



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Lynn Hill
lynn.hill@bromley.gov.uk

DIRECT LINE: 020 8461 7700

FAX: 020 8290 0608

DATE: 25 November 2010

To: Members of the
EXECUTIVE

Councillor Stephen Carr (Chairman)

Councillors Graham Arthur, Julian Benington, Peter Morgan, Ernest Noad,
Neil Reddin and Colin Smith

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY 8
DECEMBER 2010 AT 7.00 PM** *

***PLEASE NOTE STARTING TIME**

MARK BOWEN
Director of Legal, Democratic and
Customer Services.

*Copies of the documents referred to below can be obtained from
www.bromley.gov.uk/meetings*

A G E N D A

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 TO CONFIRM THE MINUTES OF THE PREVIOUS MEETING (Pages 5 - 18)

- a) To confirm the public Minutes of the meetings held on 3rd November 2010;
- b) Matters Arising

4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

To hear questions received in writing by the Director of Legal, Democratic and Customer Services by **5pm on Thursday, 2nd December 2010** and to respond.

5 ANNUAL AUDIT LETTER (Pages 19 - 22)

(Please note that this report will also be considered by the Audit Sub-Committee on 6th December 2011 whose comments will be reported at the meeting.)

(The two appendices to this report have been circulated to members under separate cover – please bring your copy to the meeting.)

- 6 **SUPPLEMENTARY PLANNING DOCUMENT (SPD) ON PLANNING OBLIGATIONS**
(Pages 23 - 126)
(Please note that this report is also being considered by the Development Control Committee on 23rd November 2010 whose views will be reported at the meeting.)
- 7 **PROPOSALS FOR CHANGES TO PLANNING APPLICATION FEES IN ENGLAND (CONSULTATION)** (Pages 127 - 150)
- 8 **BROMLEY MUSEUM AT THE PRIORY ORPINGTON** (Pages 151 - 178)
- 9 **OFFICE ACCOMMODATION STRATEGY**
(To follow)
- 10 **FINANCIAL MONITORING 2010/11** (Pages 179 - 206)
- 11 **BASE BUDGET LEVEL 2011/12 AND UPDATE ON COUNCIL'S FINANCIAL POSITION 2011/12 TO 2014/15** (Pages 207 - 224)
- 12 **SAFEGUARDING AND SOCIAL CARE: RELEASE OF SOCIAL WORK IMPROVEMENT FUND GRANT** (Pages 225 - 230)
- 13 **HOMELESSNESS PREVENTION GRANT** (Pages 231 - 236)
- 14 **PROPOSED PRIVATE SECTOR LEASING SCHEME** (Pages 237 - 242)
- 15 **PERSONAL BUDGETS AND CONTRIBUTIONS** (Pages 243 - 256)
- 16 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 17 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

Items of Business

Schedule 12A Description

- 18 **EXEMPT MINUTES OF THE MEETING HELD ON 3RD NOVEMBER 2010** (Pages 257 - 260)

- 19 PROPOSALS FOR RESTRUCTURING LEARNING & ACHIEVEMENT SERVICES**
(Pages 261 - 280)
- Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority.
- 20 REVIEW OF IN HOUSE HOME CARE SERVICES**
(Pages 281 - 294)
- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- 21 PROPOSED RESTRUCTURE - CARE MANAGEMENT AND ASSESSMENT TEAMS IN ADULT AND COMMUNITY SERVICES** (Pages 295 - 304)
- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
-

This page is left intentionally blank

EXECUTIVE

Minutes of the meeting held on 3 November 2010

Present:

Councillor Stephen Carr (Chairman)
Councillors Graham Arthur, Julian Benington,
Peter Morgan, Ernest Noad, Neil Reddin and Colin Smith

Also Present:

Councillor Robert Evans and Councillor Alexa Michael

102 APOLOGIES FOR ABSENCE

All members were present.

103 DECLARATIONS OF INTEREST

Councillor Julian Benington declared an interest as his daughter worked for Affinity Sutton (Broomleigh Housing Association).

Mark Bowen, Director of Legal, Democratic and Customer Services, declared a prejudicial interest in item 11 (Part 2 – Award of Contracts for the PCT Campus Reprovision – Scheme 6) and left the meeting whilst the matter was discussed.

104 TO CONFIRM THE MINUTES OF PREVIOUS MEETINGS

a) Minutes – Meeting on 29th September and the Special meeting on 20th October 2010

With reference to Minute 85 – The Hill Multi Storey Car Park – Slab and Parapet Strengthening Councillor Colin Smith requested an update on the suggestion by Councillor Morgan about using the car park at Bromley College at certain times to enhance car parking capacity.

RESOLVED that the Minutes of the meetings held on 29th September and 20th October 2010, excluding exempt information, be confirmed as a correct record.

b) Matters Arising

It was noted that Councillor Arthur had been appointed by the Leader of the Council to membership of the Local Development Framework Advisory Panel.

RESOLVED that the report be noted.

**105 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING
 THE MEETING**

No questions had been received.

**106 EMERGENCY PLANNING GOLD ARRANGEMENTS AND
 MUTUAL AID**

Report CE1064

Members discussed a report setting out proposals to place the current arrangements for mutual aid between Boroughs on a more formal footing. There were two aspects for consideration, revisions to the Local Authority Gold Resolution and the adoption of a Memorandum on Mutual Aid.

The Chief Executive advised that arising from lessons learnt during the heavy snowfall last winter when although Gold Command had not been convened issues had been indentified that required reviewing the mutual aid arrangements. The Local Authority Gold Resolution underpinned the London local authority emergency response arrangements for incidents involving all London Boroughs and had last been revised in 2006. The effect of the changes to be incorporated into the Gold Resolution as an addendum were set out in the report and would provide greater flexibility to the Gold Command operational arrangements.

Alongside the above proposals was a separate issue seeking to put on a more formal basis the informal arrangements and understandings currently in place between London local authorities for mutual aid. This was in the form of a Memorandum that would provide a set of guidelines for providing such mutual aid between participating Boroughs. Members in discussing this request did not consider that such a bureaucratic arrangement was necessary as Bromley had always offered support to other Boroughs when needed. The Leader of the Council read out a statement to this effect as follows: 'The London Borough of Bromley, in the event of a real emergency, will of course at all times seek to offer assistance where requested and appropriate, subject to a satisfactory arrangement being made, but does not feel it necessary to sign a Memorandum of Mutual Aid.'

RESOLVED that

- 1) the Addendum to the Local Authority 'Gold' Resolution be formally approved; and**
- 2) the Council does not feel it necessary to adopt a Memorandum on Mutual Aid.**

107 FINANCIAL MONITORING 2010/11

Report DR10091

The Executive received the fourth budget monitoring report based on expenditure and activity levels up to August 2010. The 2010/11 projected outturn showed an overall net reduction in balances of £1,929,000. This consisted of a reduction in balances to reflect net overspends of £1,275,000 offset by additional income from interest on balances of £120,000; a saving on the central contingency sum of £200,000 and a further reduction in balances to reflect carry forwards (£974,000) funded from unspent budget provision in 2009/10. Any savings from the unspent budget provision in 2009/10 had resulted in a corresponding increase in revenue balances in 2009/10.

The Director of Resources introduced his report and briefly highlighted certain issues including the continuing pressure on services principally overspending by the ACS and CYP departments. The Portfolio Holder for Adult and Community Services commented that the figures quoted were from August and he had received more up to date information indicating the overspend had reduced below £500,000. He emphasised that every effort was being made to reduce costs and the situation was being tackled robustly. The Portfolio Holder for Children and Young People Services also reported on the situation within his service area and the package of measures in place to tackle the difficulties. He drew particular attention to the high cost placements of children out of Borough which was an ongoing problem. Councillor Noad felt it was time to look at possible residential sites within the Borough and the need to prioritise this so that officers had a clear understanding of what was required. The Chairman agreed and suggested one way might be to set up a short term Working Group to examine all options. Councillor Reddin supported this and the need to consider possible sites both Council owned as well as any options through the changes to the PCT. The Portfolio Holder asked about the reference in the report concerning ensuring appropriate funding was being received from the PCT. The Chairman reported that he had taken this issue up with the PCT recently and requested up to date financial information to be supplied to the Council and this would be followed up.

The Portfolio Holder for the Environment referring to Appendix 1 and the indicated overspend on Environmental Services of £394,000 disputed this as there was considerable underspend in various areas including waste efficiencies. He accepted there was some uncertainty about the impact of the recession but felt the monitoring report could be simplified and had requested a report on the matter to the Environment PDS Committee. The Director advised that included in the body of the report was information concerning costs and savings relating to the recession fund and he could revise the presentation for future reports to align more carefully the relevant information.

Executive
3 November 2010

Councillor Morgan raised a question on why the carry forwards from 2009/10 were shown as reductions in this year which was responded to by the Chairman.

The Portfolio Holder for Resources also spoke of the very tight financial situation facing the Council at this time and even more so in future years. The Chairman reemphasised the need for very stringent budgeting by Chief Officers to reduce overspends.

