
	Units to be retained

REV	DATE	DESCRIPTION
01	11/03/2023	Issue for consultation
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WEST HENDON MASTERPLAN
 SITE PLAN
 PHASE 3B
 716_00_07_023
 SCALE: 1:1000 @A1 1:2000 @A3

Allen and Morrison
 85 Southpark Street
 London SE1 0HK
 020 7921 0100
 020 7921 0101
 info@allenandmorrison.co.uk
 am@allenandmorrison.co.uk
 ASM JOB NO: 716

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DECANT SECURE : 36 UNITS DEMOLISHED : 42 UNITS REMAIN : 243

CONSTRUCTION
UNITS: 356 (659 units total and 527 parking required)
 PARKING: UNDERCROFT = 248
 SURFACE = 29
 TOTAL = 532
 SURPLUS = 5

RATIO: 0.8



Do not scale from this drawing. All dimensions are in millimeters. Dimensions are given in millimeters and feet. All dimensions shall be verified on the building prior to construction. No liability is accepted for any discrepancy. The contractor shall be responsible for the resolution of any discrepancy. 'Contractor' information relating to these components on this drawing represents design intent only.

LEGEND

- Existing Sewer Line
- Site No-Build Zone
- Planning Application Line
- Holding Line
- Category Site
- Planning Boundary
- Affordable Units
- Units to be demolished during construction

REV	DATE	DESCRIPTION
01	11/20/2021	Issue for construction
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WEST HENDON MASTERPLAN
SITE PLAN
PHASE 3C
716_00_07_026
 SCALE: 1:1000 @A1 1:2000 @A3
 Allen and Morrison
 85 Southway Street
 London SE1 0HK
 020 7921 0100
 020 7921 0101
 info@allenandmorrison.co.uk
 asm@allenandmorrison.co.uk
 ASM JOB NO.: 716

P1
 Revision

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The Regeneration of West Hendon – Future Phases

Proposed Heads of Terms for Deed of Variation to the Principal Development Agreement – 20/03/2013

Conditionality For Commencement of Development

1. BM LLP will commit to the delivery of an entire Development Phase at relevant stages of the overall Master Programme.
2. Development Phase numbering shall be continuous from the phases being delivered under the existing Deed of Variation (DoV) to the Principal Development Agreement (PDA). Therefore, the next Development Phase will be Development Phase Three. The final Development Phase will be Development Phase Six, a total of four Development Phases.
3. Prior to the commencement of each Development Phase, including Development Phase Three, a viability will be prepared in a format to be agreed between LBB and BM LLP.
4. The viability for each Development Phase will be prepared by no later than the date that all relevant Conditions Precedent (CPs) (e.g. planning / RM approval, S106, consents for disposals, vacant possession, CPO, etc) have been satisfied for that Development Phase.
5. Sub Development phases shall be defined as construction phases within Development Phases. This additional definition is required where a Development Phase has CPs that do not apply to all sub Development Phases within that Development Phase. There shall therefore be three sets of CPs – scheme-wide CPs, Development Phase-specific CPs and sub Development Phase-specific CPs.
6. For the overall project to become unconditional, scheme wide CPs must be satisfied.
7. For a Development Phase to become unconditional, Development Phase-specific CPs must be satisfied and sub Development Phase CPs where appropriate.
8. If the viability determines that the Development Phase minimum return would be achievable for that Development Phase, BM LLP will commence Works on the respective Development Phase within three months, with a long stop date of six months.
9. Definition of Works to be clarified to include pre-construction works and enabling works. Definition to be agreed with LBB, agreement not to be unreasonably withheld.
10. If the viability determines that the Development Phase minimum return would not be achievable for that Development Phase, Works will not commence. The viability will be reassessed on a quarterly basis. LBB will have the right for an independent assessment of the viability.
11. BM LLP reserve the right to commence a Development Phase where the Development Phase minimum return is not met.
12. Following the commencement of Works for a Development Phase, if the viability falls below the Development Phase minimum return which shall be demonstrated on a viability reviewed quarterly, BM LLP will have the right to suspend or delay works to the development of a Development Phase in accordance with current Financial Delay provisions.
13. Commencement of Works to subsequent Development Phases can start at any point in time following the commencement of Development Phase Three subject to the viability testing as set out above, and subject to agreement with the Local Planning Authority. A minimum number of units are to be delivered on Development Phase Three before Works on future

Development Phases can be commenced but this will not prevent necessary infrastructure and enabling works in future Development Phases being delivered for the benefit of the current Development Phase. Further details to be agreed with LBB.

