

MEETING

POLICY AND RESOURCES COMMITTEE

DATE AND TIME

WEDNESDAY 2ND SEPTEMBER, 2015

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ

TO: MEMBERS OF POLICY AND RESOURCES COMMITTEE (Quorum 3)

Chairman: Councillor Richard Cornelius
Vice Chairman: Councillor Daniel Thomas

Dean Cohen	Anthony Finn	Alon Or-Bach
Tom Davey	Ross Houston	Sachin Rajput
Paul Edwards	David Longstaff	Barry Rawlings
	Alison Moore	

Substitute Members

Melvin Cohen	Alan Schneiderman	Reuben Thompstone
Geof Cooke	Mark Shooter	Arjun Mittra

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

Andrew Charlwood – Head of Governance

Governance Service contact: Faith Mwende 0208 8359 4917 faith.mwende@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 last meeting	1 - 6
2.	Absence of Members	
3.	Declaration of Members' Disclosable Pecuniary interests and Non Pecuniary interests (If any)	
4.	Report of the Monitoring Officer (if any)	
5.	Public Questions and Comments (if any)	
6.	Members' Items (if any)	
7.	Temporary Workforce Contract Update	7 - 12
8.	Aggregated Procurement	13 - 20
9.	Barnet Fostering Loft Conversion and Extension Policy	21 - 42
10.	Committee Forward Work Programme	43 - 52
11.	Any other item(s) the Chairman decides are urgent	

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Decisions of the Policy and Resources Committee

9 July 2015

Members Present:-

AGENDA ITEM 1

Councillor Richard Cornelius (Chairman)
Councillor Daniel Thomas (Vice-Chairman)

Councillor Dean Cohen	Councillor David Longstaff
Councillor Tom Davey	Councillor Alison Moore
Councillor Paul Edwards	Councillor Alon Or-Bach
Councillor Anthony Finn	Councillor Sachin Rajput
Councillor Ross Houston	Councillor Barry Rawlings

1. MINUTES OF LAST MEETING

RESOLVED – That the minutes of the meeting held on 2 June 2015 be approved as a correct record.

2. ABSENCE OF MEMBERS

None.

3. DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS (IF ANY)

Member	Agenda Item	Interest declared
Councillor Dean Cohen	Item 14 – North London Waste Plan	Non-disclosable pecuniary interest as a client had a property adjoining the Oakleigh Road South site
Councillor Ross Houston	Item 10 – Business Planning 2015/16 – 2019/20	Non-disclosable pecuniary interest as he is a Council appointed representative on the Board of The Barnet Group Ltd.
All Councillors	Item 8 - Community Asset Strategy – Draft proposals for consultation	Non-pecuniary interest as All Councillors are school Governors.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

Councillor Rawlings had requested that a Member's Item be considered where future tenders to incorporate at least 10% weighting to social value in the council's procurement process. The Committee considered the members item and agreed to include information that illustrates the social value of each tender in future reports.

Councillor Moore had requested that a Member's Item be considered on the competitive procurement processes and value for money of Education & Skills procurement, in light of the withdrawal of Capita from the Education & Skills procurement process, leaving just one remaining bidder.

Councillor Edwards moved a motion, which was seconded by Councillor Or-Bach, "to have an in-house bid as an alternative option to the single bidder"

Having been put to the vote the Committee voted as follows

For: 5

Against: 7

Abstain: 0

The motion was therefore lost.

The Committee;

RESOLVED – That future committee reports should illustrate the social value associated with the decision.

7. ROYAL MAIL POST CONTRACT EXTENSION

The Committee considered the report.

The Committee;

RESOLVED – That the Committee approve the contract extension for a further year from 1st September 2015, to continue arrangements with the existing supplier, Royal Mail.

8. AUTHORISATION OF ENERGY REVIEW AND FORWARD PROCUREMENT OF ENERGY REQUIREMENTS

The Committee considered the report. The Commercial and Customer Services Director agreed to promote the scheme to Free Schools and Academies for them to join in the scheme.

The Committee;

RESOLVED – That the committee approve procurement of energy requirements through LASER for the period October 2016 to September 2020, subject to mid-term performance review.

9. MANAGING URGENT SALE OF COUNCIL INTERESTS / SALE OF CLAIM IN GLITNIR HF

The Committee considered the report.

The Committee;

RESOLVED –

1. To authorise the Chief Operating Officer in consultation with chairman of Policy and Resources Committee to sell the Council's interest in the insolvent estate of the Icelandic bank Glitnir hf and to report to Committee following the sale
2. That the decision to sell the Council's interest in the insolvent estate of the Icelandic bank Glitnir hf ,including sale by auction and to set the reserve price of any future sale be delegated to the Chief Operating Officer in consultation with chairman of Policy and Resources Committee.

10. BUSINESS PLANNING 2015/16 - 2019/20

The Committee considered the report and the supplementary information.

The Chief Operating Officer agreed to circulate a briefing with further details on the one company that was dissolved with over £1.3 million in debt to the Council; including information on what steps had been taken to recover the money and any warning signs that the Council should have taken action.

Having been put to the vote the Committee voted on each recommendation individually as follows:

Recommendation 1 and 8

For: 7
Against: 0
Abstain: 5

All other recommendations

For: 12
Against: 0
Abstain: 0

The Committee;

RESOLVED –

1. To note the updated Medium Term Financial Strategy up to 2020 as set out in Appendix A and the assumptions underpinning this in section 1.3.5;
2. To agree the additional savings targets for Theme Committees as set out in paragraph 1.3.5 for allocating the remaining budget gap;
3. To agree the process for the review of the capital programme as set out in section;
4. To agree the process of consultation as set out in section 5.5;
5. To agree the movements in budget in 2015/16 as set out in section 1.6;

6. To note the reserves balances as set out in section 1.5;
7. To instruct officers to work with the CCG to ensure that the full amount of the Better Care Fund previously allocated to social care is allocated to support Adults Social Care from April 2016 onwards; and
8. To approve the write offs in Appendix D.

11. ANNUAL EQUALITIES REPORT 2015

The Committee considered the report.

The Committee;

RESOLVED – To approve the Annual Equalities Report 2015 for publication on the council website.

12. WEST LONDON ECONOMIC PROSPERITY BOARD

The Committee considered the report.

Councillor Cornelius moved a motion, that was seconded by Councillor Thomas, to amend recommendation 2 a) and 3 and throughout the report to replace “Council, on 28th July 2015” with “a future Council meeting”.

The Committee agreed the amendment and the motion was therefore carried.

Councillor Moore moved a motion that was seconded by Councillor Cornelius, to instruct officers to develop proposals on a referral mechanism for the joint committee, similar to the call-in process enjoyed by the other Boroughs”.

The Committee agreed the amendment and the motion was therefore carried.

The Committee;

RESOLVED –

1. To note the work being undertaken to develop an Economic Prosperity Board across west London.
2. To recommend that
 - a) A future meeting of Council, approve the functions and procedure rules for the West London Economic Prosperity Board,
 - b) Council to set up the section 102 Joint Committee and appoint the member and substitute member to sit on it
 - c) Council amend the constitution to reflect the governance arrangements of the West London Economic Prosperity Board.
3. To delegate responsibility to the Chief Executive Officer, in consultation with the Leader, to incorporate and clear any amendments to the functions and procedure rules made after 9 July but ahead of a future council meeting.
4. To instruct officers to develop proposals on a referral mechanism for the joint committee, similar to the call-in process enjoyed by the other Boroughs.

13. DELEGATING A PROPORTION OF COMMUNITY INFRASTRUCTURE LEVY (CIL) INCOME TO THE COUNCIL'S AREA COMMITTEES

The Committee considered the report.

Having been put to the vote the Committee voted:

For: 7
Against: 0
Abstain: 5

The Committee;

RESOLVED –

1. To note the net 'Barnet CIL' income in 2013/14 (actual) and 2014/15 (projected), as is described in paragraph 1.2, and which will be used to meet the infrastructure needs of the Borough in response to the impact of growth and development.
2. To approve the following proposals to:
 - a) delegate the expenditure of a 15% proportion of net CIL income for each constituency to the Area Committee for that constituency, capped at a total of £150,000 per Committee per year;
 - b) aggregate funds to be allocated in this financial year from income received in 2013/14 and 2014/15; and
 - c) to return this funding to the council's Capital Reserve for application towards borough-wide infrastructure priorities if it is not allocated by an Area Committee within two years, or spent within five years.

14. NORTH LONDON WASTE PLAN

The Committee considered the report.

Councillor Moore moved a motion, which was duly seconded, to amend the wording of the revised Memorandum of Understanding (as set out in Appendix 3), Clause 12 and receive a briefing on all the amendments made by other Borough before they are MOU is presented to Full Council for approval.”