RESOLVED that

- 1) the latest financial position as detailed in the report be noted and the views expressed by members above be taken into consideration by the Officers;**
- 2) approval be given to allocate £83,000 towards the implementation of the Town Centre Development Plan as detailed in the Director's report (Paragraph 3.13);**
- 3) responsibility for the sum of £250,000 set aside for the Community Fund be delegated to the Resources Portfolio Holder as detailed in the Director's report (Paragraph 3.14); and**
- 4) £40,000 of the £65,000 provided to the Council for Local Economic Assessment be drawn down to be used to address identified gaps and for the expenditure to be approved by the Director of Renewal and Recreation as detailed in the Director of Resources' report (Paragraph 3.15).**

108 CAPITAL PROGRAMME MONITORING - 2nd QUARTER 2010/11

Report DR10093

Consideration was given to a report summarising the current position on capital expenditure and receipts following the second quarter of 2010/11, and proposals for a revised Capital Programme. The Director of Resources advised that this was a 'housekeeping' report setting out the changes to the programme since the Executive meeting in July (Minute 47 – 21.07.10 refers). If the changes being proposed were approved the total Capital Programme 2010/11 to 2013/14 would reduce by £3.2m, due to some slippage but mainly because of reductions in government grant allocations. The programme for 2010/11 it was estimated would reduce by £5.8m to £77.9m.

The Portfolio Holder for Adult and Community Services asked for an update in respect of the amount of (LAA) reward grant the Council could expect and what had actually been allocated. Members were aware that the overall grant figure had been halved from £4.4m to £2.2m and that there would be no further funding beyond that. The Director of Resources advised that he still expected the Council to receive the funding and would circulate the details to

members after the meeting, together with the date it was expected to be received. Reference was also made to the amount of LPSA funding available.

The Portfolio Holder for Children and Young People queried the Youth Capital Fund (£72,000) reference in the report as he thought the grant had already been cut and the Director agreed to recheck the information. Councillor Morgan also raised some questions on the allocation of Section 106 monies and how they were allocated particularly in respect of housing provision. The Portfolio Holder for Adult and Community Services advised that he had received a briefing from the Assistant Director (Housing) on this and would circulate the information to members of the Executive. The Director in responding to members questions said that he would in future reports show more clarity around the issues raised.

The Chairman reported that he had asked the Director to report back to members on the position regarding 'ring fenced' grants.

RESOLVED that

- 1) the report be noted and approval be given to the revised Capital Programme;**
- 2) approval be given to the following amendments to the Capital Programme:**
 - (i) total reduction of £389,000 between 2010/11 and 2013/14 to reflect revised grant allocations from Transport for London (as set out in the Director's report - paragraph 3.2);**
 - (ii) the addition of £619,000 in 2010/11 in respect of external funding for London private sector renewal schemes (as set out in the Director's report - paragraph 3.3);**
 - (iii) Total reduction of £3,177,000 to reflect changes in government grant support for capital schemes (see paragraph 3.4);**
 - (iv) a reduction of £660,000 in 2011/12 to reflect the likely level of Formula Devolved Capital support from government (see paragraph 3.5);**
 - (v) the deletion of £763,000 to remove remaining provision for schemes either completed under budget or no longer proceeding (see paragraph 3.6);**
 - (vi) the addition of £920,000 in respect of the extension of the Kitchen Waste Collection pilot, approved by the Executive on 3rd September (see paragraph 3.7);**
 - (vii) the addition of £72,000 in respect of Youth Capital Fund grant to be received in 2010/11 (see paragraph 3.8);**

(viii) the addition of £506,000 in 2010/11 to reflect Standards Fund (Revenue) contribution to fund IT in Schools (ICT Harnessing Technology) (see paragraph 3.9);

(ix) the addition of £210,000 to reflect new external funding for the Riverside ASD scheme (see paragraph 3.10);

(x) the net reduction of £90,000 on the Hawes Down Co-Location scheme (see paragraph 3.11);

(xi) the reduction of £595,000 to the 2010/11 planned maintenance/suitability budgets to fund overspends on various schemes in 2009/10 (see paragraph 3.12); and

(xii) the addition of £300,000 to reflect new external funding for the Princes Plain extension scheme (see paragraph 3.13).

**109 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM
 THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT
 AND SCRUTINY COMMITTEE**

There were no additional issues to be reported from the Executive and Resources PDS Committee.

**110 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE
 LOCAL GOVERNMENT (ACCESS TO INFORMATION)
 (VARIATION) ORDER 2006 AND THE FREEDOM OF
 INFORMATION ACT 2000**

RESOLVED that the press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the press and public were present there would be disclosure to them of exempt information.

**The following summaries
refer to matters
involving exempt information**

**111 EXEMPT MINUTES OF THE MEETINGS HELD ON 29TH
 SEPTEMBER AND 20TH OCTOBER 2010**

The exempt minutes of the meetings held on 29th September and 20th October 2010 were confirmed.

**112 AWARD OF CONTRACTS FOR THE PCT CAMPUS
REPROVISION - SCHEME 6**

The Executive approved the awarding of a contract for the provision of care support services for adults with learning disabilities.

**113 COMMISSIONING ARRANGEMENTS FOR WOMEN'S REFUGE
SUPPORT SERVICE**

The Executive approved proposals to enter into a contract for the delivery of support services to Women's refuges.

114 CHURCHILL THEATRE AWARD OF CONTRACT

The Executive considered a report on tender options for the Management of the Churchill Theatre and agreed the contract arrangements.

115 CAPITAL PROGRAMME

The Executive received a schedule setting out expected capital receipts.

Chairman

The Meeting ended at 8.12 pm

This page is left intentionally blank

PART 1 - PUBLIC

Decision Maker: EXECUTIVE

Date: 8th December 2010

Decision Type:

Title: MATTERS ARISING FROM PREVIOUS MEETINGS

Contact Officer: Lynn Hill, Democratic Services Committee Coordinator
Tel: 020 8461 7700 E-mail: lynn.hill@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Legal, Democratic and Customer Services

Ward: N/A

1. Reason for report

The Chairman agreed that from January 2009 the Executive would adopt a similar style to the PDS Committees of having a report on matters arising on the minutes from previous meetings.

1.1 Appendix 1 updates members on matters arising from previous meetings.

2. **RECOMMENDATION**

The Executive is invited to consider progress on recommendations made at previous meetings.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: £N/A
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
9 December 2009				
112 Relocation of Orpington Library	Agreed proposals for recommendation to Council meeting on 15 th December 2009	Proposals agreed by Council on 15.12.09. Report on future of current Orpington Library – See (<i>Minute 45) meeting on 21st July 2010 below and report on this agenda.</i>	Director of Renewal and Recreation	2010
116 Carbon Management Programme – Progress report 2008/09	Agreed as recommended including further progress report next year.	Monitoring reports submitted to I&E Sub-Committee	Dir. of Environment	Progress report – Executive January 2011
117 Carbon Reduction Commitment	Agreed as recommended.		Dir. of Environment	Annual Progress report January 2011
3 February 2010				
3 March 2010				
177. Treasury Management Issues – Council Investments: Delegation to the Director of Resources	Agreed to the continuation of the delegation but to be reviewed every three months.	Next report due to meeting on 2nd February 2011.	Director of Resources/ Democratic Services	
200. Executive Working Parties on Child Safeguarding and Corporate Parenting	Agreed to combine into one Working Party on Child Safeguarding and Corporate Parenting	Membership of combined Working Party agreed on 26 th May 2010. Meetings held on 29 th June; 12 th October – next meeting on 7 th December 2010.	Director of Children & Young People Services/ Democratic Services	
26th May 2010				

<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
13 Proposals for the redevelopment and refurbishment of The Pavilion Leisure Centre	Agreed the proposals in association with Bromley Mytime. Recommended Council to include the scheme in the Capital Programme.	Council on 28 th June 2010 approved amending the Capital Programme to include this scheme. Report on contract for scheme – 12 th January 2011	Colin Brand, Head of Recreation	
16th June 2010				
40 Review of Service Proposals and procurement strategy – Transportation, Highways and Engineering Consultancy Services Contact	Agreed recommendations and to review the suitability of the arrangements at the end of the trial 18 month period. Report back to Executive.		Director of Environmental Services	January 2012
21st July 2010				
45 Bromley Museum at The Priory Orpington	Agreed to seek external funding and formal consultations on the approved option. Further report in 6 months' time or earlier if possible.	Report to December 2010 meeting – see item 8 on this agenda.	Director of Renewal and Recreation	January 2011
48 Update on the Council's Financial position 2011/12 to 2014/15	Agreed the approach proposed. Report referred to PDS Cttees for consideration and comments back to Executive.	Under discussion by PDS Committees. See report on this agenda.	Director of Resources	
58/1 Sheila Stead House, Bushell Way, Chislehurst	Agreed to retain in Council's ownership for the time being.	Further report in due course.	Director of Renewal and Recreation	

<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
29th September 2010				
84. Borough Investment Plan and Devolved Delivery Agreements	Approved Investment Plan and its submission to the Homes and Community Agency and submitting an Expression of Interest in entering a Devolved Delivery Agreement, subject to further report once details are known.		Asst. Director, Housing and Residential Services	

This page is left intentionally blank

Agenda Item 5

Report No.
DR10108

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

<Please select>

Decision Maker: Executive
Audit Sub Committee

Date: 8th December 2010
6th December 2010

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **EXTERNAL AUDIT REPORTS**
-2009/10 Report to those charged with
governance (ISA 260)
-2009/10 Annual Audit Letter

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Deputy Chief Executive and Director of Resources

Ward: All

1. Reason for report

Our external auditors, PwC, prepare the ISA 260 report to satisfy the requirements of (ISA (UK&I) 260) - Communication of audit matters with those charged with governance. This attached report summarises the results of the External audit work undertaken for the 2009/10 audit. It sets out:

- Matters arising from their audit of the financial statements, including the pension fund accounts, which they are required to report to you under the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260 - "Communication of audit matters with those charged with governance"
- The results of their work under the Code of Audit Practice, to support the Value for Money conclusion
- Any changes to the audit plan(s) presented to you in November 2009
- An audit fee update.