14. Viability testing for subsequent Development Phases must be completed no later than three months prior to the anticipated practical completion of the prior Development Phase.
15. The development will have an overall longstop date of 22 years and three months from the date that scheme-wide CPs and Development Phase and sub-Development Phase CPs for Development Phase Three. This period of time includes the five years and three months delay period as currently specified within the existing PDA which will account any delays incurred due to viability testing causing delays to commencement of Works or pausing Works already commenced. This period of time will not be considered to have commenced until scheme wide CPs have been met and Development Phase CPs and sub Development Phase CPs for Phase Three have been met.

Land Acquisition

16. Where a Development Phase is split into sub Development Phases (see point 5 above), Acquisition Notices as currently defined within the PDA will be served per sub Development Phase. BM LLP wish to reserve the right to serve an Acquisition Notice on more than one sub Development Phase concurrently within a Development Phase if required, subject to appropriate notice to LBB to achieve Vacant Possession. The Development Phases and sub Development Phases will be defined through the planning process.
17. LBB is to commit to one or more CPO processes, the delivery of which is to be tied in to the overall decant strategy. The CPOs will form part of the Development Phase-specific or sub-Development Phase CPs where appropriate. This will be subject to BM LLP having a CPO Budget, programme and consultancy resources in place
18. BM LLP will require LBB to commit to the necessary processes to enable Secretary of State (SoS) consent for the disposal of a relevant Development Phase. Land may then be drawn down per sub Development Phase as set out in the Masterplan and Phasing strategy. This enables relevant Development Phases or sub Development Phases to be drawn down by BM LLP as and when they are needed with minimum referral to SoS. Any land drawn down by BM LLP which is not subsequently developed will be transferred back to LBB.
19. Land is to be set aside within the masterplan redline for the provision of a two form entry primary school. The final location for this site is to be determined through the planning process.

Sales Overage

20. Overage payments are to be linked directly to levels of open market sales receipts, providing simplicity and transparency and enabling BM LLP to clearly demonstrate returns..
21. Sales overage triggers will be calculated and set per Development Phase.
22. Build cost inflation (as defined by the RICS Build Cost Information Service) will be deductible from sales overage payments. Deductions will also be made for changes to design standards and changes to other relevant legislation and standards that may occur during each Development Phase of the project.

23. All baseline costs for the Development Phase must be agreed by LBB and BM LLP as part of the viability review prior to the commencement of the Development phase
24. Sales overage will be calculated and paid within three months of the last unit sold (completed) on each Development Phase
25. Overage will be paid when the net sales receipts exceed a defined sales overage trigger per square foot, to be based on the valuation summary agreed between LBB and BM LLP prior to the commencement of each Development Phase
26. The £ per square foot at which overage is triggered will be 10% higher than the level where the Development Phase breaks even on the Development Phase minimum return as currently defined.
27. If average net sales £ per square foot then exceeds the sales overage trigger, all additional net revenue beyond this point will be shared 50/50 between LBB and BM LLP, subject to the deductions highlighted above.
28. BM LLP reserves the right to commence a Development Phase where the Development Phase minimum return is not being achieved. However, in this scenario, the sales overage trigger will be retained on the basis of the Development Phase minimum return.
29. Where BM LLP proceeds below the Development Phase minimum return, a valuation summary will be prepared prior to the commencement of that Development Phase, demonstrating the open market sales values required to achieve the Development Phase minimum return. The overage trigger will be set on the basis of this.
30. Where BM LLP proceeds below the Development Phase minimum return, they will have the opportunity to recover any shortfall in subsequent phases. In that instance, sales overage payments will not be made until any shortfall has been recovered.
31. Overage payments to LBB and BM LLP will be subject to repayment of funding as may be due to GLA/HCA/other public sector funding. These arrangements will be discussed further during further PDA contract negotiations.

Employment and Training

32. The strategy and administration of any Employment and Training Initiative is undertaken by LBB, with financial contributions from BM LLP to be channelled via the S106 agreement or other legal agreement as appropriate

Council Costs

33. All Council Costs except statutory costs (planning and highways) are to be included within the budget caps set out in the current PDA. If BM LLP requests additional services from LBB outside the agreed scope of costs, this cost will not be considered part of the budget and will be additional costs.
34. A schedule of costs is to be determined and agreed, in terms of scope and cost. Council Historic costs as current defined in the PDA and DOV to the PDA will still be reclaimable.
35. Payment mechanisms and timings for all Council costs are to be clearly set out for the benefit of the cashflow requirements of both LBB and BM LLP.