The Committee agreed the amendment and the motion was therefore carried.

Having been put to the vote the Committee voted on each recommendation individually as follows

Recommendation 1

For: 7
Against: 5
Abstain: 0

All other recommendations

For: 12
Against: 0
Abstain: 0

The Committee;

Resolved –

1. That the draft North London Waste Plan (NLWP) as set out in Appendix 1 and Schedule of minor changes at Appendix 2 be approved for public consultation and the committee delegate authority to the Assistant Director – Development Management & Building Control to be authorised to make any further minor changes to the draft North London Waste Plan prior to consultation.
2. To recommend the approval of the revised Memorandum of Understanding (as set out in Appendix 3), subject to the wording change on Clause 12, in consultation with HB Public Law, and receiving a briefing on all the amendments made by other Borough, by full Council as the formal arrangement for Barnet's continued involvement in the NLWP.
3. To approve the proposed strategic objectives identified at paragraph 1.26 for future Memoranda of Understanding which will satisfy the duty to co-operate in respect of the NLWP. That the Committee further recommends that Full Council delegate authority to the Assistant Director - Development Management & Building Control to agree such future Memoranda of Understanding which meet these strategic objectives.
4. To recommend that Full Council approve the Memorandum of Understanding with the London Legacy Development Corporation (LLDC) as set out in Appendix 4

15. COMMITTEE WORK PROGRAMME

The Committee noted the work programme.

16. ANY OTHER ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

There were none.

The meeting finished at 9.10 pm

	<p>AGENDA ITEM 7</p> <p>Policy and Resources Committee</p> <p>2 September 2015</p>
<p>Title</p>	<p>Temporary Workforce Contract Update</p>
<p>Report of</p>	<p>Commercial and Customer Services Director</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>Yes</p>
<p>Enclosures</p>	<p>None</p>
<p>Officer Contact Details</p>	<p>Susan Lowe, Business Partner Corporate and Street Scene susan.lowe@barnet.gov.uk</p>
<p>Summary</p>	
<p>This report refers to the current contract between the Authority and Comensura which utilises the ESPO framework agreement 653/F Lot 2a for the provision of Temporary Agency Resource services.</p>	
<p>The report seeks authorisation from the committee to agree to extend the contract period for one year, with the current incumbent Comensura for the period of October 2015 to September 2016. This will enable a full procurement review of Temporary Agency Resource services on behalf of the authority alongside other London boroughs enabling a new procurement exercise to be undertaken with the aim of achieving efficiencies through increased compliance, reduced resource costs, improved management reporting and contract management</p>	
<p>Recommendations</p>	
<ol style="list-style-type: none"> 1. That the committee approve a one year contract extension, for the Temporary Agency Resource services currently provided within the ESPO framework via Comensura. 2. To authorise CSG Procurement to commence a review of Temporary Agency Resource requirements, assessment of cross London delivery and demand reduction in agency workforce arrangements to inform the future procurement of Temporary Agency Resource Services. 	

1. WHY THIS REPORT IS NEEDED

- 1.1 This report seeks authorisation to exercise the one year extension option with Comensura from October 2015 to October 2016 and to review, initiate options analysis and procurement planning. The review will also consider pan London wide procurement plans for temporary agency resource which are currently underway.

2. REASONS FOR RECOMMENDATIONS

- 2.1 On the 1 October 2012, the Authority entered into a 3 year contract agreement with Comensura for the provision of a neutral vendor service for Temporary Agency Resource services, utilising the ESPO framework agreement ref 653F/11.
- 2.2 Using an online portal and helpdesk services Comensura provides temporary staff via managed agencies. They do not provide temporary staff themselves.
- 2.3 As a result of a user forum review and contract management discussions it has been noted that the Comensura system implementation was affected by varying levels of support across services. Improved and greater contract management of this service will provide a range of benefits to the authority as below:
- 1) *Improved management information, including agency audit data*
 - 2) *Increased Contract management*
 - 3) *Reduced Agency spend*
 - 4) *Administrative efficiencies by reducing the volume of invoices*
 - 5) *Online booking tool.*
 - 6) *Cost benefits*
 - 7) *Training and system up skill*
- 2.4 An extension would enable the authority to benefit from using the current agency rates agreed in October 2012. It will also enable the review and update of HR procedures to support temporary workforce delivery aligned with HR policy with the aim of reducing reliance on agency workers.
- 2.5 This framework is used extensively across London and so the extension will also allow for an assessment of cross London requirements, which could provide greater efficiencies.
- 2.6 Comensura and the procurement team have identified short term additional savings benefits in year by reviewing long tenure agency employees; those engaged for longer than 3 months a year on short term contracts and are working towards a reduction of these.
- 2.7 **Agency Costs**
- 2.7.1 The table below details agency staff costs for the first quarter of 2015/16 as compared to the same period in 2014/15. Agency expenditure has increased by £0.990m compared to quarter 1 of 2014/15

	2014/15	2015/16	
Directorate	Agency Spend	Agency Spend	Spend%
	000's	000's	
Adults and Communities	908	1,179	29%
Assurance	9	50	1%
Barnet Group	0	0	0%
Childrens Education	310	445	10%
Childrens Family Service	764	1189	27%
Commercial	0	0	0%
Commissioning Group	577	578	16%
CSG	17	0	0%
HRA	-14	0	0%
Parking & Infrastructure	0	0	0%
Public Health	0	0	0%
Re	46	0	0%
Schools Direct Management	0	0	0%
Street Scene	506	672	16%
Total	3,123	4,113	

2.7.2 The current level of agency usage is consistent with the Council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change. This strategic approach reflects the Council's desire to reduce redundancies from the workforce. Each Delivery Unit has an agreed workforce plan to attract and retain talent, develop skills and move from agency to permanent roles when specific actions or projects complete. Moving forward an aspirational target of 15% reduction on agency workforce has been set. However, it is recognised that in some areas there are delivery demands which need management and the reduction may not be achieved at the same level across all workforce areas.

2.8 User Feedback Forum

2.8.1 In March 2015 the procurement team established a user forum to gain feedback on the Comensura contract and the services provided. The comments back were positive, expressing a good level of service. Additional comments are captured in below table:

Positive	Negative
Systems work well	Internal helpdesk at LBB would be good
Very helpful customer service	Quality assurance lacking
Timesheets easy	Often need to contact agencies direct
Good level of contact	Receive too many questions
New requirements easy to set up	Orders require managers authorisation
Agencies good	Poor implementation
Invoices work well	

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 An alternative option to extension is to procure off the new MSTAR2 framework agreement which came into effect April 2015. The timing of this would mean a rushed re-procurement without exploring the collaborative benefits of the pan London strategy currently being developed.
- 3.2 However the re-procurement programme to be considered in 2016 will explore all additional options including:
- Alternative neutral vendor suppliers
 - Review of alternative framework providers
 - Collaboration with other local authorities
 - Full competitive tender
 - Demand reduction strategies

4. POST DECISION IMPLEMENTATION

- 4.1 Presentation of this report to the Policy & Resources Committee authorises the Commercial and Customer Services Director to authorise the Comensura Temporary Agency Resource extension and to proceed with review, initiate options analysis and procurement planning.
- 4.2 Upon receipt of approval of the recommendation to proceed with the extension of the Temporary Agency Resource contract, legal services will be engaged to compile the contract documents with Comensura.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2015-20 states that the council working with local, regional and national partners will strive to ensure that Barnet is a place:
- of opportunity, where people can further their quality of life
 - where people are helped to help themselves, recognising that prevention is better than cure
 - where responsibility is shared, fairly
 - where services are delivered efficiently to get value for money for the taxpayer.

This report and the delivery of Temporary Agency Resource Services for the Council supports the Corporate Plan delivery with services delivered efficiently to get value for money for the taxpayer,

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 There will be no cost to the council of extending the Comensura contract for an additional year. The current level of agency usage is consistent with the Council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change. This strategic

approach reflects the Council's desire to reduce redundancies from the workforce. All agency costs are directly charged to the relevant Delivery Unit that is receiving the service.

5.2.2 The extension of the current contract will enable a review of agency usage across the council. The review will be focussed on the following points:-

- Greater cost savings
- Improved governance on length of tenure
- Greater agency and internal compliancy
- Greater Online Management Information.
- Improved account and contract management

5.3 **Social Value**

5.3.1 In accordance with the provision of the Public Services (Social Value) Act 2013 consideration has been given for this service provision to secure benefits for the community of Barnet. The contractor has confirmed that provision of temporary workforce requirements includes working with local employment agencies and recruitment residents from within the community.