The auditors have also prepared the Annual Audit Letter to provide a high level summary is accessible for members and other interested stakeholders. The matters reported in their Annual Audit Letter are those that they consider are the most significant for the Authority and a summary of the key recommendations that they have made can be found in Appendix A of the letter attached.

RECOMMENDATION(S)

Members are asked to note both reports

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: Estimated cost The external audit fee arrangements are set annually by the Audit Commission. The fee is calculated using a fee scale that takes into account the work required to deliver the requirements set out in the Audit Commission's Code of Practice and is adjusted along a range based on the external auditor's assessment of risk at a particular authority.
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: External Audit fees
 4. Total current budget for this head: £286,000
 5. Source of funding: General Fund
-

Staff

1. Number of staff (current and additional): n/a
 2. If from existing staff resources, number of staff hours: n/a
-

Legal

1. Legal Requirement: Statutory requirement. The external audit framework for local government is set out in the Audit Commission Act 1998. As part of this framework the Audit Commission has established a Code of Practice, which sets out the requirements of external auditors. These requirements, along with the International Standards on Auditing cover what information should be reported to 'those charged with governance'
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All stakeholders
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

ISA 260 Report

Our external auditors, PwC, prepare this report to satisfy the requirements of (ISA (UK&I) 260) - Communication of audit matters with those charged with governance. This report summarises the results of their 2009/10 audit. It sets out:

- Matters arising from their audit of the financial statements, including the pension fund accounts, which they are required to report to you under the Audit Commission's Code of Audit Practice and International Standard on Auditing (UK & Ireland) 260 - "Communication of audit matters with those charged with governance"
- The results of their work under the Code of Audit Practice, to support the Value for Money conclusion
- Any changes to the audit plan(s) presented to you in November 2009
- An audit fee update.

Annual Audit Letter

PwC have also prepared the above letter to provide a high level summary of the results of the 2009/10 audit work that has been undertaken at the London Borough of Bromley, that is accessible for members and other interested stakeholders.

The matters reported in their Annual Audit Letter are those that they consider are the most significant for the Authority and a summary of the key recommendations that they have made can be found in Appendix A of the letter attached.

FINANCIAL IMPLICATIONS

The external audit fee arrangements are set annually by the Audit Commission. The fee is calculated using a fee scale that takes into account the work required to deliver the requirements set out in the Audit Commission's Code of Practice and is adjusted along a range based on the external auditor's assessment of risk at a particular authority. The fee is negotiated each year.

LEGAL IMPLICATIONS

The external audit framework for local government is set out in the Audit Commission Act 1998. As part of this framework the Audit Commission has established a Code of Practice, which sets out the requirements of external auditors. These requirements, along with the International Standards on Auditing cover what information should be reported to 'those charged with governance'

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

Agenda Item 6

Report No.
DRR10/00123

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Development Control Committee
Executive Committee**

Date: **23rd November 2010
8th December 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **SUPPLEMENTARY PLANNING DOCUMENT (SPD) ON
PLANNING OBLIGATIONS**

Contact Officer: Terri Holding, Planning Officer
Tel: 020 8313 4344 E-mail: terri.holding@bromley.gov.uk

Chief Officer: Bob McQuillan, Chief Planner.

Ward: Boroughwide

1. Reason for report

The draft Supplementary Planning Document (SPD) on Planning Obligations was endorsed by the Council's Development Control Committee (12/1/2010) for a six week period of public consultation. This document seeks to provide guidance on the requirements and mechanisms for s106 planning obligations to development proposals in the Borough. A number of responses were received as a result of the consultation process and answers to these are attached at Appendix 1 of the report. Consequently, the draft has been updated (Appendix 2) and Members are asked to consider the responses and endorse the document for adoption by the Council's Executive. Once adopted the SPD will be a material consideration in the determination of planning applications

2. RECOMMENDATIONS

Development Control Committee:

- 2.1 Members are asked to consider the responses received (set out in Appendix 1) and;
- 2.2 Endorse the document as amended for adoption by the Council's Executive.

The Executive:

- 2.3 Members are asked to adopt the Planning Obligations Supplementary Planning Document in the light of representations received, comments made by Development Control Committee on 23/11/10 and other comments made by Members of the Executive.

Corporate Policy

1. Policy Status: Existing policy. IMP1 (UDP 2006)
 2. BBB Priority: Children and Young People. Excellent Council, Quality Environment, Safer Bromley, Supporting Independence and Vibrant Town Centres
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Planning Division
 4. Total current budget for this head: £3.3m
 5. Source of funding: Existing Revenue Budgets
-

Staff

1. Number of staff (current and additional): 1fte
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory requirement. S106 of the Town and Country Planning Act 1990, Circular 05/2005, CIL Regulation.
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Boroughwide
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes.
2. Summary of Ward Councillors comments: Comment from Councillors on the Section 106 Working Party addressed at Appendix 1 item 4.

3. COMMENTARY

- 3.1 The draft Supplementary Planning Document (SPD) on Planning Obligations was endorsed by the Council's Development Control Committee (12/1/2010) for a six week period of public consultation. A number of responses were received as a result of the consultation process and answers to these are attached at Appendix 1 of the report. Consequently, the draft has been updated (Appendix 2). Once adopted the SPD will be a material consideration in the determination of planning applications.
- 3.2 The aim of the SPD is to provide general guidance on the requirements and mechanisms for infrastructure contributions and related social, economic, environmental and cultural provision when considering and negotiating development proposals in the Borough.
- 3.3 The Council's Local Development Scheme (LDS) sets out the Council's intention to produce an SPD on Planning Obligations with adoption mid 2010. Representations were due to have been reported to committee in June however, the coalition Government was still discussing the future of Community Infrastructure Levy (CIL) and how it will relate to the continued use of planning obligations throughout the summer/autumn. On 8th November the DCLG announced the publication of its 'Business Plan 2011-2015', which confirmed that the CIL will be reformed and continued.
- 3.4 This SPD on Planning Obligations has been prepared in accordance with government Circular 05/2005, Community Infrastructure Levy Regulations 122 and 123, and the London Plan (2008). This SPD elaborates and gives guidance on policies in the Unitary Development Plan (UDP) 2006, outlines procedures and includes a sample of the Bromley section.106 (s106) legal precedent and affordable housing definitions, interpretations and schedule. Further information on developer contributions and planning obligations for the Bromley Town Centre is dealt with separately in the Area Action Plan.

Public Consultation

- 3.5 The draft consultation was subject to a six week period of public consultation from 17th February to the 31st March 2010.
- 3.6 A consultation statement in addition to SPD matters, was produced prior to the consultation period outlining pre-production issues that arose through consultation with a number of agents, developers and officers and how the draft SPD was formally consulted upon. The following consultation was undertaken:
- A letter was sent with notification of the consultation process to specific consultation bodies, key stakeholders and associations; consultees on the Council's Local Development Framework (LDF) Consultee Database who specifically expressed an interest in receiving details of the draft SPD or being consulted on LDF documents and other consultees the Council considers to have an interest in the SPD.
 - Posting details on the Council's website;
 - Posting a Notice under Regulation 17 (Town and Country Planning (Local Development) (England) Regulation 2004 in the News Shopper Newspaper.
- 3.7 As a result of the consultation we received responses from 29 bodies and public individuals and a total of 135 representations were made. The main issues included:
- The need to update Section 1 in the light of Community Infrastructure Levy (CIL) Regulation (April 2010).

- The need to introduce flexibility into the document and prioritise.
- Clarification on developer viability in the current market.
- Clarification of the nursery cost place figure and child yield factor.
- Links to Bromley Town Centre Area Action Plan required.
- Mitigation areas needed clarification.
- Table in the SPD needed clarification regarding the 'requirement' in light of CIL regulation and tests of Circular 05/2005 on Planning Obligations.

Responses to Representations made

3.8 Appendix 1 consists of the tabled responses to representations made. In response to the representations a number of paragraphs have been edited and one new paragraph included, along with minor additions or clarifications on topic areas.

- Paragraph 1.8 expanded to explain the impact of CIL regulation.
- Section 1 para 1.24 and 1.25 have been edited to reflect priorities and flexibility.
- Paragraph 2.10 on pooled contributions expanded to reflect CIL regulation.
- Clarification on circumstances where Financial Viability Appraisal is required.
- Improved references to the Bromley Town Centre Area Action Plan
- Areas of transport demand expanded including paragraph 3.8 on the impact on a strategic road network.
- New paragraph at 3.26 explaining detail on the child yield factor and Nursery place cost per place included.
- Use of the Healthy Urban Development Unit (HUDU) model clarified at paragraph 3.29.
- Clarification that 'identified needs' will be set out in advance paragraph 3.31.
- Mitigation of environmental impact topic clarified that mitigation measures cannot alleviate an existing problem, and expanded to refer to groundwater Source Protection zones.
- The table heading in Appendix 1 edited from 'requirement' to 'types of obligation sought where they are directly related to the proposed development' in line with CIL regulation tests of Circular 05/2005 on Planning Obligations.
- The Public Transport Accessibility Levels map updated.
- Affordable Housing Schedule at Appendix 9 updated to reflect that the Code for Sustainable Homes is now Level 4.