Other PDA Requirements

36. The A5 Works will be delivered when they are technically required. However, they will be delivered earlier than this if the scheme viability allows it.
37. References to Design Framework / Guidelines / Code / Certifier are to be simplified following review by LBB and BMLLP. Design issues should be governed through the planning process as far as possible.
38. Cash positive/deemed interest – reference in PDA to removed as this does not reflect the reality of how profit will be drawn down by BMLLP
39. Service Charge Endowment Fund & Community Trust Fund – these contributions are to be reduced as far as possible whilst retaining benefit for the scheme.
40. The Neighbourhood Management Partnership and MHT's obligation to offer a site based management team are to be reviewed
41. Welsh Harp Sailing Base – reference to delivery of this to be removed from PDA. Relevant contributions to be resolved through S106/CIL
42. Reference to the "Infrastructure and Community Centre Team" to be removed
43. To ensure that the future management, maintenance, repair and upkeep of the development is delivered to an appropriately high standard of safety and quality across the whole development. A draft Estate Management Framework shall be issued by LBB for review. This may be implemented in conjunction with the Local Planning Authority and in accordance with the parameters and principles contained within the planning agreement.
44. The Estate Management Framework may include the establishment of an Estate Management Body for adopting, managing, cleansing, maintaining, repairing and/or renewing the public realm and open spaces shall have been submitted to and approved in writing by the Local Planning Authority.



Proposed Scheme : Amenity Space area plan

ALL AREAS (ALL PHASES)	PHASE 3			PHASE 4			PHASE 5			PHASE 6			TOTAL
	PUBLIC	COMMUNAL	PRIVATE	PUBLIC	COMMUNAL	PRIVATE	PUBLIC	COMMUNAL	PRIVATE	PUBLIC	COMMUNAL	PRIVATE	
Public Open Space	11043									5451			16494
Communal Courtyard Gardens		3429			3992			1956			4017		13394
Private Amenity Space (Gardens)			1155			2412			945			774	5286
Communal / Private Amenity Roofs		1723			1041			1042			1514		5320
Balconies			3881			2620			1435			2575	10511
Front Gardens / Privacy Planting			573			573			422			132	1700
TOTAL	11043	5152	5609	0	5033	5605	0	2998	2802	5451	5531	3481	52705

Proposed Scheme : Amenity Space Schedule



Proposed Scheme : Top - Amenity Space area plan; Above - Communal Garden and Section across York Park

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York Park area comparison - Overlay of existing (orange) and proposed (green)



York Park - The whole park should be a setting for play (images from Freeplaynetwork.org.uk)

Comparing the existing and 'new' York Park

Current access to York Park is via a network of small paths between buildings and directly from existing stairwells. The absence of boundaries, arrival and entry points means the Park lacks identity and feels like a part of the surrounding estate. The Park tapers out at its northern end, wedged between tall hedges and the trees of the SSSI, and finally ending with the narrow roadway to the rear of dwellings and connecting to Marsh Drive.

The new emphasis on connections beyond the site will make the Park much more outward looking – attracting more use by the wider community of West Hendon and encourage more use of the West Hendon Playing Fields by virtue of the new bridge.

The new apartments will be configured to greatly increase overlooking of the Park, with some dwellings given direct access from private terrace gardens to the public park. The communal courtyards facing the park will also give gated access to the public park ensuring more use and a safer environment.

The new Park will extend for the whole length of the site's boundary with the reservoir – extending its current length within the development site from 395m by almost 25% to 485m.

The area of York Park within the development site will also increase slightly to 14,984sqm, compared to an existing area of 14,810sqm.

With a similar area, but better connectivity, improved facilities, lighting, more overlooking and better management, the 'new' York Park will offer a significantly safer and more attractive amenity for West Hendon.

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Meeting	Cabinet Resources Committee
Date	18 April 2013
Subject	Proposed Amendments to the 30 Year Capital Works Programme for Council Housing in Barnet
Report of	Cabinet Member for Housing
Summary	This report seeks approval for changes to the capital programme for council housing following a review of investment needs by Barnet Homes.