5.4 **Legal and Constitutional References**

5.4.1 The contract with Comensura permits a one year extension. Report authorisation will enable entry into an extended one year contract with Comensura under the ESPO Framework Agreement for the provision of Temporary Agency Resource services and the preparation of an extended contract between the Authority, and Comensura and preparation of the agreement will be supported by HB Public Law.

5.4.2 The council's Constitution - Appendix A - Responsibilities for Functions, states that Policy and Resources Committee:

- To be is responsible for the overall strategic direction of the Council including Corporate Procurement (including agreement of the Procurement Forward Plan and agreeing exceptions to CPRs)
- To authorise procurement activity within the remit of the Committee and any acceptance of variations or extensions if within budget in accordance with the responsibilities and thresholds set out in Contract Procedure Rules

5.4.3 Under Contract Procedure Rule 8.6 where the Council accesses an existing Framework Agreement, the Framework Agreement terms and conditions of contract must be used, amended as appropriate as permitted by the Framework Agreement.

5.4.4 This report seeks authorisation in accordance with Contract Procedure Rules 7.2 and Appendix 1 Table A which requires acceptance by the Policy and Resources Committee

5.5 **Risk Management**

5.5.1 There are no known risks associated with this request.

5.6 Equalities and Diversity

- 5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
 - advance equality of opportunity between people from different groups
 - foster good relations between people from different groups

These have been considered with regard to the recommendation for authorisation to procure I services and it is not considered that an Equalities Impact Assessment is required for this procurement.

5.7 Consultation and Engagement

- 5.7.1 Authorisation to proceed with and extension and re-procurement will enable communication with stakeholders who already use the Temporary Agency Resource services, further engagement to promote the opportunity of accessing the Temporary Agency Resource contract, and enable the authority to address its commitment for agency staff reduction.

5.8 Insight

- 5.8.1 Insight data as detail in section 2 has informed the review and will be taken forward to support preparation for new procurement

6. BACKGROUND PAPERS

- 6.1 Authorisation to award Temporary Agency Staffing Contract Cabinet Resources Committee report, 20 June 2012

<http://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=4320&ISATT=1#search=%22staffing%22>

	AGENDA ITEM 8
	Policy and Resources Committee 02 September 2016
Title	Aggregated Procurement
Report of	Chief Operating Officer
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	None
Officer Contact Details	Chris Smith – Head of Estates Management Chris.smith@barnet.gov.uk Matthew Waters – Head of Corporate Programmes Matthew.waters@barnet.gov.uk

Summary
<p>The Council has a large, complex capital programme of £539m (including Housing Revenue Account spend). This report proposes the establishment of procurement process for an ‘aggregated procurement’ approach for a single contracted partner for design and build work, to secure value, reduce longer-term procurement cost and drive benefits in design, supply chain management and cost control.</p> <p>This should achieve £1.5m cost avoidance in future procurements, but most importantly give us the partnership relationship we seek for contractors in this area. The paper also notes some similar work from the West London Alliance on creating a school build Project Management Office but noting the difference in scope, some of the limitations of their current focus and recommends we proceed with our own aggregated procurement.</p> <p>It is recommended that the Council embarks on a procurement exercise to secure delivery of its future construction projects through a Strategic Partnering Agreement. In the first instance, focussing on the delivery of new Leisure Centres under the Sports and Physical Activity Programme and delivery of the Education Capital Programme.</p>

Recommendations

That the Committee approve the procurement for a new Strategic Partner to deliver its Capital Programme for a period of [5] years with the option to extend up to a maximum of [2] years, with an estimated value of up to £150 million.

1. WHY THIS REPORT IS NEEDED

- 1.1** The Council has a pipeline of Capital Projects over the next 5 years which span across delivery and enhancement of Education, Community, Leisure and Operational assets. The total value of the works under the contract, that is to be procured and let, is currently expected up to £150m and with a guaranteed value of £50m. The guaranteed schemes being the 2 new leisure centres, Blessed Dominic and St James' Projects plus one further (to be decided).
- 1.2** The Council needs to ensure that it is procuring these types of works as competitively and efficiently as possible.

2. REASONS FOR RECOMMENDATIONS

- 2.1** The Council has previously used a large scale contract for school builds (Primary School Capital Investment Programme, using Kier). This completed before the setup of the Customer Support Group contract and we have left open the option for a longer-term, larger scale procurement of a supplier for large and complex design and build projects.
- 2.2** Most recently, we have procured our requirements through regional frameworks to ensure delivery in agreed timescales – particularly when benefiting from government grants with agreed delivery timeframes and conditions.
- 2.3** This approach to procurement has worked in terms of delivering individual schemes but there is now an opportunity for the Council to achieve greater long term value for money. More recently, our project teams have reported saturation in the market and therefore a difficulty in securing contractors to deliver projects within required timescales and to more transparent commercial models that are less of a risk for the council. In addition, our project teams have also experienced significant increases in costs due to London Construction Inflation, part of which has been managed through value engineering and cost control initiatives which does not always deliver value for money and quality.
- 2.4** While the tactical procurements are serving their purpose, the possible advantages of tactical procurement have been more than offset by the costs and logistical difficulties of repeated procurement exercises, estimated cost per procurement exercise (£25 to 35k) Moreover, the absence of a long-term relationship with a contractor precludes continuous improvement and risk sharing, thus making tactical procurement more costly and less effective.

- 2.5** In addition, with increasing demand for contractors, project teams across the country are reporting that existing frameworks are saturated, therefore, schemes either are not achievable within time constraints or premiums are paid to secure contractors with limited competition.
- 2.6** It is recommended that the Council embarks on an Aggregated Procurement Strategy to secure a strategic partner to deliver its future construction projects through a Strategic Partnering Agreement with NEC (ECC) contract for each capital scheme. In the first instance, focussing on the Delivery of New Leisure Centres under the Sports and Physical Activity Programme and delivery of the Education Capital Programme with estimated lifetime contract value of £100 to £150M.
- 2.7** Aggregated procurement offers advantages over alternative approaches as it will deliver the following benefits
- 2.7.1 Lower cost to market** – Aggregated procurement can be delivered with a one off cost to the Council of £500k for a total construction value of £100m to £150m. Continued use of tactical procurements through existing frameworks would see an uplift in construction contract sums to accommodate levy fees that enable use of those frameworks (typically between 1%-2%). Based on a total construction cost of £150m the Council would otherwise have spent £1.5m (at the lowest end) in the use of those existing frameworks. One exception to most other frameworks is the London Housing Consortium (LHC) Framework which the Council currently receives a 2% rebate from. However, this 2% is ultimately paid for through levy fees in contract sums and the 2% benefit is net to zero. Another consideration is that a single one off procurement provides a more efficient way of procuring the required services.
- 2.7.2 Better pipeline tracking** – While the use of the LHC Framework offers a close comparison to the cost to market, the fundamental issue currently experienced with use of all other frameworks is a lack of interest from the market due to saturation. Aggregated Procurement will effectively enable the Council to “pre-book” its pipeline projects and guarantee availability of its construction partners for delivery of its key schemes. In addition, with a Strategic Partner, it should be able to commence activities to deliver schemes earlier than other approaches where individual procurements are required.
- 2.7.3 Tighter cost control** – With rising Construction Cost Inflation, it is important that the Council, establishes the best control it can to avoid surprise rises in project costs. Through establishment of agreed cost control mechanisms linked to reference projects there will be less scope for negotiation from the selected contractor and the Council will be in a far stronger position on items which are available for discussion. In addition, the fact that the Council will have a long term partner should avoid the practice of contractors simply approaching commercials on a project by project basis and instead will be expected to provide better value in recognition that there is a pipeline of further projects to deliver without further competition as long as performance remains high.

- 2.7.4 **More efficient delivery times** – The use of a strategic partner enables efficiencies in design through the establishment of standardised design principles. This means that parameters for change are tighter resulting in improved management of stakeholder expectations, a faster route to starting on site and ultimately reduced project risk due to fewer differences and unpractised approaches between each scheme. Importantly, the Council will be able to test design element with its partner, prior to progressing elements of scheme design too far. This would not be achievable on any other approach until individual procurement exercises are complete, therefore the time and risk benefits are significant.
- 2.7.5 **Securing a partnership ethos** – Importantly, other methods of procurement will not be able to deliver a partnership approach to project delivery in recognition of the wider aims of the Council. It is expected that aggregated procurement will establish more of the right behaviours from the selected contractor and a shared ownership of risks and problem solving. Through the delivery of multiple schemes through a single partner, the Council should expect betterment on project approach, delivery, timescales and price as the partnership develops.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Continued use of existing frameworks

3.1.1 The Council has experience of using existing frameworks to procure large construction contracts. This option has been discounted as each contract let through an existing framework attracts a cost for use of the framework, which is typically around 1%. Should the Council opt to continue using existing frameworks and subsequently deliver £150m of construction projects, this route would have cost the Council £1.5m, there are also dis-benefits of this option which relate to the need to carry out multiple procurements, engage in new ways of working with multiple contractors. Moreover, it is considered that the lack of a partnership ethos and prospect of pipeline projects for contractors, creates the wrong behaviours around project delivery commercial arrangements. This option would leave the Council in a position where there is no guarantee around availability of Contractors on each of its capital procurements.