3.9 The use of section 106 is restricted the terms of the Circular 05/2005 and CIL regulation. This draft SPD on Planning Obligations is important for ensuring that our procedures are clear to applicants and developers. Legislation regarding CIL from 2014 onwards will see a scaling back of s106 affecting tariffs and standard charges. At such time the SPD on

Planning Obligations would need to be reviewed in respect of Education and Health elements, as these are social infrastructures that, should the Council choose to create and adopt a CIL Schedule, would fall into the CIL collection category rather than relate to site specific mitigation. Until such a time the detail and guidance in the SPD in conjunction with the UPD 2006 and London Plan 2008 and CIL regulation will be necessary.

4. POLICY IMPLICATIONS

4.1 The Supplementary Planning Document on Planning Obligations is in accordance with the UDP 2006, Circular 05/2005, Community Infrastructure Levy Regulation 122 and 123, and The London Plan 2008.

5. FINANCIAL IMPLICATIONS

5.1 All contributions sought via development proposals must comply with Circular 05/2005 and CIL regulation. Over the next few years there will be an emergence of the Mayoral element of the Community Infrastructure Levy, chiefly designed for Crossrail but could include other strategic transport infrastructure at a later stage, which may put further pressure on development viability and s106 receipts locally.

6. LEGAL IMPLICATIONS

6.1 Once adopted the SPD will be a material consideration in the determination of planning applications.

Non-Applicable Sections:	PERSONNEL
Background Documents: (Access via Contact Officer)	UDP2006 Planning Act 2008 The London Plan 2008 and Draft London Plan 2009 DCC report 20 th October 2009 – Community Infrastructure Levy DCC report 12 th Jan 2010- SPD on Planning Obligations Community Infrastructure Levy Regulation – April 2010 DCLG Business Plan 2011-2015

This page is left intentionally blank

Summary of Responses to SPD on Planning Contributions Consultation- 17th Feb- 31st March 2010

Number	Originator	Comment	Reply	Outcome
1. 19 th Feb 2010	House Builders Federation (James Stevens)	<p>1. the SPD should be revised to reflect the importance of waiving s106 obligations – to encourage development- the level of contribution sought should not threaten viability.</p> <p>2. Review whether any obligations accord with the five principles (B5), hence questions areas of Community facilities, employment and training, public realm and historic buildings. Request that employment and training, and public art should be deleted from the Council's schedule and stated that health and Education are funded by society through statutory functions.</p> <p>3. That the doc should set out the requirements for the Bromley Town Centre and any redevelopments in major and district town centres.</p>	<p>Acknowledged points raised</p> <p>1. Para 1.24 has been amended to introduce flexibility in respect of viability.</p> <p>2. Community facilities, Employment and training, and Public Art will remain in the schedule they provide a <u>guide</u> to what may fall under s106 when directly related to a proposal.</p> <p>3. The Bromley Town Centre Area Action Plan (BTCAAP) was the place for specific obligations for the BTC, the SPD is a general guide for the rest of the borough.</p>	<p>Text edited</p> <p>Added BTCAAP web link.</p>
2. 22 nd Feb 2010	National Grid (Les Morris)	No comment to make on the document.	Acknowledged receipt of email.	No action.
3. 18 th Feb 2010	Babbacombe Rd Residents AscN (Michael Payne)	Asked for confirmation of his understanding of the process; if before this it had been conducted in an ad-hoc way and if discussions between parties were known to the public in general.	The intention was for the system to be readily understood by developers and agents and that the whole process was open and available on the public register to view.	No change.
4. 12 th January 2010	Report of the Section 106 working group- presented to DCC 12 th January 2010.	<p>1. That the draft SPD should be updated – taking into account latest on CIL.</p> <p>2. Guidance on how s106 monies distributed.</p>	<p>1. Government decision on CIL/Planning Obligations – to be addressed in the final SPD.</p> <p>2. Continued further development of s106 monitoring system will</p>	1 Addressed

		<p>3. More advice sought from Valuation or specialist consultants when considering potential scale of s106 contributions.</p> <p>4. Broader definition of health needs investigated allowing for local priorities for example older people.</p> <p>5. Providing housing benefit rather than affordable housing as a means to overcome homelessness.</p> <p>6. Officers should ensure that parking and public transport are maximised in negotiations.</p> <p>7. More emphasis placed on cycle routes and cycling facilities.</p>	<p>allow this.</p> <p>3. The draft SPD allows for 3rd party negotiations if necessary, paid for by the developer.</p> <p>4. The HUDU model specifically refers to primary and acute care not for any other use. The statutory basis of the three tests precludes any deviation.</p> <p>5. Not appropriate under Circ 05/05.</p> <p>6. This is included in site specific negotiations.</p> <p>7. UDP policy T7 'Cyclists' and paras 5.33 and 5.34, and Draft SPD para 3.4 place emphasis on cycle routes and cycling facilities.</p>	
5. 18 th Feb 2010	Pratts Bottom Residents Asc - Keith Bickers	Website access difficult to comprehend- suggested publishing a single easy to understand document that lists all main issues.	Replied explaining purpose and intention of SPD and for whom it was primarily intended.	Create one page summary guide for the web on SPD publication.
6. 22 nd Feb 2010	Crime Prevention Design Advisor - (Mick Lane)	Will seek to ensure that all housing not just affordable housing is designed in accordance with Secure by Design scheme - wants scheme applied to all built environment.	Acknowledged receipt, topic to be dealt with in the forthcoming DPD on Development Standards.	Future action.
7.- 5 th March 2010	CABE (Andrew Davies)	No comment	Acknowledged receipt.	No action.
8.- 4 th March 2010	Internal Officer comment - Gill Slater	Lacking a nursery provision capital cost place figure which is needed to establish nursery contributions.	Figure for nursery provision cost per place established and confirmed by Officer as £8,129.	Included nursery figure.
9 19 th March 2010	English Heritage	1. That we should include that the list on para 3.44 includes <u>reference to maintenance and management to the Borough' Scheduled Monuments and Registered Parks and Gardens.</u>	Acknowledged receipt. 1. References will be included in para 3.44. 2. There are already elements of	Included text.

		2.Public Realm should include enhancement of historic squares and spaces, registered parks and gardens, historic pavement materials, street furniture. Removal of street clutter and installation of sympathetic lighting. Additionally contributions to the historic environment can also be signposted in other topic areas – such as environment’, ‘outdoor recreation’ and ‘community and cultural facilities’.	these enhancements included in the text and para 3.44 already clearly states that the list is not exhaustive, any contributions would be strictly requested under terms of Circular 05/2005.	
10 19 th March 2010	Bats.Org.Uk (Stephen Ballard)	Response draws attention to ‘bat’ issues – importantly that where large scale works are proposed that an ecological survey is carried out – particularly if the site is close to woodland or water. An example would be where works will affect trees, buildings or underground works that may contain roosts that bat surveys should be carried out.	Acknowledged receipt. Wildlife habitats are covered in para 3.32 where there are references to measures to mitigate, protect, create, enhance and manage; surveys are requested at the earlier initial validation stage.	No action.
11 19 th March 2010	WS Planning (Maggie Williams - admin@wsplanning .co.uk))	1.Para 1.18- 1-25 - Objectives of this guidance. Welcome para 1.23. 2.Para 3.1 – Broadly Support- more of a comment- it would be helpful to signpost the reader to Appendix 1 and the Affordable Housing SPD – it is not clear how the payment – in-lieu is to be calculated. In addition there are concerns regarding the financial viability of some sites at the lower end of the threshold i.e. 10-15 units where it has been agreed that contributions in-lieu of affordable housing may be made. Sites may require substantial remedial works to bring them back into use, - this may render them unviable.	Acknowledged receipt 2.Para 4.21 of Policy H3 in the Adopted UDP states that in negotiating the level of affordable housing the Council will seek the provision of 35% of habitable rooms on a site unless material considerations indicate otherwise. In these negotiations one of the principal considerations will be whether there will be particular costs associated with the development of the site: this will usually be reflected in the residual land value and should not affect a site’s suitability. <u>The onus will be on applicants to submit a viability appraisal to demonstrate that abnormal development costs, in addition to the affordable housing contribution, would impact unduly</u>	Inform when SPD adopted. Added Web Link to Housing SPD Para 3.46 -47 added text

			<p><u>on scheme viability.</u> Para 6.24 of the Adopted Affordable Housing SPD states that particular development costs will usually be reflected in land values. The site suitability tests are outlined in the table following Para 6.24 of the SPD. Where applicants consider there are unforeseen additional costs involved in a site's development, then it is the Council's requirement that the GLA Development Control Toolkit is used to demonstrate how these costs would impact on the ability to contribute to affordable housing requirements and to provide units that comply with the price set out within this SPD. The Council may also accept an 'open book' approach of full financial disclosure whereby all required financial inputs and outputs are made available and assessed/ validated. Other financial methodologies may be applicable to undertake the economic viability of a specific scheme, especially in the case of complex mixed used schemes. However, the use of any alternative financial methodology in place of the GLA Development Control Toolkit must be agreed with the Council in advance of undertaking the appraisal.</p> <p>The Council does not perceive that the costs usually associated with redevelopment of previously developed but otherwise</p>	
--	--	--	--	--