Officer Contributors	Pam Wharfe, Director for Place David Hann, Head of Operations (Property), Barnet Homes Laura Awosile, Head of Finance, Barnet Homes Paul Shipway, Head of Strategy and Performance
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	Appendix 1 – Barnet Homes Capital Programme
Contact for Further Information:	Paul Shipway, Head of Strategy and Performance paul.shipway@barnet.gov.uk telephone: 02083594924

1. RECOMMENDATIONS

1.1 That the committee approve the revised council housing capital programme as set out in appendix 1, which includes:

- An increase in the value of electrical works by a total of £25m over the next 10 years
- An increase in the value of fire safety works by £6.75m over the next 10 years with a £2m increase in years 11 to 30 of the programme
- Decent Homes works to Ramsay Close following its omission from the West Hendon Regeneration Scheme at a cost of £474,000 in 2013/14, with a further £272,000 allocated in years 11- 30
- A more focused programme on the regeneration estate including a reduction in the value of works by £5.4m as set out in the report at 9.15 to 9.17.
- Various minor additions and omissions to other budget headings resulting in a increase of £1.55m
- Expenditure of £60,000 to complete an assessment of the accessibility of the council's housing stock for people with physical disabilities

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet 25 February 2013 – approved the council's business plan 2013/14 - 2015/16, which included an overview of the HRA Business Plan(appendix 7) and the potential need for additional spend of up to £32.5m on the council's housing stock.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The revised council housing capital programme will contribute to the Council's Corporate Plan Priority ***to maintain a well designed, attractive and accessible place, with sustainable infrastructure across the borough***, by ensuring that the council homes are well maintained.
- 3.2 It is important that the need for additional and accelerated investment in fire safety and electrical rising mains is prioritised to ensure that the council fully complies with its obligations as a landlord to ensure that council homes are safe.

4. RISK MANAGEMENT ISSUES

- 4.1 The proposed changes to the Housing Capital programmed will provide mitigation against the following risks;
- Risk of fire occurring due to the failure of existing electrical rising mains installations. The risk is to be mitigated by the acceleration of the programme
 - Risk of disorientation during a fire evacuation process through the installation of escape route lighting to communal areas as part of the rising main replacement programme

- Risk of residents experiencing power loss due to a failure of the existing rising mains and or distribution gear.
- Risk of spread of fire resulting from a lack of compartmentalisation within buildings. This risk is to be mitigated through the acceleration of the fire safety programme.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Equalities and diversity assessments are carried out on specific projects as applicable. The overall capital programme of works seeks to maintain homes to legally set standards and also those forming Barnet Homes service standards.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 Appendix 1 gives a summary of the proposed changes. The most significant effect is in the first 10 years of the programme which requires an additional investment of £21.26m (based at 2012 prices and therefore subject to inflation).
- 6.2 The investment required in years 11 to 30 of the programme will decrease by £18.55m (based at 2012 prices and therefore subject to inflation)
- 6.3 Therefore the overall increase in the programme value over 30 years is £2.71m (based at 2012 prices and therefore subject to inflation).
- 6.4 The additional expenditure during the next ten years will impact on the HRA Business Plan. It is estimated that the HRA will generate a deficit during 2013/14 and 2014/15 of £1.24m and £561,000 respectively, which can be met through existing HRA balances. Following this, the HRA will generate surpluses which will see the current debt of £201.3m repaid within 19 years.
- 6.5 The HRA Headroom of £38m which was generated as part of the self financing settlement in April 2012, will not be required to contribute to the additional expenditure proposed on the council's housing stock, and will still remain available for other priorities identified in the council's HRA Business Plan.
- 6.6 Business cases for other priorities in the HRA Business Plan will be brought forward later this year; this will include a planned report on the building of new council homes on spare housing land in June or July 2013.
- 6.7 In 2010/11 Barnet Homes carried out a significant procurement project for the works contracts. The project team included members of staff from Barnet Homes, Barnet Homes residents and consultants who provided procurement and legal advice. Expressions of interest were sought via an OJEU¹ Contract Notice for various lots of work. The lots covered capital and revenue works and would be for contracts for 10 years starting in April 2012. Expressions of interest were evaluated and shortlisted. The short listed contractors were then

¹ The Office Journal of the European Union

invited to complete the invitation to tender documentation. The returned documents were evaluated on cost and quality and the contracts awarded in accordance with the criteria detailed in the invitation to tender documents. The majority of works will be delivered using these contractors until March 2022.