3.1.2 London Borough of Barnet is an associate member of London Housing consortium Framework (LHC) which dependant on call off contract value can generate a rebate to the authority of 2% to 4%. This framework would require procurement to mini comp each scheme with contractor arrangements and does not offer the council an exclusive partnership arrangement.

3.2 WLA Model

3.2.1 The Council are currently engaging with the WLA, who are investigating opportunities around aggregated procurement from a different angle. While this option has benefits, its focus is more on staff and seeks to achieve efficiencies through pooling procurement and construction resources. The development of the WLA business case is still in its early days but it is

currently expected to utilise existing frameworks, therefore, while this option would provide some efficiencies, it would not provide any of the benefits required around control of costs and partnership ethos.

4. POST DECISION IMPLEMENTATION

4.1 Following authorisation, the project will embark on Official Journal of the European Union (OJEU) procedure to procure a construction partner to be used in the delivery of its Capital Programme. The project team are working with an appointed legal firm Bevan Brittan.

4.2 It is expected that the process will conclude in July 2016.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Council's Corporate Plan 2015-20 states that the council, working with local, regional and national partners, will strive to ensure that Barnet is a place:

1. of opportunity, where people can further their quality of life
2. where people are helped to help themselves, recognising that prevention is better than cure
3. where responsibility is shared, fairly
4. where services are delivered efficiently to get value for money for the taxpayer.

5.1.2 This recommendation will help meet these objectives as this route will assist in the delivery of the Councils key construction projects including delivery of school places, leisure centres and community centres.

5.1.3 The route will provide increased efficiency in the use of public funds for procurement and subsequent delivery of capital projects.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 This will require ongoing input from external advisers and consultants and will require an extension to the existing programme management team.

5.2.2 The procurement of the Strategic Partner will cost the Council £500k

Legal costs	£90,455*
Project & Programme Management	£140,000
Procurement	£90,000
Estates & Design	£150,000
Contingency	£20,000

5.2.3 The Council previously allocated £1.1m to cover the cost of its previous Strategic Partnering Arrangement. The procurement cost of £1.1 million equated to approximately 1.2% of the capital value of Primary Schools Capital Investment Programme Wave 1. This is typical for procurements of this type

including other Frameworks already available, therefore, where the Council utilises existing frameworks, it is likely paying a premium to return the Framework Operators' set up costs.

- 5.2.4 Implementation of the strategic partnering agreement will cost £500k. It is likely that the Council will put between £100-£150m through the scheme, therefore the actual cost per project will be a highly attractive 0.3 to 0.5%. In practice, the implementation cost will be paid for from the first £50m of capital work, as a 1% additional fee (as already takes place when accessing a framework) but thereafter subsequent projects will access the scheme for free.
- 5.2.5 Continued use of tactical procurements through existing frameworks would see an uplift in construction contract sums to accommodate levy fees that enable use of those frameworks (typically between 1%-2%). Based on a total construction cost of £150m the Council would otherwise have spent £1.5m (at the lowest end) in the use of those existing frameworks. Therefore, after considering the £500k implementation cost, the Council should see a £1m reduction in framework related costs. This benefit increases with any expenditure over £150m. One exception to most other frameworks is the LHC Framework which the Council currently receives a 2% rebate from. However, this 2% is ultimately paid for through levy fees in contract sums and the 2% benefit is net to zero.
- 5.2.6 Another consideration is that a single one off procurement provides a more efficient way of procuring the required services as less time will be spent preparing and evaluating documentation for individual tenders and subsequently less time will be spent negotiating individual contracts.
- 5.2.7 It is however, expected that the largest financial benefit should come through greater control of costs through established contractual mechanisms and less dependence on ad-hoc availability of contractors.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. This is a great opportunity to successfully deliver social value.
- 5.3.2 As part of this procurement, the Council will ask bidders how they will be able to contribute to delivering social, economic and environmental benefits. In procurements such as this in the past, contractors have committed to the use of local trades and have taken on local apprenticeships.
- 5.3.3 These benefits will be explored further through engagement with the market prior to publication of the procurement exercise in the OJEU. The Council will ensure that these benefits form part of the evaluation criteria. For other contracts the Council has a 10% weighting to social value which will likely be the case in this instance.

5.4 Legal and Constitutional References

- 5.4.1 Report authorisation will enable to proceed with the procurement exercise and publish the notice in the OJEU.
- 5.4.2 HB Public Law has commissioned external legal advisors to advise on the procurement of the Strategic Partner who shall provide the relevant legal and procurement advice up to the appointment of the Strategic Partner.
- 5.4.3 The council's Constitution - Annex A - Responsibilities for Functions, states that Policy and Resources Committee:
- To be is responsible for the overall strategic direction of the Council including Corporate Procurement (including agreement of the Procurement Forward Plan and agreeing exceptions to CPRs)
 - To authorise procurement activity within the remit of the Committee and any acceptance of variations or extensions if within budget in accordance with the responsibilities and thresholds set out in Contract Procedure Rules.
- 5.4.4 This report seeks authorisation in accordance with Contract Procedure Rules 7.2 and Appendix 1 Table A which requires acceptance by the Policy and Resources Committee.

5.5 Risk Management

- 5.5.1 Should the council continue to contract for works under its capital programme through existing frameworks and as individual projects and not aggregated, it will be exposed to the conditions of the construction market and could find that where demand for contractors has increased and supply is low, that it is unable to find a contractor willing to deliver a scheme. On a school places project, this could mean that the Council becomes unable to provide school places ready for new intakes. The Aggregated procurement approach provides better pipeline planning with contractors and improves assurance that contractors will have capacity to deliver projects when they are required.
- 5.5.2 Without any framework on cost control, the Council is exposed to cost risk on each of its projects, with a need to negotiate each contract sum individually. In a situation where the Council has an urgent need and the contractor market is saturated, the Council will be in a weak negotiating position and could end up paying above market rates for projects that are procured on an individual basis. The aggregated procurement approach will develop a cost model through comparator schemes which will enable the Council to ensure project costs are kept under control.
- 5.5.3 Should the council enter into a strategic partnering agreement with a single contractor, as is proposed, there is a risk that that single contractor may fail to perform. The inherent mitigation is that the council will not provide exclusivity to the whole £150m capital programme from the outset, but will retain the option to utilise other providers should the relationship hit difficulties. The

selected bidder would therefore be the preferred partner under normal circumstances but any guarantees are restricted to the first £50m worth of work only. Access to further work is therefore entirely dependent on their performance.

5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act places a legal obligation on the council and organisations acting on our behalf to pay due regard to equalities. The pipeline of capital projects for community assets is intended to benefit all the diverse communities in the borough in accordance with the Community Asset Strategy. Each project will reflect the requirement of the Public Sector Equalities Duty by having due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between people from different groups;
- Foster good relations between people from different groups;

5.6.2 This will be done at design concept and prior to build by assessing the impact of our actions on different groups in Barnet including those identified in equality legislation as protected characteristics, namely: age, disability, gender, gender reassignment marriage, civil partnership, pregnancy, maternity, sexual orientation, religion or belief.

5.6.3 The council will encourage the successful bidder to include some commitments around employment of local labour.

5.7 Consultation and Engagement

5.7.1 The procurement will not include any formal consultation.

5.8 Insight

5.8.1 The recommendations within this report are a result of review of recent delivery of the Council's Capital Programme and the available contracting options for the delivery of its future programme.

5.8.2 The project team have looked at the history of contracting such work both within the borough and across other local authorities.

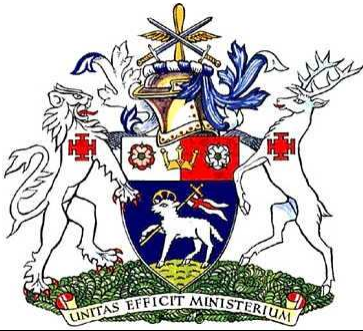
5.8.3 Importantly, the Council has considered the current utilisation and demand on existing frameworks as well as how this is continuing to influence the cost of project delivery.