		<p>3. Para 3.23 Object-There is no justification for Education Contributions to be made for 1 bed units. The word 'normally' should be deleted.</p> <p>4.Para 3.29 – Broadly Support- more of a comment- Appendix A does state that provision of community facilities will be based on a case by case basis. Reference should be made to this in paragraphs 3.29-3.30 as it is not clear. Is there an example a list of projects in the Borough that seek to improve community benefit?</p> <p>5.Para 3.41 OBJECT –does not make clear that this applies only to development in the BCTAAP. Regarding pooled contributions there is concern smaller schemes may be rendered unviable.</p> <p>6.Para 3.42 OBJECT- Same comments as above apply.</p> <p>7.Paras3.43- OBJECT- concern regarding requirements towards the public realm and historic building improvements – this requirement would appear to go beyond the remit of Circ 05/05 and should not be used to remedy existing deficiencies.</p> <p>8.Para 3.45- OBJECT –asks if it is reasonable for developers to provide public art?</p>	<p>uncontaminated land to be 'abnormal' and would expect such costs to be reflected in land values. The applicant will be required to demonstrate why they think a development cost should be defined as 'abnormal'.</p> <p>3. Para 3.23 Retain. The number of 1 bed units yielding children is extremely low, almost negligible however the evidence indicates that this in extremely rare circumstances there can be younger children in 1 bed units and hence it is appropriate to include the word 'normally – see para 3.25.</p> <p>4. Whilst draft SPD para 3.30 refers to identified needs there is no one specific list of projects, which would change over time, set out in the SPD. Para 3.29 now amended (now 3.31) to provide clarification about where the details of infrastructure, for which contributions may be sought, will be set out.</p> <p>5 & 6. Para 3.41 and 3.42-. Issues of viability of smaller schemes in the town centre are specific matters for the BCTAAP and not this overarching SPD but para 3.41 has been clarified.</p> <p>7.Paras 3.43- 3.45- Consider rewording the term 'requirement' throughout doc.</p> <p>8.Para 3.45 Public art would only be included in s106 if it was necessary to a scheme and fully</p>	<p>3.Text retained.</p> <p>4.Text edited</p> <p>5 & 6 .Para 3.41 edited,</p> <p>7. Para 3.43- 3.45 'requirement' edited.</p>
--	--	--	---	--

		<p>9.Para 3.46-47 - Broadly Support- more of a comment- any contributions towards mitigation measures for environmental impacts should only be sought in relation to any additional impact arising from the proposed development and not for mitigation measures to alleviate an existing problem (to comply with Circ 05/05).</p>	<p>complies with revised Circ 05/05. 9.Para 3.46 -47 add text 'will be sought in relation to any additional impact arising from the proposed'</p>	Text added
<p>12 19th March 2010</p>	<p>Gian Bendinelli Planning Bureau on behalf of McCarthy & Stone</p>	<p>1.Para 3.31- OBJECT –seeking contributions for employment and training does not meet the requirement of Circular 05/05, as the creation of new development does not in itself create a requirement for it to be mitigated by training persons who may be unemployed or lack the skills to gain employment and therefore should be omitted</p> <p>2.Para 3.45 – OBJECT – Public Art may be a social benefit but Circ 05/05 only permits a requirement for contributions in order to mitigate the impact of a development – there would not be a circumstance where the impact of development needed to be mitigated by public art - the full tests of the circular need to be applied.</p>	<p>Acknowledged receipt 1.Para 3.31- each case is looked at individually and this is not a requirement. Suggest re-wording to read – Conditions or Planning obligations may be sought in any major development proposal especially in areas where unemployment levels are above the Borough average... 2.Para 3.45- Para 3.45 Public art of some form may be included in the original design but may as with the Bromley Town Centre require s106 for future maintenance etc. As planners we are charged to ensure high quality development through good and inclusive design (PPS1).</p>	<p>Inform when SPD adopted.</p> <p>Paras 3.31 & 3.45 text added</p>
<p>13. 18th March 2010</p>	<p>Shire Consulting on behalf of Barclays Bank</p>	<p>Objections. 1. The SPD should set out clearly what is sought, and justify this with evidence. 2.The document is too long. 3.The bank believes the Council is going beyond what is allowed in policy. 4. Repeated reference to 'requirements' – these references should be edited out.</p>	<p>Acknowledged receipt 1. A range of possible obligations that may be sought is given as a guide for each topic because each case is dealt with on its merits. 2, 3 and 4: the final document will be reviewed in the light of the revision of Circ 05/05, and 'requirement' will be edited.</p>	<p>Inform when SPD adopted.</p> <p>4. Edited text.</p>

		<p>5. Para 2.10 Implications of use of ‘pooled contribution- query use of contributions raised in one town on improvements for another – this would not meet tests of the circular.</p> <p>6. Para 2.11 Principle of unspent contributions being returned to developer should apply to all unspent on specific provision not just unspent balance.</p> <p>7. The Bank does not believe all matters listed in SPD are in conformity with Circular due to a lack of direct relationship with the development such as Employment and training.</p> <p>8. ‘Health’ is unreasonable unless there is a direct impact upon these caused by the development and there is a geographical link with any justified provision.</p> <p>9. It should be made clearer in Section 3 and Appendix 1 that contributions to public art will be voluntary.</p> <p>10. Appendix 1 not clear about what matters listed will apply in what part of the borough – direct comparison with BTC31 and that the SPD should make it clear that only these matters will apply to planning obligations sought in BTC.</p> <p>11. Comment -Suggest that the SPD should be postponed until it is clear whether CIL will be the way forward.</p>	<p>5. Para 2.10 Pooling arrangements will be reviewed in the light of CIL regulations and revised Circ tests.</p> <p>6. Para 2.11 – ‘balance’ deleted, and ‘monies’ added.</p> <p>7. If a direct relationship to a proposal is proved using the revised tests then that an obligation will be sought.</p> <p>8. Contributions will be sought in accordance with the circular tests. Para 3.28 has been expanded to clarify when health contributions will be sought.</p> <p>9. Any contribution may be voluntary but where there are future maintenance issues as a result of a public art included in a scheme, it would be appropriate to use s106 not condition this.</p> <p>10. The application of any type of obligation will vary considerably in any part of the borough hence they will be sought on a strictly case by case basis. Matters for the town Bromley Town Centre are those in the policy BTC31 of the BTC Area Action Plan.</p> <p>11. Delay inevitable -awaiting further information re the Governments intention for CIL</p>	<p>5. Text added to para 2.10.</p> <p>6.Text edited para 2.11.</p> <p>8. Text edited</p> <p>9. Deleted last line of para 3.45.</p>
14. 24 th March 2010	Thames Water (Carmelle Bell)	Supports Para 2.4 and relies heavily on the planning system to ensure infrastructure is ahead of development either through phasing or the use of Grampian style conditions.	Acknowledged receipt	
15. 26 th March 2010	Natural England	1. Suggests strengthening the document by inclusion of the principle that ‘Green spaces should be designed to deliver multiple functions in addition to amenity (including	Acknowledged receipt 1. Edit text to include principle – para 3.35.	Inform when SPD adopted. 1&2. Text edited

		<p>provision of habitat'), helping the borough to adapt to climate and improving air quality.</p> <p>2.Para 3.43 Welcomes improvements to public spaces, open spaces, gardens and parks, together with improving links between them through new trees and landscaping – this can be used in respect of the term public spaces, which can refer to 'soft' as well as 'hard' landscaping. Suggests the inclusion of web resources to be of use to potential developers.</p> <p>Design for Biodiversity http://www.d4b.org.uk/</p> <p>Biodiversity by Design http://naturalengland.communities.com/naturalenglandshop/docs/TCP1.pdf</p> <p>Right Trees for a Changing Climate http://www.right-trees.org.uk/</p> <p>Adapting to Climate Change: A Checklist for Development http://www.london.gov.uk/lccp/publications/development.jsp</p>	<p>2.Add to Para 3.43 – that public spaces can also have soft landscaping improvements not only hard landscaping to control movement. Include web resources as listed.</p>	<p>and web refs included.</p>
<p>16. 24th March 2010</p>	<p>Robinson Escott (Fiona Dalitis) Crest Nicholson Eastern Limited</p>	<p>Various objections</p> <p>1.Para 1.2 –implies the current document isn't a formal consultation – but continues that the objections are formal objections.</p> <p>2.Para 1.23 the SPD seems to misinterpret the respective roles of the LPA and the applicant; states obligations appear 'negotiable'. Quotes para B35 and B8 of Circular.</p> <p>3.Para 2.8 – re education and health- formulae should only be applied following assessment of the actual impact of a proposal.</p>	<p>Acknowledged receipt</p> <p>1. The consultation has been made in accordance with guidance and the objections have been accepted as formal objections.</p> <p>2.Para 1.23 and 1.24 edited to clarify guidance. Para B35 Circ 05/05 refers to standard charges which are not a practice of this Council.</p> <p>3.The impact on the existing infrastructure is assessed by Education and PCT as appropriate and consequently a formula is applied. Para 3.28 has</p>	<p>Inform when SPD adopted.</p> <p>2. Text edited</p> <p>3. Text edited</p>