- 6.8 The capital works projects are managed by Barnet Homes staff who are supported by consultants with specialist skills when appropriate.

7. LEGAL ISSUES

- 7.1 The London Borough of Barnet (through its ALMO, Barnet Homes) have various legal duties to maintain properties.

- 7.2 Section 11 of the Landlord and Tenant Act 1985 give various duties to the landlord to maintain dwellings and to prevent them from falling into disrepair.

- 7.3 The Decent Homes standard. The Definition and guidance for implementation (updated June 2006) outlines the minimum standard a property must meet. This standard also requires compliance with the Housing Health and Safety Rating System

- 7.4 The Regulatory Reform (Fire safety) Order 2005 – places a duty on the responsible person to identify and manage the risk of fire and the response to such an occurrence. This duty applies to communal spaces. Much of the rising mains cabling and associated control gear is contained within communal areas.

- 7.5 Barnet Homes have various duties to ensure that electrical installations are in a safe condition. These duties are laid out in the following documents;

7.5.1 There are various British Standards (BS) covering the installation and maintenance of electrical installations, emergency lighting and the like.

7.5.2 Electricity at Work Regulations 1989 apply to most places of work. These would apply to communal area which are places of work for caretakers and other such staff.

- 7.6 Due to the wide ranging nature of the works included within the programme there are many other legal duties which would apply to specific work projects.

- 7.7 The works can be commissioned from and carried out by the selected contractors following the procurement process carried out and referred to in paragraph 6.6 of this Report provided that this procurement exercise was carried out in full compliance with EU public procurement rules.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Council Constitution, Part 3, Responsibility for Functions – details responsibilities for Executive functions. Section 3.2 details that the Cabinet Member for Housing is the lead on budget and policy formulation and implementation relating to housing. In particular working with Barnet Homes,

housing associations and other providers to secure the optimum provision and associated environmental, neighbourhood development and social facilities for all those members of the community not living in private accommodation, or for those who require public sector housing.

- 8.2 Section 3.5 outlines the terms of reference of the Cabinet Resources Committee which includes Capital and revenue finance, forecasting, monitoring, borrowing and taxation.'

9. BACKGROUND INFORMATION

- 9.1 Following the successful completion of the Decent Homes programme in January 2011, and anticipating the introduction of self financing for the Housing Revenue Account (HRA) from April 2012, Barnet Homes, in consultation with the Council, established a new assessment of the investment needs of the Council's housing stock over the next 30 years. A new capital programme was established taking into account;
- Resident comments and views provided through a postal and online survey and discussion groups
 - Information held on Barnet Homes Asset database
 - Legislative requirements
 - Local staff knowledge
- 9.2 Delivery of the Capital Programme has commenced subject to further validation and review as part of the development of the HRA Business Plan, which has resulted in proposals for a number of amendments to the programme, the most significant of which are:
- Changes to and the acceleration of the electrical rising mains and domestic rewiring/electrical upgrade programme
 - Acceleration of Fire safety works
 - Carrying out of Decent Homes types works to Ramsay Close (West Hendon) following the removal of Ramsay Close from the West Hendon regeneration plans
 - Confirmation of planned works to the regeneration estates during the 2013/14 financial year

Electrical rising mains/domestic rewiring and electrical upgrades

- 9.3 Within many blocks of flats an electricity supply is provided to the intake cupboard by the network owner (UK Power Networks). This terminates in a main head or a multi-way service head to which cables and distribution gear are connected. In the majority of cases the distribution gear is deemed the responsibility of the landlord (i.e. Barnet Council) although as these cables carry unmetered electricity any works to this installation have to be undertaken in conjunction with UK Power Networks and in some circumstances the relevant meter provider.
- 9.4 Little work has been undertaken to these installations, in part due to the lack of clarity around ownership and many blocks of flats still have the original cabling dating from construction. The failure of a rising main can have various effects from the loss of power to a single dwelling to a complete block rendering it uninhabitable whilst works are carried out.