6. BACKGROUND PAPERS

6.1 None

Policy and Resource Committee

2 September 2015



Title	Barnet Fostering Loft Conversion and Extension Policy
Report of	Director of Family Services
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix 1- Barnet Fostering Loft Conversion and Extension Policy
Officer Contact Details	Yogita Popat, Yogita.popat@barnet.gov.uk

Summary

This report sets out the key elements of Barnet’s Loft Conversion and Extension Policy and proposes the recommendation that the Director of Family Services be delegated the authority to issue grants and loans to fostering households as set out in Appendix 1.

In December 2014 the Policies and Resources Committee approved the Capital Programme which includes £100,000 per year for the next 5 years to construct a number of extensions and loft conversions for current fostering households. In line with the Placements Commissioning Strategy, such extensions and loft conversions will increase the number of internal placements for teenagers, sibling groups and children with complex needs, significantly reducing the cost to Family Services when having to make external placements with Independent Fostering Agencies and Residential Care Homes.

Recommendations

- 1. That the Committee agrees and approves the attached Loft Conversion and Extension Policy for use by the Family Services Delivery Unit.**
- 2. That the authority to issue interest free loans and grants to eligible fostering households (i.e. all Barnet approved fostering households whether in or out of the borough where they take children in care) for loft conversions and extensions, in line with the approved extensions and conversions policy, is delegated to the Family Services Director within the available approved budget**

1. WHY THIS REPORT IS NEEDED

- 1.1 As part of the Children's Service Transformation at the London Borough of Barnet (LBB) the Looked After Children (LAC) Project has a number of objectives. Among these are the following:
- Increase the number of LBB foster households
 - Increase LBB's ability to place looked after children and young people with LBB fostering households which are in borough. This approach is based on the LBB family environment in borough principles rather than looked after children and young people going to Independent Foster Agency (IFA) households and Independent Residential Care Homes, unless the individual's needs indicate otherwise.
- 1.2 One way to achieve the project objectives stated above is to expand the accommodation to the homes of qualifying foster households thus increasing the number of placements that are offered by any one fostering household.
- 1.3 In December 2014 the Policies and Resources Committee approved the release of £100,000 from the Capital Programme each year for the next 5 years (to begin in 2015/16)¹, and that these funds would be used to construct a number of extensions and loft conversions. It has been agreed by the Director of Family Services that this money will be provided as split funding; 50% grant, 50% interest-free loan based on a local options appraisal.
- 1.4 Qualifying households will sign up to a legally binding arrangement whereby London Borough of Barnet (LBB) will provide a 50% grant and 50% interest-free loan to a maximum amount, for the construction of an extension or loft conversion, providing one or more bedrooms and associated living space.
- 1.5 It is important that a coherent programme of delivery underpinned by a clear and consistently applied policy is developed. The attached document will define the policy for the provision of a 50% grant and 50% interest-free loan to fostering households, who wish to extend or convert their homes in order to offer wider placements to LBB children in care.
- 1.6 The Director of Family Services requires the delegated authority to make grants and to grant interest-free loans to fostering households. This report has been drafted to be presented to the Policy and Resource Committee (2 September) to request the delegation of such authority and to approve the Loft Conversion and Extension policy for use by the Family Services delivery unit.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The approach of having the Director of Family Services provided with the authority to grant interest-free loans and grants will increase the number of placements that can be offered to LBB's looked after children, especially for teenagers, sibling groups and children with complex needs.

¹ This £100,000 is included in the line 'Social care placements - residential and fostering expansions'. Please see background papers for further information.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 An alternative option of providing a 100% grant to fostering households was considered, which would not require the Director of Family Services to grant any loans. This approach is not preferred as it would not ensure the best value of council resources. Consultation was conducted with current fostering households who stated that they would be prepared to apply for the funding with the knowledge that they would need to repay the 50% interest-free loan.

4. POST DECISION IMPLEMENTATION

- 4.1 Once the recommendation has been approved, the Loft Conversion and Extension Policy will be implemented and managed by the Fostering Support Team Manager as business as usual.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2015-20 states that the council, working with local, regional and national partners, will strive to ensure that Barnet is a place:
1. of opportunity, where people can further their quality of life
 2. where people are helped to help themselves, recognising that prevention is better than cure
 3. where responsibility is shared, fairly
 4. where services are delivered efficiently to get value for money for the taxpayer.

- 5.1.2 The Loft Conversion and Extension funding will help meet these objectives by offering increased placements to teenagers, sibling groups and children with complex needs.

5.2 Resources

5.2.1 Finance and Value for Money

- 5.2.1.1 As part of the Transformation Programme and in line with the Placements Commissioning Strategy, the service is working towards reducing the amount of money being spent on IFAs and Residential Care Homes. Such placements are being used regularly when there are no internal placements available for teenagers, sibling groups and children with complex needs.

- 5.2.1.2 An average cost per placement week has been calculated by dividing the overall cost by the number of placement weeks, for both LBB and IFA foster placements which can be seen in the table below:

Provision Type	LBB unit cost (incl. service and corporate overheads)	Independent / Private unit cost (incl. commissioning overheads)
Foster placement	£646	£901
Residential placement	£3,493	£3,708

5.2.1.3 Increasing the number of internal placements through loft conversions and extensions will help to reduce the amount of money being spent on external placements. This recommendation will support Family Services in its objective of making MTFS savings against commission placements budgets.

5.2.1.4 Funding of £100,000 per year from 2015-16 to 2019-20 been has been approved as part of the Children's Service capital programme.

5.2.1.5 Any revenue related costs e.g., legal costs that may arise, will be funded from existing Family service revenue budgets.

5.2.2 Procurement

5.2.2.1 There are no procurement implications identified in the release of funds authorised by the Director of Family Services as per the recommendation.

5.2.3 Staffing

5.2.3.1 There are no staffing implications identified in the release of funds authorised by the Director of Family Services as per the recommendation.

5.2.4 IT

5.2.4.1 The IT systems that will be involved in the release of the funding, tracking and receiving of repayments are Integra and Controcc. There are no perceived IT implications with this recommendation.

5.2.5 Property

5.2.5.1 There will be no LBB property implications in the recommendation. Once building works are completed within a fostering household, Health and Safety checks will be conducted by the Supervising Social Worker to ensure the accommodation is suitable and safe for any children/young people being placed there.

5.2.6 Sustainability

5.2.6.1 In December 2014 the Policies and Resources Committee approved the release of £100,000 from the Capital Programme annually for the next 5 years (to begin in 2015/16), and that these funds would be used to construct a number of extensions and loft conversions.

5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.3.2 This policy does not have direct procurement implications but the policy is consistent with a Social Value approach as it seeks to offer additional local foster placements to Barnet's looked after children which enables Barnet's children and young people to remain living within the Barnet community and supports their attendance at local educational provisions.

5.4 **Legal and Constitutional References**

5.4.1 Section 22G of the Children Act 1989 requires local authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation within the authority's area which meets the needs of children that the local authority are looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area ('the sufficiency duty'). When meeting this duty, the local authority must have regard to the benefit of having a number of accommodation providers in their area and a range of accommodation in their area capable of meeting different needs.

5.4.2 The responsibilities of the Policy & Resources Committee are contained within the Council's Constitution - Section 15 Responsibility for Functions (Annex A) including; To be the principal means by which advice on strategic policy and plans is given and co-ordinated and to recommend to Full Council, as necessary, on strategic issues including; Ensuring the effective use of resources and Value for Money; To be responsible for the overall strategic direction of the Council including the following specific functions/activities; Customer Care, Communications and Resident Engagement; Internal Transformation programmes; Welfare programmes.

5.4.3 If any report comes within the remit of more than one committee, to avoid the report being discussed at several committees, the report will be presented and determined at the most appropriate committee. If this is not clear, then the report will be discussed and determined by the Policy and Resources Committee." As these proposals come within the remit of the Policy and resources (responsible for the Effective use of resources and Value for Money) and the Children, Education, Libraries & Safeguarding Committee (responsible for ensuring oversight of effective support for young people in care and to enhance the Council's corporate parenting role), this decision is to be taken by the Policy & Resources Committee

5.5 **Risk Management**

5.5.1 The Placements Commissioning Strategy outlines our aim to place Barnet's looked after children in local placements. The approval of this policy will support our mitigation of the risk of looked after children and young people being placed out of area.

5.5.2 There is a risk that fostering households who have signed a contract to receive funding and repay the interest-free loan could miss repayments. There are mitigations in place to prevent such risks from having an adverse affect, such as a thorough financial check to ensure fostering households are able to make repayments and the recommendation that the fostering households take out insurance, in the event that they are unable to work. If a fostering household has missed a maximum of 2 repayments and they are unable to make repayments from another financial source, then the Accounts Receivable Team will take the appropriate action to reclaim the outstanding balance of the interest-free element of the loan (or both the loan and grant where applicable) in full. This may include the commencement of legal proceedings in the County Court, which will incur further

costs and interest, which will be payable by the fostering household. Aligned to this may be the commencement of their de-registration as a Foster Carer. This is subject to the terms set out by Ofsted to be approved as a Foster Carer. A charging order will be placed on each qualifying property.