		<p>4. Para 2.10 - pooled contributions – the use of town centre improvement fund to bankroll town centre improvements would appear to be contrary to Circ 05/05- Council must demonstrate a direct relationship between a proposed development and the infrastructure provided.</p> <p>Objections to topic areas.</p> <p>5. Affordable Housing – requires further explanation concerning those factors, such as viability, that will bear upon the percentage of affordable housing that the Council will seek to negotiate in the circumstances of each case.</p> <p>6. Health – Para 3.28 -contribution should only be required following an assessment whether there is a need –to ‘enhance health services’ is not in accordance with Circ 05/05.</p> <p>7. Community facilities- inappropriate to ask for planning obligations if need is not consequent of a proposed development.</p>	<p>been expanded to clarify the position in respect of health contributions.</p> <p>4.Text in para 2.10 strengthened to reflect this view.</p> <p>5. Para 3.1 already outlines affordable housing policy and states the Council will seek to negotiate 35% of habitable rooms for affordable housing <u>unless material considerations indicate otherwise or unless it can be demonstrated that lower level should be sought or that 70-30 split would not create mixed and balanced communities.</u></p> <p>6.as for comment 3 above. Para 3.28 –text strengthened.</p> <p>7. Obligations sought in accordance with Circular 05/2005 tests. Para B15 makes clear that where a development gives rise to the need for additional or expanded community infrastructure, which is necessary in planning terms; “it might be acceptable for contributions to be sought”. This approach has been upheld through various court judgements nationally and locally, (contributions towards social/community/educational facilities) Accepted by the Inspector and the Secretary of State. PINS case ref 2043219 to be found at:</p>	<p>4.Text edited</p> <p>6. Text edited</p> <p>10.Text edited</p>
--	--	---	--	---

		<p>8. Employment & Training – does not meet tests of Circular.</p> <p>9. Bromley Town Centre – should not be used to resolve deficiencies – appears to suggest this.</p> <p>10. Major and District Town Centres – appears contrary to Circular.</p> <p>11. Public Realm & Historic Buildings Improvements - appears contrary to Circular and Paras 3.43 and .44 do not seem to recognise tests.</p> <p>12. Public Art – Not relevant to planning – sense of place etc and stimulating economic benefits can and should be achieved through high quality design.</p> <p>Appendix 1.</p> <p>13. Affordable Housing – stated as requirement not target – inconsistent with Policy H2. Appendix should state ‘if a viability analysis demonstrates that either the quantum of affordable housing or the tenure split would render a development unviable then a reduced quantum or an alternative tenure split will be accepted by the Council.</p>	<p>http://www.pcs.planningportal.gov.uk/pcsportal/casesearch.asp .</p> <p>Additionally Policy C1 seeks the re-provision of facilities lost through redevelopment</p> <p>8. Entirely dependant on site specific circumstance.</p> <p>9. Para 3.41 – The specific Town Centre Objectives are contained in the AAP to which para 3.41 merely points developers towards s106 cannot be used for deficiencies.</p> <p>10. Para 3.42 clarified that use is strictly in line with 05/2005 and CIL regulation 122.</p> <p>11. Paras 3.43-44 strengthened.</p> <p>12. Applied on a case by case basis to facilitate high quality in accordance with PPS1, Circular 05/2005 and CIL regulation 122.</p> <p>13. Heading to be edited. Wording of the policy cannot be changed. Policy H2 already allows for a degree of flexibility ‘the Council will seek 35% provision, with 70% social rented and 30% intermediate provision, unless it can be demonstrated that a lower level should be sought or that the 70-30 split would not create mixed and balanced communities.’ Clarification at para 1.24 and para 3.2. However the wording of ‘requirement’ will be revised for consistency.</p>	<p>11. Text edited</p> <p>13. Appendix 1 Heading column ‘Requirement’ deleted edited to ‘Types of Obligation Sought’ etc.</p>
--	--	--	--	---

		<p>14.Transport Demand - Formula should be specific-pooling of resources needs to be more explicit and to make reference to the infrastructure to be provided.</p> <p>15.Employment & Training – should be no requirement – it is unacceptable for the formula to be left to a case by case negotiation.</p> <p>16.Health – Should be no requirement – formula should be explicit and transparent and not by reference to the HUDU model which has been discredited.</p> <p>17.Community Facilities – requirement would not meet tests of Circular – if there was a requirement the formula needs to be explicit and not negotiable on a case by case basis.</p> <p>18.Natural Open Space- an explicit formula should be laid out.</p> <p>19.Sports and Recreation - an explicit formula should be laid out.</p> <p>20.Play provision - an explicit formula should be laid out.</p> <p>21. Bromley Town Centre - Any requirement must be justified in connection with the Circular tests.</p> <p>22. Major & District Centres – there should be no requirement for a contribution – any formula must be explicit.</p>	<p>14.No formula is used as each proposal is dealt with on its own merits – unless it is located in the BTC. Reference to specific infrastructure will be made by case Officer at pre-application stage.</p> <p>15. This can only be applied on a case by case basis, but where a commercial enterprise provides its own training schemes and thereby provides opportunities ‘in-house’ then there would be no obligation to make further provision, similarly for the childcare provision aspect.</p> <p>16. Hudu model (which produces a figure for both capital and revenue costs) is not discredited. A legal opinion sought by Tower Hamlets PCT supports the use of the model, although Bromley and several other Councils use the HUDU model to seek only the capital contribution (for physical infrastructure).</p> <p>17. as for comment 7 above. ‘Requirement’ heading edited.</p> <p>18, 19 and 20.Practice remains that there will be no specific formulas; Natural Open Space and Sports and Recreation, and Play provision will remain as case by case basis terms.</p> <p>21. Obligations sought for the Town Centre are listed and justified in the BTC AAP.</p> <p>22. No specific requirement only examples of what obligations could be sought.</p>	
--	--	--	--	--

		<p>23.Public Realm & Built Heritage Improvements – Contrary to Circular unless proposed development creates need.</p> <p>24.Public Art – does not meet tests of circular</p> <p>25.Planning Obligation Monitoring Service - contrary to guidance in Circular (para B19) which states that where an asset is intended for wider public use, the costs of subsequent maintenance and other recurrent expenditure associated with the developers contribution should normally be borne by the body or authority in which the asset is to be vested.</p> <p>26. Legal Services- should be no requirement to pay LA's legal services if a Unilateral Undertaking has been prepared which complies with the guidance in the Circular.</p>	<p>23. Obligations applied if proposed development creates need.</p> <p>24. Applied on a case by case basis to facilitate high quality in accordance with PPS1, Circular 05/2005 and CIL regulation 122..</p> <p>25. Guidance in Circular 05/2005 para B19 relates to the obligations towards provision of facilities and their recurrent expenditure not to the implementation process which is referred to in Para B50 and to which these costs are directly associated.</p> <p>26. It is in the Council interest to seek legal advice to examine the undertaking to ensure that the Council's interests are met. Costs involved for a uni-lateral would never be as much as for a fully drawn up s106 but a charge is nevertheless incurred.</p>	
17. 22nd March 2010	GLA	<p>Comment</p> <p>1. The SPD is not clear on it's priorities – unlike the Mayors plan i.e. Affordable Housing and Transport.</p> <p>2. Concern over method of calculating child yield, with a higher yield attributed to social housing.</p> <p>3. Given the priority identified for affordable housing in policy 6A.4 (London Plan) the Council should be flexible in</p>	<p>Acknowledged receipt- (GS phoned Gemma @GLA).</p> <p>1. Para 1.24 states priorities of Affordable Housing, Education, Health and Highways.</p> <p>2. The higher child yield for social housing reflect the evidence from the DMAG update 2006/11 "Child occupancy of new social housing". This child yield is applied to the social housing element of affordable housing.</p> <p>3. Amendments have been made to the introductory paragraphs of</p>	<p>Send hard copy and inform on adoption.</p> <p>2</p> <p>3. Text added Para 1.24</p>

		<p>its approach to education contributions from social housing providers.</p> <p>4. Para 3.6, transport assessment of any application referred to Mayor will be expected to adhere to the current Transport assessment best practice guide issued by TfL.</p> <p>5. Para 3.7 and 3.8 – where a development impacts on the TfL Road network, the applicants will be required to carry out any works directly or meet Transport for London's costs in doing so. This may be in addition to any highways schemes identified through the Local Implementation Plan.</p> <p>6. For any major development the impact of development may go further than the highway network and should include a reference to 'mitigating the impact on the public transport network either individually or through pooled obligations'.</p> <p>7. Construction management and Service and delivery Plans may be secured through obligations.</p> <p>8. Travel planning should not be exclusively for non-residential developments.</p> <p>9. Provision for electric charging, a Mayoral priority, should also be supported.</p>	<p>the SPD relating to the impact of contributions to scheme viability.</p> <p>4. Include text in para 3.6..</p> <p>5. Include text para 3.8.</p> <p>6. Include text para 3.7.</p> <p>7. Include text 3.9.</p> <p>8. Include text 3.4.</p> <p>9. Include text para 3.4.</p>	<p>4. Text edited.</p> <p>5. Text edited.</p> <p>6. Text edited.</p> <p>7. Text edited.</p> <p>8. Text edited.</p> <p>9. Para 3.4 edited.</p>
18. 29 th March 2010	South East England Partnership (Angela Parkes/ Sue Janota)	No substantive comment to make.	Acknowledged receipt	No action
19 29 th March 2010.	Homes & Communities Agency (London) (Mick Breheny)	<p>Comments-</p> <p>1. Registered Social Landlord – changed to Registered Provider on 1st April 2010.</p> <p>2. Appendix 9 – (i) Social rented housing – Target rents are the province of the Tenant Services Authority, not the Homes & Communities Agency.</p> <p>3. Appendix 9 – Registration is with the Tenant Services Authority not the Homes & Communities Agency.</p> <p>4. Affordable Housing Schedule – there is a requirement that affordable housing should meet the Homes & Communities Agency's 2007 standards,</p>	<p>Acknowledged receipt.</p> <p>1. Amend any reference to Registered Social Landlord to Registered Provider.</p> <p>2. Tenant Services Authority now part of HCA (October 2010).</p> <p>3. Amend to Tenant Services Authority.</p> <p>4. Amend schedule to Level 4.</p>	<p>1. Text edited and Schedule revised and updated.</p> <p>3. Edited</p> <p>4 Schedule edited</p>