- 9.5 Carrying out rising mains replacement on a responsive basis is complex and provides poor value for money (when assessed on a block by block basis) as such works often incur other costs such as decanting, home loss payments, out of hours working payments to contractors and other premium costs
- 9.6 The initial capital works programme included for some works to these installations on a planned approach. A very limited programme of works was undertaken in 2011 and a further programme of works started in 2012 giving a more detailed understanding of the scope of these works.
- 9.7 On 9th May 2012 a fire occurred to a block of flats at Upper Fosters. The cause of the fire was arcing within a distribution board for the rising mains. Whilst the fire was contained to an electrical cupboard within the communal areas and fire damage to the block was minimal the damage to the electrical installation meant that all flats lost power as did the communal areas and the lift. Consequently 44 flats were uninhabitable for 10 weeks. The replacement of the rising mains at this block were scheduled for later that financial year
- 9.8 As a result of this fire Barnet Homes undertook a comprehensive review of the programme of works including surveying many of the blocks of flats with such installations to further refine the order of the programme.
- 9.9 Prior to replacing the electrical rising mains it is necessary to ensure that all dwellings have an electrical installation which is compliant with BS7671 (17th Edition wiring regulations with amendments). Therefore it is also necessary to accelerate the domestic testing and upgrade/rewiring programme.
- 9.10 It is therefore recommended that this programme of works be accelerated resulting in an increased expenditure of £25m during the first 10 years and that the budget for years 11 to 30 be reduced by £8.995m giving an overall increase of £16.005m
- 9.11 The accelerated programme would see the complete removal of all vulcanised india rubber cabling within the next two financial years reducing the risk of residents suffering power failure or fire occurring.

Acceleration of the fire safety programme

- 9.12 In accordance with the Regulatory Reform (Fire Safety) Order Barnet Homes have been undertaking surveys on a regular basis of all communal areas. The works resulting from these surveys are being delivered using monies in two budgets within the 30 year programme, these being; fire risk assessments follow on works (works of a building nature such as door upgrades, replacements, fire stopping and the like) and fire alarms, emergency lighting, dry risers and smoke vents (these are works of a mechanical electrical nature).
- 9.13 Based on surveys carried out to date the budget need has been reassessed. It is proposed that spend is increased by £6.75m in the first 10 years of the programme to enable works of a higher priority to be dealt with swiftly. It is proposed years 11 to 30 be increased by £2m

Decent Homes works to properties in Ramsay Close

- 9.14 There are 25 houses in Ramsay Close which remain in the Council's ownership. These properties were not included within the Decent Homes programme delivered between 2005 and 2011 as at this time they fell within the proposed West Hendon Regeneration area and were therefore scheduled for demolition. During 2012 the regeneration plans were reviewed by our development partner and the Council resulting in Ramsay Close being removed from the regeneration scheme. It is therefore recommended that works are carried out in 2013/14 to bring these properties up to the Decent Homes standard at a cost of £474,000. It is also proposed additional funding be allocated in years 11 to 30 of £272,000 to maintain the homes in this condition.

Regeneration Estates

- 9.15 When the capital programme was initially established a programme of works for regeneration estates was included. Over the 30 year programme this totalled around £29.4m for 30 years. This included a comprehensive window replacement and roofing programme. However, it would be preferable to explore options to accelerate the works to regeneration estates so that the longer term benefits of regeneration could be realised rather than investing money in maintaining stock which will subsequently be demolished. It is therefore proposed that the windows and roofing schemes be reduced. If the existing phasing plans can not be maintained then this decision will need to be reviewed to take into account any updates to the plans.
- 9.16 It is proposed that during 2013/14 that essential works required to maintain the safety of properties on the regeneration estates are carried out with the addition of some works to improve the visual appearance of common parts at West Hendon.
- 9.17 It is therefore recommended that during 2013/14 the following works be carried out;
- The rewiring of the electrical rising main installation at West Hendon. This installation is in a poor condition. If a failure were to occur to one intake room it is likely that this would affect a significant number of homes. Evidence of cable installations breaking down can be seen in some intake rooms and therefore these installations need replacing. The estimated cost of these works is £2.33m
 - Various capital works to the regeneration estates including ad-hoc window, boiler and electrical replacements together with estate safety works totalling £2.877m
 - The concrete ramps forming part of the communal areas and the main access routes to the flats at West Hendon be redecorated. These works would include the removal of the existing painted surface which is suffering from extensive de-lamination and replacement with a fire resistant coating. The works would also include the redecoration of doors and other woodwork in these areas. The estimated cost is £550k

Assessing accessibility of the Council's housing stock for people with physical disabilities

- 9.18 There are increasing numbers of applications for housing from people with physical disabilities who require wheelchair suitable accommodation and increasing the amount of accommodation available for wheelchair users is a priority to assist clients receiving residential or other services who wish to live independently.
- 9.19 To enable more effective and efficient matching of clients to properties it is proposed to use the London wide classification system of the accessibility of properties (referred to as the LAHR) which is supported by the Mayor of London through the London housing strategy. The system categorises properties through fully wheelchair accessible through to 'moderately accessible' and will entail a property survey of a maximum of approximately 4,000 council homes. The estimated cost to undertake the survey and to integrate the data with property records is £60,000.
- 9.20 The current and proposed revised housing capital is set out in full at Appendix 1.