5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

Advance equality of opportunity between those with a protected characteristic (as defined in the Act) and those without;

Promote good relations between those with a protected characteristic and those without.

5.6.2 The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race / ethnicity; religion or belief; gender / sex; sexual orientation; marital status (including civil partnership). The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies and the delivery of services.

5.6.3 The Barnet placements commissioning strategy is based on a thorough needs assessment and sets out the profile and needs of Barnet's looked after children. Section 4 of the strategy provides data on the LAC population. This indicates that males, children and young people with SEN or a disability and specific ethnic groups, including Black African and Black Caribbean are overrepresented in the LAC population. The Looking after Children project has been developed on the basis of this needs assessment and strategy and is designed to better meet the needs of our looked after children.

5.6.4 An Equalities Impact Assessment has been undertaken on the placements commissioning strategy. Successful delivery of the commissioning strategy is anticipated to have an overall positive impact on groups with protected characteristics, by ensuring that the recruitment of additional carers and supporting current foster carers to convert their homes, will better meet their needs and enable more children and young people to live within the Borough.

5.7 Consultation and Engagement

5.7.1 During the Transformation Programme there was ongoing consultation with current fostering households through a series of working groups and engagement events. Relevant officers were also consulted as part of the development of the Loft Conversion and Extension Policy.

5.8 Insight

5.8.1 The looking after children project has utilised CSG insight to support the development of a marketing and recruitment strategy for fostering to better target recruitment of fostering households. This insight is relevant to the implementation of this policy. This policy is also structured around the needs analysis that has been undertaken on the children who it is most difficult to find a local foster placement. The policy prioritises harder to place groups of children.

6. BACKGROUND PAPERS

- 6.1 Policy and Resources Committee; 2 December 2014; Capital Programme approval
<http://barnet.moderngov.co.uk/documents/s19552/Appendix%20D%20-%20Capital%20Additions.pdf>
- 6.2 CELS Committee; 20 April 2015; Placements Commissioning Strategy
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=697&MId=7928&Ver=4>

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Family Services

Document control	
Document title	Barnet Fostering Loft Conversion and Extension Policy
Document description	This document defines the policy for the provision of a 50% grant and 50% interest-free loan to fostering households, who wish to extend or convert their homes in order to offer a wider range or number of placements to LBB children in care. The target audience for this document is LBB Family Services and foster carers wishing to apply for the Loft Conversion/Extension funding and loan.
Document author	Claire Harkin

Version control	
Document production date	Date the document is complete and ready for approval (Month, Year)
Document currency	When does the document require reviewing and/ or updating (frequency e.g. Annually, Quarterly etc.)?

Clearance process	
Quality approver	Date
Jo Pymont	31/07/2015
Paulette Thompson-Omenka	31/07/2015
Lindsey Hyde	31/07/2015
Release approver	Date
Jo Pymont	31/07/2015

Contents

1. Introduction.....	3
1.1. Background	3
2. Policy	4
2.1. Framework	4
2.2. Process overview	4
2.3. Procedure.....	6
2.3.1 Proposal	6
2.3.2 Criteria	6
2.3.3 Priority	6
2.3.4 Information required in support of proposal.....	7
2.3.5 Approval process	8
2.3.6 Governance	8
2.3.7 Contracts	8
2.3.8 Repayments	9
3. APPENDIX	10
<u>Appendix 1: Loft Conversion and Extension Funding Report.....</u>	<u>10</u>
<u>Appendix 2: Loft Conversion and Extension Funding Application Form.....</u>	<u>12</u>

1. Introduction

1.1. Background

As part of the Children's Service Transformation at the London Borough of Barnet (LBB) the Looked After Children (LAC) Project has a number of objectives. Among these are the following:

- Increase the number of LBB foster households
- Increase LBB's ability to place looked after children and young people with LBB fostering households which are in borough. This approach is based on the LBB family environment in borough principles rather than looked after children and young people going to Independent Foster Agency (IFA) households and Independent Residential Care Homes, unless the individual's needs indicate otherwise.

One way to achieve the project objectives stated above is to expand the accommodation to the homes of qualifying foster households thus increasing the number of placements that are offered by any one fostering household.

In December 2014 the Policies and Resources Committee approved the release of £100,000 from the Capital Programme annually for the next 5 years (to begin in 2015/16), and that these funds would be used to construct a number of extensions and loft conversions. It has been agreed by the Director of Family Services that this money will be provided as split funding; 50% grant, 50% interest-free loan based on a local options appraisal.

Qualifying households will sign up to a legally binding arrangement whereby LBB will provide a 50% grant and 50% interest-free loan to a maximum amount, for the construction of an extension or loft conversion, providing one or more bedrooms and associated living space.

It is important that a coherent programme of delivery underpinned by a clear and consistently applied policy is developed. This document will define the policy for the provision of a 50% grant and 50% interest-free loan to fostering households, who wish to extend or convert their homes in order to offer wider placements to LBB children in care.

2. Policy

2.1. Framework

To promote and support enduring solutions for children in care, LBB are able to provide a split funding option of a 50% grant and a 50% interest-free loan to support the costs of loft conversions/ extensions to foster carer’s homes. This service will apply where the work will enable the child(ren) to have a foster placement which meets the requirements of their care plan.

2.2. Process overview

Where a fostering household applies for a loft conversion or extension that will help them to continue to care for, or offer increased/wider placements for LBB children, an initial scoping exercise will be undertaken by the Supervising Social Worker to ensure that they meet the eligibility criteria then a proposal will need to be submitted by the fostering household to the Fostering Support Team (FST) Manager. The FST Manager will review the proposal and write a short report and then submit to the Head of Placements. The Head of Placements will need to establish if the fostering household meets the criteria set out in paragraph 2.3.2 and agree the funding amount that will be offered ensuring that it does not exceed the following costs:

Type of Accommodation Change	Estimated cost
1 bed extension	£30,000
2 bed extension	£40,000
1 bed loft/garage conversion	£25,000
2 bed loft/garage conversion	£30,000

In exceptional circumstances these amounts may be increased as some quotes may be more expensive than the prices listed above, especially if there is extensive work that needs to be carried out on the property e.g. if there is insufficient insulation, old or damaged brickwork/wooden beams. The Head of Placements will make the final decision after ensuring consultation with a technical expert on whether to provide additional funding in such circumstances.

The proposal for loft conversion/extensions funding is to include the following:

- An application pack from the fostering household and a short report from the FST Manager (*report and application pack templates can be found in the Appendix section of this document*). The report should provide an overview of the reasons for the application, how the applicant meets the criteria and plans for the proposed work to be carried out

- The fostering household will need to provide three work estimates from experienced builders (at this stage the plans can be drawn up by a builder as a guide as to what is possible)
- The plans containing the proposed work will need to include all major items of work to be carried out. The plan will be used to estimate the appropriate budget allocation for the loft conversion/extension.

If the Head of Placements approves the loft conversion/extension proposal and has agreed the funding amount to be given, the fostering household will be notified and can commission the builder for the extension/conversion. Please note that the funding will not be released until the contract has been signed and returned by the fostering household to LBB. Once the contract is signed and returned, the Accounts Payable team will be responsible for ensuring that the funding amount is transferred in full to the fostering households vendor account within 30 days of the building work commencing. Depending on the work required the funding may be released in staged payments.

The funding amount will depend on the work being proposed as stated in the cheapest work estimate that ensures value for money and has a proven track record. The fostering household will be required to make monthly repayments, via a pre-arranged direct debit, for the loan element of the funding over an agreed period of time to be stated in the contract to be no longer than 10 years (*see paragraph 2.3.8 for more information*). Repayments and timescales will be agreed in advance of loan payment, all of which will be clearly detailed within the loft conversion/extension contract that will be drawn up between the fostering household and LBB.

The fostering households will be expected to begin building works at the earliest opportunity. If after 90 days no building work or planning has begun, or no plans have been made for building works to start, then the fostering household will be required to provide an explanation for any delay and assurance that work will start within a period to be agreed with the Council. No funding will be released until the commencement of building work.

If the works are abandoned by the builders then the fostering household will be given 90 days to source an alternative builder. The fostering household will need to go through the process again of collecting three quotes and informing the FST Manager before a final decision is made on a builder.

Fostering households that apply for and are granted funding for building works will be expected to provide their services as a LBB fostering household for a period of no less than 5 years.

If a fostering household is de-registered during this time, full re-payment of any outstanding capital (to include both the grant and interest-free loan) will be required within 12 months of de-registration.