		including level 3 of the code for sustainable homes (emailed MP 26/8/10). There is a current consultation (including level 4 of the code for sustainable homes) changes are due to take effect for schemes starting on site on or after 1/4/11.		
20. 29 th March 2010	HUDU (Nikki Honan)	<p>Comment</p> <p>1. Appendix 1 – Whilst it is useful that contributions consist of ‘either on-site provision or contribution towards providing or enhancing local health facilities’ HUDU would suggest the document could confirm that any on-site contributions must be progressed following detailed consultation and agreement from the PCT, and be in line with the polysystem approach to facilities management being progressed by the NHS, and current PCT documentation setting out the estates strategy (which may include CLAMS work).</p> <p>2. Any agreed on-site contributions should be offered to the PCT at zero or reduced rent. Any premises offered to the PCT at a commercial rent should not be considered contributions.</p> <p>3. HUDU suggest that the SPD could benefit from confirming that both capital and revenue contributions are likely to be required to support healthcare facilities , as set out below;</p> <p>a) Revenue to purchase additional activity from Primary and Community care, Acute and Mental Health services until NHS funding allocations include the additional net population generated as a result of the developments; and</p> <p>b) Capital to provide/enhance the physical space in Primary Care, Acute and Mental Health facilities to accommodate the additional activity.</p>	<p>Acknowledged receipt.</p> <p>1. Edit text to ‘any on-site contributions must be progressed following detailed consultation and agreement from the PCT, and be in line with the approach to facilities management being progressed by the NHS, and most up to date PCT documentation setting out the estates strategy.’</p> <p>2. Include this text.</p> <p>3. Officers not comfortable with the Revenue approach however, agree with Capital funding element. Clarify text; Capital to provide/enhance the physical space in Primary Care, Acute and Mental Health facilities to accommodate the additional activity.</p>	<p>1. Appendix edited.</p> <p>2. Para 3.28 edited</p> <p>3. Para 3.28 clarified.</p>
21. 30 th March 2010	Capital Shopping Centres (Nathaniel Lichfield and Partners- Alison McCrone).	<p>1. Support Appendix 1 -the approach of contributions in relation to residential proposals.</p> <p>2. Support Para 2.4-2.5 —use of conditions and Grampian conditions.</p> <p>3. Object Para 2.13 – to suggestion that financial contribution for off-site works and longer term projects will be required prior to commencement of development.</p>	<p>Acknowledged receipt</p> <p>3. Clarify text to include a reference to a greater flexibility if necessary or confirm that phasing</p>	<p>Inform when SPD adopted.</p> <p>3. Para 2.13 text edited.</p>

		<p>Approach will not be appropriate in all circumstances and in a difficult economic climate, imposing an upfront financial burden on developers and undermine deliverability- greater flexibility should be reflected to allow developers to negotiate on phasing of contributions.</p> <p>4. Support- 3.4-3.11 and Appendix 1, 2.4.</p> <p>5. Comments it supports in principle the Town Centre Improvement Fund but stresses that financial contribution must meet tests of 05/05.</p> <p>6. Table 1 at Appendix 1 – majority of works would be done by developer plus cost of Council Inspection – accept point in principle but in town centre works there may be many stakeholders, proportionate pooled contributions towards works may be more appropriate.</p> <p>7. Object Para 3.31 and Appendix 1 (pages 28-29) to childcare contribution for both training and employment- this is not for developers but training providers, employers and the individuals.</p> <p>8. Object Para 3.26-3.28 and page 29 of Appendix- HUDU application to any commercial scheme inappropriate – amend threshold information to say to apply to ‘residential and mixed-use schemes only’.</p> <p>9. Para 3.41 and Appendix 1 page 31. Comment – make it clear that developments within the BTC boundary will only be required to provide obligations identified in policy BTC31 in the AAP.</p> <p>10.Object Para 3.42 and Appendix 1 page 31 –To avoid double counting the text associated with Major and District Centres should be amended to exclude contributions already sought by virtue of the Bromley Town Centre AAP.</p> <p>11. Para 3.43 -3.44 comment – financial contributions sought for public realm improvements in Bromley Town Centre are consistent with priorities identified in policy BTC18 of the AAP and that in all cases the obligations</p>	<p>is negotiable at an early stage.</p> <p>5 Financial contributions only sought when Circ 05/05 tests met fully.</p> <p>6. Pooled contributions are subject to the CIL regulation and application therefore time limited after April 2014; current practice will remain until such time as a local levy exists.</p> <p>7. Clarify text to explain where a commercial enterprise provides its own training schemes and thereby provides opportunities ‘in-house’ then there would be no obligation to make further provision, similarly for the childcare provision aspect.</p> <p>8. Edit text to read ‘residential and mixed-use schemes only.’</p> <p>9. Clarify para 3.41 that developments within the BTC boundary will only be required to provide obligations identified in policy BTC31 in the AAP.</p> <p>10. Edit text referring to ‘Major and District Centres’ to read ‘excludes contributions already sought by virtue of the Bromley Town Centre AAP’.</p> <p>11. Edit para 3.43-44 that financial contributions sought for public realm improvements in Bromley Town Centre are consistent with priorities identified</p>	<p>7. Para 3.31 and Appendix 1 text clarified.</p> <p>8. Para 3.28 and Appendix 1 edited.</p> <p>9. Clarified text.</p> <p>10.Text added.</p> <p>11. Text added to para 3.43.</p>
--	--	---	---	--

		<p>sought are directly related to the proposed development.</p> <p>12. Para 3.45 and Appendix 1 page 32- Support approach to public art.</p> <p>13. Comments Para3.46 and Appendix 1 page 33- Mitigation of environmental impacts on air, soil and water. Proposals should be negotiated on a site by site basis. Para 3.46 specifically makes reference to new homes and if the intention of the financial contribution is to cover all developments then this paragraph should be amended to avoid confusion. Where cumulative impacts arise, it is appropriate for financial contributions to be pooled – commensurate with impact of each proposal.</p> <p>14. Para 2.15, Appendix 1 page 34 and Appendix 7. Make explicit within text that copy of the legal s106 form is that of an example and that it does not represent a template that parties are expected to adopt.</p> <p>15. The interest rate on the sample s106 has a suggested 4% above the base rate; this is onerous and should be negotiated between relevant parties at the appropriate time.</p>	<p>in policy BTC18 of the AAP.</p> <p>12. Support welcomed</p> <p>13. Amend and clarify para 3.46 and Appendix 1, to reflect on ‘new developments’, and para 3.47 add ‘commensurate with impact of each proposal’.</p> <p>14. Para 2.15 – The template referred to is a Council template document that we use. <u>This does not preclude other parties from using their own document when preparing their s106 with the Council.</u></p> <p>15. The interest rate level at 4% has been reviewed by the Councils legal team (confirmed June 2010) and will remain, however it is important to note the phrase “from time to time” which indicates re-negotiation of that rate if necessary.</p>	<p>13. Text edited.</p> <p>14. Para 2.15 text edited.</p>
<p>22. 30th March 2010</p>	<p>Her Majesty’s Court Service (Development Planning Partnership LLP – Amy Jones)</p>	<p>1. Comment : HMCS plays a key role in the delivery of safe and secure neighbourhoods and communities, alongside other delivery partners, such as, the Metropolitan Police. Request that document should be amended to include HMCS explicitly in reference to the delivery of required social infrastructure to meet community needs and to support development and growth in the Borough.</p> <p>2.Comment: Population and growth places additional pressure on a range of court services, directly requiring existing services to be enhanced or extended. It is appropriate therefore that the cost of such additional</p>	<p>Acknowledged receipt.</p> <p>1 and 3. There is no finite list for social infrastructure therefore unable to accommodate this specific request. This is deliberate so that it is not exclusive but HMCS could fall within categories already required.</p> <p>2. Any predicted shortfalls should be flagged up through the Bromley Infrastructure Delivery</p>	<p>Inform when SPD adopted.</p>