10. LIST OF BACKGROUND PAPERS

- 10.1 Council Business Plan 2013/14 - 2015/16

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	PM

Appendix 1

Description	Proposed 10 Year Total	Initial 10 year total	Proposed Year 2022/2042	Initial 2022/2042	Proposed 30 year total	Initial 30 year total
Services and facilities provision (retained stock)						
ELECTRICS	16,095,664	3,900,000	12,664,336	12,660,000	28,760,000	16,560,000
COMMUNAL ELECTRICS & RISING MAINS	20,714,315	7,900,000	10,000,000	15,000,000	30,714,315	22,900,000
CENTRAL HEATING	9,302,000	9,302,000	27,498,000	27,498,000	36,800,000	36,800,000
ROOF FANS/WATER PUMPS/SEWAGE PUMPS	1,255,000	1,255,000	2,000,000	2,000,000	3,255,000	3,255,000
STORAGE TANKS (in Roofs)	1,350,000	1,350,000	3,000,000	3,000,000	4,350,000	4,350,000
LIFTS	3,350,000	3,350,000	7,000,000	7,000,000	10,350,000	10,350,000
ASBESTOS	1,200,000	1,200,000	2,500,000	2,500,000	3,700,000	3,700,000
WATER MAINS	1,970,000	1,970,000	6,500,000	6,500,000	8,470,000	8,470,000
DRAINAGE	2,011,000	2,011,000	5,000,000	5,000,000	7,011,000	7,011,000
Handrails to flat roofs	200,000	200,000	500,000	0	700,000	200,000
HEES	200,000	200,000	0	0	200,000	200,000
Structural works	2,440,000	2,260,000	6,000,000	6,000,000	8,440,000	8,260,000
Lighting protection upgrades	350,000	350,000	150,000	150,000	500,000	500,000
Communal boilers (excluding regen)	930,000	750,000	300,000	300,000	1,230,000	1,050,000
Domestic fire alarm replacements	2,394,000	2,394,000	2,400,000	2,400,000	4,794,000	4,794,000
Assist systems in sheltered homes	750,000	750,000	0	0	750,000	750,000
Fire alarms, emergency lighting, smoke vents, dry risers	1,950,000	1,750,000	2,400,000	2,400,000	4,350,000	4,150,000
Fire Risk Assessment Follow on Works	10,960,563	4,410,000	5,000,000	3,000,000	15,960,563	7,410,000
Sub Total	77,422,542	45,302,000	92,912,336	95,408,000	170,334,878	140,710,000

REGENERATION ESTATES	Proposed 10 Year Total	Initial 10 year total	Proposed Year 2022/2042	Initial 2022/2042	Proposed 30 year	Initial 30 year
Windows	1,440,000	5,900,000	0	0	1,440,000	5,900,000
Roofs	405,000	1,250,000	0	0	405,000	1,250,000
Roof access works (GP & WH)	580,000	580,000	0	0	580,000	580,000
District heating system Grahame Park	276,000	275,000	0	0	276,000	275,000
Structural works (inc resealing movement joints)	60,000	300,000	0	0	60,000	300,000
Electric heating system replacements	50,000	220,000	0	0	50,000	220,000
Bath/kitchen replacement programme	3,770,000	4,170,000	0	0	3,770,000	4,170,000
Paths and roadway works	965,000	850,000	0	0	965,000	850,000
Lifts	1,550,000	1,730,000	0	0	1,550,000	1,730,000
Boilers to individual dwellings	1,390,000	1,490,000	0	0	1,390,000	1,490,000
Communal boilers (3 X boiler houses at GP)	150,000	150,000	0	0	150,000	150,000
Electrical works (dwelling rewiring/upgrades)	2,385,000	2,355,000	0	0	2,385,000	2,355,000
Communal electrical works	540,000	540,000	0	0	540,000	540,000
Water mains (Below ground)	575,000	575,000	0	0	575,000	575,000
Water tanks	250,000	250,000	0	0	250,000	250,000
Pumps	45,000	45,000	0	0	45,000	45,000
Communal fans	340,000	340,000	0	0	340,000	340,000
Lighting protection	50,000	50,000	0	0	50,000	50,000
Fire safety (alarms etc)	390,000	390,000	0	0	390,000	390,000
Other capital works	930,000	930,000	400,000	400,000	1,330,000	1,330,000
Voids	4,140,000	4,400,000	800,000	800,000	4,940,000	5,200,000
Decant voids (dependant on phasing)			0	0	0	0
West Hendon electrical rising main replacement (dependant on phasing)	2,530,000	1,450,000	0	0	2,530,000	1,450,000
West Hendon communal decorations		0	0	0	0	0
Sub Total (Regeneration)	22,811,000	28,240,000	1,200,000	1,200,000	24,011,000	29,440,000
ADAPTATIONS	8,100,000	8,100,000	16,000,000	15,000,000	24,100,000	23,100,000
Accessibility Survey	60,000					
Sub Total (Adaptations and Access)	8,160,000	8,100,000	16,000,000	15,000,000	24,100,000	23,100,000