A charging order will be placed upon the foster carer's property. If the foster carer moves house LBB can recover the amount from the sale of the property.

Contracts will be drawn up by legal services to include repaying the grant and loan in the event of de-registration or moving house.

If the fostering household is successful in their application for funding it will be their responsibility to ensure the following:

- Awareness of any known planning issues
- Awareness of any restrictive covenants in the deeds to the property
- The contracting of an experienced builder and architect services surveyor. The builder and architect must be a member of their recognized trade/professional body.
- Seeking building control approval

2.3. Procedure

2.3.1 Proposal

The proposal from the applicant and FST Manager will need to demonstrate that the placement falls within one of the priority groups as defined in paragraph 2.3.3 or that the placement is a long term placement.

2.3.2 Criteria

The loft conversion/extension funding only applies to home owners. In order for the fostering household to be eligible for the funding they must meet the following criteria:

- The fostering household must have provided at least 12 months of foster care for LBB's children and young people and had a positive annual review
 - There have been no standard of care issues within the last 12 months
 - The fostering household is willing to take "hard to place" children (e.g. teenagers, sibling groups, those with challenging behaviours, or complex disability needs)
- or
- The works will enable a child to have a long term/permanent placement with that family which could not otherwise be possible.
 - The grant loan is not available for those not meeting the criteria set out above

2.3.3 Priority

In order to prioritise funding the following priority tiers apply:

- **Tier 1** – Fostering households who can offer placements to:

- ❖ Sibling groups
- ❖ Children aged 12 years old and above
- ❖ Permanent placements
- **Tier 2** – Fostering households who can offer placements to:
 - ❖ 5- 9 year olds
- **Tier 3** – Fostering households who can offer placements to:
 - ❖ Under 5 years olds

Please note that if there have been no applications for funding in Tier 1 for the first two quarters of the year then funding will be offered to those in tier 2, then tier 3. Tier 1 remains the priority.

2.3.4 Information required in support of proposal

The proposal must include the following information:

- Is the foster household the legal home owner(s)? If yes, then this statement will need to be evidenced by the household obtaining an OC1 form from the Land Registry, which details who the legal owner is (cost £6).
- An outline of works to be conducted is required. This needs to cover all known major items as it will be used for setting the budget. A copy of the plans that have been drawn up by a builder will also need to be included.
- Confirmation that once the conversion/extension is complete, the property will conform to the standards set out in the Fostering Procedures Accommodation Policy.
- Estimate of costs – three estimates from approved builders is required.
- Evidence that consultation with building control has taken place
- Financial evidence that the fostering household is able to make repayments from an additional source in the event that they do not have a fostering placement for some time (*see paragraphs 2.3.8.1 and 2.3.8.2 for more information*). This evidence will need to include:
 - Last 3 bank statements
 - List of incomings and outgoings
 - Proof of household income i.e. payslips
 - Recent credit check (Credit checks can be conducted online free of charge, recommended site <https://www.noddle.co.uk/>)

2.3.5 Approval process

The Head of Placements will review the proposal and where necessary consult with the finance, legal and building control to form a decision as to appropriateness of the proposal. The Head of Placements will advise the fostering household of the outcome in writing within 14 days and inform them:

1. Whether the proposal is agreed or not
2. If agreed, the budget for the funding
3. If applicable, reasons for agreeing a lower level of funding
4. If not agreed, reasons for refusal of the funding
5. If agreed, when the budget will be available

To ensure consistency of decision making and funding fostering households should submit all requests for loft conversions/extensions through the FST Manager using the 'Loft Conversion/Extension Application' template. The FST Team Manager will then submit to the Head of Placements for review.

2.3.6 Governance

The governance process for ensuring that the funding is being utilised will be as follows:

- Within the first 90 days:
 - Provision of receipts/invoices from the architect
 - Provision of receipts/invoices from the builders
- The total funding that has been used for the loft conversion/extension:
 - Provision of final receipt from the architect and builders
 - Provision of photographic evidence of the works that have taken place

2.3.7 Contracts

Legal Services will draw up a contract between LBB and the fostering household in order to regulate the funding arrangement, stipulating what the funding is being provided for, the level of funding and the repayment arrangements for the 50% interest-free loan to be facilitated by the Accounts Receivable team.

Fostering households that apply for and are granted funding for building works will be expected to provide their services as a LBB fostering household for a period of no less than 5 years. If a fostering household chooses to resign or is de-registered during the 5 year period, then a full repayment of outstanding capital (to include both the grant and interest-free loan) will be required within 12 months of the contract being signed.

If a fostering household refuses 3 consecutive placements without an acceptable explanation as to why, then a full re-payment of outstanding capital (to include both the grant and interest-free loan) will be required within 12 months of the contract being signed.

2.3.8 Repayments

Repayments will be calculated in relation to the loan amount and the agreed repayment term. Please see below an example of sliding scale repayments:

50% loan amount	£25,000 (maximum amount)	£20,000	£15,000	£12,000
Repayment per month	£208	£238	£250	£333
Repayment per year	£2,500	£2,857	£3,000	£4,000
Repayment term in years	10	7	5	3

2.3.8.1 How will repayments be made

Repayments must be made by a prearranged direct debit that will be set up and managed by the Accounts Receivable team. If the foster carer is without a fostering placement, which could be for a number of weeks or months, they must ensure that they have sufficient income available to meet the monthly repayments of the interest-free loan in these circumstances.

In addition, they will be advised to consider taking out either short-term or long-term income protection in the event that they are unable to make repayments due to an accident, sickness or unemployment. Taking out such protection may be helpful for someone who wants to cover their monthly income so they do not fall behind with monthly outgoings should they be unable to work. They will be advised to seek independent advice if they are unsure.

2.3.8.2 What happens they cannot afford to make any repayments?

If a fostering household has missed a maximum of 2 repayments and they are unable to make repayments from another financial source, then the Accounts Receivable Team will take the appropriate action to reclaim the outstanding balance of the interest-free loan in full. This may include the commencement of legal proceedings in the County Court, which will incur further costs and interest, which will be payable by you. Please see attached with this document the New Income Direct Debit Mandate. If in the event that there is no other possible means to repay the outstanding debt, then LBB may seek to recover the amount from the charge on the property in order to reclaim that money.

3. APPENDIX

Appendix 1: Loft Conversion and Extension Funding Report

(To be completed by the Fostering Support Team Manager. Once complete to be submitted to the Head of Placements for final decision)

This report provides an overview of the reasons for the funding application, how the applicant(s) meets the criteria and plans for the proposed work to be carried out. The proposal is to demonstrate if the placement falls within one of the priority groups as defined in paragraph 2.3.3 of the Loft Conversion and Extensions Policy, or that the placement is a long term placement.

Personal details of the fostering household applying for funding:	
First name(s):	
Surname(s):	
Address:	
Supervising Social Worker	

1. Reason for funding request: <i>(state whether the funding is for a loft conversion or extension or other)</i>

2. State if the applicant(s) meet the relevant criteria:		
Criteria	Yes/No	Any additional information that may support the application
Has the fostering household provided at least 12 months of foster care within LBB and had a positive annual review?		
Has there have been any standard of care issues within the last 18 months?		
Is the fostering household willing to take "difficult to place" children? (e.g. teenagers, sibling groups, those with challenging		

behaviours)		
Or		
Will the works enable a child to have a long term/permanent placement with that family which could not otherwise be possible?		

3. Which priority tiers do the applicant(s) sit within? (please state which tier applies)		
Tier	Priority information	Yes/No
1	Fostering households who can offer placements to: <ul style="list-style-type: none"> ❖ Sibling groups ❖ Children over the age of 11 ❖ Permanent placements 	
2	Fostering households who can offer placements to: <ul style="list-style-type: none"> ❖ 5- 9 year olds 	
3	Fostering households who can offer placements to: <ul style="list-style-type: none"> ❖ Under 5 years olds 	

4. Has the following information been included in the applicant(s) application?	
Information	Yes/No
OC1 Form from the Land Registry	
An outline of works to be conducted (<i>this needs to cover all known major items</i>)	
A copy of the plans that have been drawn up by a builder (<i>at this stage the plans can be drawn up by a builder as a guide as to what is possible</i>)	
a) Estimate of costs – three estimates from approved builders	
b) Evidence from Building Control	
Date the initial SSW visit took place to confirm the eligibility criteria	(date)
Confirmation that once the conversion/extension is complete, the property will conform to the standards set out in the Fostering Procedures Accommodation Policy	
<ul style="list-style-type: none"> • Last 3 bank statements • List of incomings and outgoing • Proof of household income i.e. payslips 	