Decent Homes Requirements Incl Newly Arising Needs	Proposed 10 Year Total	Initial 10 year total	Proposed 2022/2042	Initial 2022/2042	Proposed 30 year	Initial 30 year
Retention payments	384,000	384,000	0	0	384,000	384,000
Ramsay Close	474,000	0	272,000	0	746,000	0
Misc major works	2,200,000	2,200,000	4,000,000	4,000,000	6,200,000	6,200,000
ROOFS	25,565,000	25,525,000	30,000,000	29,000,000	55,565,000	54,525,000
Walls, structures and finishes	2,660,000	2,630,000	17,000,000	16,000,000	19,660,000	18,630,000
WINDOWS ALL TYPES	7,340,000	5,140,000	9,000,000	9,000,000	16,340,000	14,140,000
DOORS	990,000	845,000	3,000,000	3,000,000	3,990,000	3,845,000
KITCHENS	5,660,000	3,910,000	50,000,000	48,290,000	55,660,000	52,200,000
BATHROOMS	8,980,000	7,423,000	20,000,000	18,677,000	28,980,000	26,100,000
Sub Total	54,253,000	48,057,000	133,272,000	127,967,000	187,525,000	176,024,000
Description	Proposed 10 Year Total	Initial 10 year total	Proposed 2022/2042	Initial 2022/2042	Proposed 30 year	Initial 30 year
AERIALS (Inc new installs)	140,000	140,000	2,500,000	2,500,000	2,640,000	2,640,000
DOOR ENTRY PHONE/INTERCOM	900,000	660,000	1,500,000	1,000,000	2,400,000	1,660,000
Paving, boundary fences and walls & estate improvements	3,900,000	3,900,000	15,000,000	15,000,000	18,900,000	18,900,000
Atoll House - insulation and thermal improvements	5,810,000	6,600,000	1,190,000	400,000	7,000,000	7,000,000
External/communal painting and decorating works (Note also has a revenue budget)	3,450,000	3,050,000	5,750,000	5,000,000	9,200,000	8,050,000
INSULATION, cavity wall, loft & overcladding, Sustainability & Energy Efficiency works	1,400,000	1,400,000	4,000,000	4,000,000	5,400,000	5,400,000
Garages & Pram Sheds	450,000	450,000	1,500,000	1,500,000	1,950,000	1,950,000
Environmental/estate works	16,050,000	16,200,000	31,440,000	29,400,000	47,490,000	45,600,000
SALARIES	7,880,000	7,880,000	14,000,000	14,000,000	21,880,000	21,880,000
Cash incentive scheme	0	4,000,000	0	8,000,000	0	12,000,000
VOID WORKS	7,600,000	3,750,000	8,800,000	8,000,000	16,400,000	11,750,000
HOTELS	600,000	600,000	1,000,000	1,000,000	1,600,000	1,600,000
EXTENSIONS AND DECONVERSIONS	500,000	500,000	1,000,000	1,000,000	1,500,000	1,500,000
Inflation within model		11,330,566		17,199,338		
Total (Base line figures as at 2012 prices)	195,276,542	173,959,566	299,624,336	318,174,338	494,840,878	492,133,904

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AGENDA ITEM 19

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AGENDA ITEM 20

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