• Recent credit check	
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5. Recommendation		
Do you recommend that the applicant(s) is/are suitable candidates to receive funding?	Yes/No. <i>(If 'No' please state why)...</i>	
What is the recommended funding budget?	50% Grant: £	50% Loan: £

Appendix 2: Loft Conversion and Extension Funding Application Form

(To be completed by the fostering household applying for funding. Once complete to be submitted to the Fostering Support Team Manager)

Personal details of the fostering household applying for funding:	
First name(s):	
Surname(s):	
Address:	
Supervising Social Worker	

Criteria questions:	
1. What building works are you requesting funding for? <i>(Loft conversion, extension or other. If other please specify)</i>	
2. What is your reason for requesting funding? <i>(e.g. additional space for hard to place children (provide details if possible), to enable a child to have a long term/permanent placement which could not otherwise be possible)</i>	
3. How long have you been a foster carer with the London Borough of Barnet?	Years/months:
4. What placements are you able to/will be able to offer to LBB children? <i>(e.g. siblings, children aged 12 years and over, 5-9 year olds, permanent placements, children under the age of 5)</i>	

Please ensure that you enclose all of the following information as part of your application for funding:

- ❖ OC1 Form from the Land Registry (*this form can be downloaded at <https://www.gov.uk/government/collections/land-registry-forms> and will cost £6*)
- ❖ An outline of the works to be conducted
- ❖ A copy of the plans that have been drawn up by a builder (*at this stage the plans can be drawn up by a builder as a guide as to what is possible*)
- ❖ Three estimates of cost from approved builders
- ❖ Last 3 bank statements
- ❖ Proof of household income i.e. payslips
- ❖ List of incomings and outgoings*
- ❖ Recent credit check

* A more detailed form / checklist will be drafted to gather further details such as mortgage lender, address and account.

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AGENDA ITEM 10



Policy and Resources Committee
2 September 2015

Title	Policy and Resources Committee Work Programme
Report of	Andrew Travers, Chief Executive Kate Kennally, Strategic Director for Commissioning
Wards	All
Status	Public
Enclosures	Committee Work Programme August 2015-May 2016
Officer Contact Details	Faith Mwende: faith.mwende@barnet.gov.uk 020 8359 4917

Summary

The Committee is requested to consider and comment on the items included in the 2015-16 work programme

Recommendations

- 1. That the Committee consider and comment on the items included in the 2015-16 work programme**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Policy and Resources Committee's Work Programme 2015-16 indicates forthcoming items of business.
- 1.2 The work programme of this Committee is intended to be a responsive tool, which will be updated on a rolling basis following each meeting, for the inclusion of areas which may arise through the course of the year.
- 1.3 The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

2. REASONS FOR RECOMMENDATIONS

- 2.1 There are no specific recommendations in the report. The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 N/A

4. POST DECISION IMPLEMENTATION

- 4.1 Any alterations made by the Committee to its Work Programme will be published on the Council's website.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Committee Work Programme is in accordance with the Council's strategic objectives and priorities as stated in the Corporate Plan 2015-20.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 None in the context of this report.

5.3 Legal and Constitutional References

- 5.3.1 The Terms of Reference of the Policy and Resources Committee is included in the Constitution, Responsibility for Functions, Annex A.

5.4 Risk Management

- 5.4.1 None in the context of this report.

5.5 Equalities and Diversity

- 5.5.1 None in the context of this report.

5.6 Consultation and Engagement

5.6.1 None in the context of this report.

6. BACKGROUND PAPERS

6.1 None.

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**London Borough of Barnet
Policy and Resources
Committee Work Programme
August 2015 - May 2016**

Contact: Faith Mwende 02083594917 Faith.mwende@barnet.gov.uk

Title of Report	Overview of decision	Report Of (<i>officer</i>)	Issue Type (Non key/Key/Urgent)
2 September 2015			
Barnet Fostering Loft Conversion and Extension Policy	To delegate to the Director of Family Services the authority to grant loans to fostering households.	Family Services Director	Key Issue
Temporary workforce contract update	To approve the extensions of the Comensura contract arrangements to enable preparation for and procurement of new contract arrangement for temporary workforce provision.	Chief Operating Officer (Director of Finance / Section 151 Officer), Commercial and Customer Services Director	Key Issue
Aggregated Procurement for Capital Projects	To approve the OJEU procurement for a new Strategic Partnering Agreement to deliver its Capital Programme	Chief Operating Officer (Director of Finance / Section 151 Officer)	Key Issue
14 October 2015			
Creation of a new legal entity within The Barnet Group	To approve the business case for the creation of a new legal entity within The Barnet Group with new company terms and conditions including a new pay and grading model, pension scheme and a flexible benefits solution.	Interim Chief Executive, Commissioning Director, Growth and Development	Key Issue

Subject	Decision requested	Report Of	Issue Type (Non key/Key/Urgent)
Draft Affordable Housing Supplementary Planning Document	To approve the draft Supplementary Planning Document for Affordable Housing for consultation.	Commissioning Director, Growth and Development	Key Issue
Draft Grahame Park Phase B Supplementary Planning Document	To approve the Supplementary Planning Document for the regeneration of Grahame Park for consultation	Commissioning Director, Growth and Development	Key Issue
Corporate Travel Contract Arrangements	To approve the procurement of a new corporate travel arrangement contract for a three year period.	Chief Operating Officer (Director of Finance / Section 151 Officer), Commercial and Customer Services Director	Key Issue
North London Business Park - Draft Planning Brief	To provide a statement of the Council's vision for the site and set guidance to inform the preparation of development proposals. The Brief will be subject to public consultation and will prior to consideration of a planning application enable the Council to set out how the site can be brought forward for residential led development within the context of the Local Plan policy framework.	Commissioning Director, Growth and Development	Key Issue

Subject	Decision requested	Report Of	Issue Type (Non key/Key/Urgent)
Extension of health contracts for provision of an Integrated Learning Disability Service	To approve a waiver the Contract Procedure Rules to extend the contracts with Central London Community Healthcare NHS Trust (CLCH) and Barnet Enfield and Haringey Mental Health Trust (BEH MHT) for the provision of an Integrated Community Learning Disability service for 1 year up to 31 January 2017	Commissioning Director (Adults and Health)	Key Issue
Council tax Support 2016 - implications of Summer Budget 2015	To approve a revision of the Council tax Support Scheme to incorporate the latest welfare reform changes as proposed by Government in the Summer Budget 2015 is required. Incomes of residents will be reduced as result of the budget and this will place additional burden on the council tax support scheme budget, as the entitlement will be increased	Chief Operating Officer (Director of Finance / Section 151 Officer)	Key Issue
1 December 2015			
Business Planning 2015/16 to 2019/20.	To approve the Business Planning priorities for the period 2015/16 to 2019/20	Chief Operating Officer (Director of Finance / Section 151 Officer)	Key Issue
Customer Access Strategy	To approve the Customer Access Strategy	Commercial and Customer Services Director	Key Issue

Subject	Decision requested	Report Of	Issue Type (Non key/Key/Urgent)
Site Allocations (Reg 18)	To approve the Draft Site Allocations document for public consultation.	Commissioning Director, Growth and Development	Key Issue
Grahame Park Stage B Supplementary Planning Document	To approve the Supplementary Planning Document for the regeneration of Grahame Park following consultation.	Commissioning Director, Growth and Development	Key Issue
Draft Green Infrastructure Supplementary Planning Document	To approve the draft Supplementary Planning Document for Green Infrastructure for consultation.	Commissioning Director, Growth and Development	Key Issue
Affordable Housing Supplementary Planning Document	To approve for adoption: Affordable Housing Supplementary Planning Document	Commissioning Director, Growth and Development	Key Issue
Education and Skills ADM FBC			Key Issue
12 January 2016			
16 February 2016			
22 March 2016			
17 May 2016			
Date TBC			

Subject	Decision requested	Report Of	Issue Type (Non key/Key/Urgent)
Fleet transport procurement	To seek a single source contract re fleet transport.	Street Scene Director	Key Issue
Changing scheme for financing schools		Chief Operating Officer (Director of Finance / Section 151 Officer)	Key Issue
Inter Authority Agreement between North London Waste Authority and it's seven Constituent Authorities	To agree the Inter Authority Agreement between the North London Waste Authority (NLWA) and the seven constituent authorities. The main item in the Inter Authority Agreement is the agreement to change to menu pricing, which will alter the way in which the constituent authorities pay NLWA, which will lead to a fairer system. In 2014/15 Barnet's payments to NLWA will be approximately £11m.	Street Scene Director	Key Issue
Provision of support services for carers	To authorise the commencement of the procurement process for the provision of support services for carers.	Adults and Communities Director	Key Issue
Variation to Your Choice Barnet Day Services		Adults and Communities Director	Key Issue