		<p>requirements is met by development in the Borough, in exactly the same way as other community services are supported. The requirement for contributions to be made through the Borough's prevailing s106/CIL payments regimes accordingly should be recognised in the SPD and emerging LDF Policies.</p> <p>3.Request rewording Para 3.29 to – “UDP Community Services Objectives seek partnership with providers to secure the provision of essential facilities (including health, educational, Criminal justice facilities, faith , social service facilities) and enhance the availability of the wide range of community facilities which contribute to the quality of life of the Borough's population. UDP Policy C1 seeks re-provision of facilities lost through redevelopment proposals.”</p>	<p>Plan (IDP) process, which will involve gathering evidence from stakeholders. This process will be undertaken as part of the Core Strategy development and this will provide the HMCS an opportunity to put forward its' strategy.</p> <p>3. Policy C1 seeks re-provision of facilities lost through re-development, use of s106 must be strictly within terms of Circular 05/2005.</p>	
<p>23. 30th March 2010</p>	<p>Sainsbury's Supermarkets (Turley Associates)</p>	<p>1.Support 1.6-7- that obligations are required on impact of each case, and that on occasion's imposition of conditions is adequate.</p> <p>2.Object Para 2.2 + Appendix 1 – to threshold of 'major developments which includes floorspace which is 1,000 sq m or more – if a development falls within the definition of a 'major development ' this should not be a automatic qualification for the Council to apply the identified planning obligations.</p> <p>3. Object Para 3.1-3.2 – Notes affordable housing contribution on residential units and recommends that the Council should build some flexibility into the document in relation to affordable housing contributions – in light of the fact the Mayor is reviewing this issue.</p> <p>4. Object – Section 2. – document should acknowledge that in specific instances, planning obligations may be a significant factor that affects viability and that where a developer provides robust information regarding viability of schemes, the Council may review the range and nature of obligations.</p>	<p>Acknowledged receipt</p> <p>2. Types of obligation are sought only where they are directly related to the proposed development.</p> <p>3. Para's 3.1/2 outlines current policy set out in UDP; this will be reviewed as part of Core Strategy. Current policy does allow developers to demonstrate if a lower level of affordable housing should be sought.</p> <p>4. Para 2.16 include text 'where a developer provides robust information regarding viability of schemes, the Council may review the range and nature of obligations'.</p>	<p>Inform when SPD adopted.</p> <p>2. Appendix 1 heading edited.</p> <p>4. Para 2.16 edited.</p>

		<p>5. Object Section 3 + plus Appendix 1- that in a number of instances the obligation 'requirement' applies to 'all major developments- whereas contributions must only be sought if they are directly related to the proposed development.</p>	<p>5. Clarify heading in Section3 and edit heading of 'requirement' to '<u>Types of obligation sought where they are directly related to the proposed development</u>' in Appendix 1.</p>	<p>5. Text edited</p>
<p>24. 30th March 2010</p>	<p>Environment Agency (Susan Sheahan)</p>	<p>1. Comment page 22- support the statement 'Council is committed to securing developer contributions towards the improvement of the town centre particularly to the public realm' but would include 'infrastructure, buildings, planting, landscaping, repairs and enhancement' in the list of improvements to the public realm.</p> <p>2. Suggest amending Table at Appendix 1, section headed Requirement is re-titled as Types of Obligations Sought.</p> <p>3. Page 29-30: Natural Open Space, section 'requirement' – recommend that obligations include 'Information and education, Management and impact surveys.</p> <p>4. Page 31: Bromley Town Centre. Section 'requirement' – recommend obligations include: SUDS, Warnings systems and signage, Recreational facilities, including access, signage and landscaping, recycling.</p> <p>5. Page 33: under Mitigation - recommend obligations include 'Protection of groundwater quality.</p> <p>6. Include text 'protection of groundwater quality 'Bromley has 4 groundwater Source Protection Zones and chalk formation is exposed from the northeast to the south of the Borough- approximately 50% of the total area.'</p>	<p>Acknowledged receipt.</p> <p>1. Page 22 – the complete list of improvements to the public realm in the town centre is specifically documented in the Bromley Town Centre Area Action Plan to which this para 3.41 refers the developer.</p> <p>2. Section retitled as '<u>Types of obligation sought where they are directly related to the proposed development</u>'</p> <p>3. Information and education are included under 'requirement' column but, 'Management and impact surveys' now also included.</p> <p>4. Include 'SUDS, Warnings systems and signage, Recreational facilities, including access, signage and landscaping. Recycling would not be considered under terms of Circular 05/2005.</p> <p>5. Include 'Protection of groundwater quality' in table.</p> <p>6. Add justification text to Page 26.</p>	<p>2. Edited.</p> <p>3. Edited.</p> <p>4. Edited page 35</p> <p>5. Edited table p.37</p> <p>6. Text added p.26</p>
<p>25. 30th March 2010</p>	<p>The Theatre Trust (Rose Freeman)</p>	<p>1. Community Infrastructure – object- there is no mention of 'cultural facilities' in this section.</p>	<p>Acknowledged receipt</p> <p>1. Para 3.30 edited to delete 'services' & broaden the term</p>	<p>Inform when SPD adopted.</p> <p>1 Text edited</p>

		<p>2. Concern that theatre buildings do not benefit under s106, and that it is necessary to unlock new sources of funding.</p> <p>3. Suggest that the Glossary at Appendix 10 includes a definition of community facilities and recommend 'community facilities provide for the health, welfare, social, educational, spiritual, recreational, leisure and cultural needs of the community.</p>	<p>social to include 'cultural' facilities. This is an area addressed in the Bromley Town Centre Area Action Plan (BTC AAP).</p> <p>2. Despite the fact that currently the theatre hasn't directly received s106 monies, the Council acknowledges that Culture and the arts perform an important town centre role. For the future however, the Bromley Town Centre Area Action Plan has acknowledged that the town lacks a strong focus for community activity and the arts and will address this by applying a new policy BTC7 Theatres and entertainment venues - "The Council will encourage proposals to enhance Bromley Little Theatre as a performance venue and community arts facility....."</p> <p>3. There is no finite list for social infrastructure. The list is not exhaustive as the nature of social infrastructure evolves.</p>	
<p>26. 29th March 2010</p>	<p>Aperfield Green Belt Action Group (Peter Sibley)</p>	<p>Para 1.7 Object: Concern that this section will allow inappropriate development on Green Belt land by developers.</p>	<p>Acknowledged receipt Para 1.7 merely confirms the application of Circular 05/2005 and would not over-ride National, regional and local policy considerations on Green Belt protection.</p>	<p>Inform when SPD adopted</p>
<p>27. 31st March</p>	<p>London & Quadrant (Roger Tym & Partners)</p>	<p>Para 3.25 Object : Evidence base for 16-17 year olds is not robust and the policy is not sufficiently flexible.</p>	<p>Acknowledged receipt The figures have been extrapolated from published datasets to provide a Child Yield</p>	<p>Inform when SPD adopted</p>

			which reflects the proportion of Bromley's population aged 16-17yrs. Flexibility is addressed in para 1.24.	
28. 31 st March	Linden Homes and Network Rail (Boyer Planning)	<p>Support para 1.5 CIL – reviewing SPD</p> <p>1. Object para 2.13 Timing of Obligations –that financial contributions for off-site works and projects are required by the Council prior to commencement of development. Request that flexibility should be allowed so that payments can be phased in line with provision- particularly in large schemes – because viability could be affected.</p> <p>2. Object Para 2.16 Administration and Monitoring – Payments for any third party advice being met by developer. Consider it is important that payments are related to reasonable costs and specific to individual schemes.</p> <p>3. Affordable Housing –Paras 3.1-3.2 and Appendix 9. To be consistent with London Plan reference should be made to fact that scheme viability will partly determine affordable housing provision within individual schemes.</p>	<p>Acknowledged receipt.</p> <p>1.Because of current economic climate and scheme viability para 2.13 has been clarified to state that <u>unless phasing has been negotiated at an early stage,</u> financial contributions for off-site works and longer term projects will be required to be received by the Council prior to commencement of the development. Therefore payments can be 'phased in line with provision' if negotiated in advance.</p> <p>2. Para 2.16 explains that where a <u>'developer provides robust information regarding the viability, the Council may review the range and nature of obligations, and if it is found that independent third party advice is required for that scheme,</u> the costs for this are to be met by the developer', it is accepted that in the circumstances these would be reasonable costs.</p> <p>3. Paras 3.1 and 2 outlines current policy set out in UDP para 4.21; this will be reviewed as part of Core Strategy. Current policy is flexible and does allow developers to demonstrate if a lower level of affordable housing should be sought. To clarify text add wording from para 4.21 UDP</p>	<p>Inform when SPD adopted</p> <p>1.Text edited.</p> <p>2. Para 2.16 clarified.</p>

		<p>4. Appendix 9 -Clarity is sought re the definition of affordable housing- it is considered that shared ownership should be excluded as it is offered onto the market after the owner has 'staircased' to other forms of market housing.</p> <p>5. Object – Appendix 9 -the definition of Intermediate Housing being households of incomes to £35,000 is unduly restrictive and does not accord with London Plan.</p> <p>6. Object to Appendix 9 – free disposal purchased by RSL without direct subsidy suggest amending to incorporate a cascade arrangement whereby the percentage is a function of viability and, indirectly, the availability of grant subsidy.</p>	<p>to para 3.1 that 'material considerations which may indicate otherwise, and para 3.2 that the 'onus would be on applicants to submit a financial viability appraisal to demonstrate that abnormal development costs' in addition to the housing contribution in the context of sales revenue would impact unduly on scheme viability'.</p> <p>4. Appendix 9 sets out standard clauses rather than a policy position therefore this is the standard definition of affordable housing and includes shared ownership – set out in PPS3 Annex B.</p> <p>5. Draft London Plan proposes income cap of £74k for intermediate products, in LB Bromley, households earning approaching that level could afford to purchase direct from the market. In exceptional cases, regarding the particular mix of units, we would consider higher incomes, but at all times in line with the parameters of the HCA's HomeBuy criteria and other relevant national and regional policy.</p> <p>6. This standard clause does not state 'no' public subsidy necessarily, but does go on to the justification needed for any financial appraisal. The emphasis should be on there being no assumption of public subsidy, which is pertinent in a period of tight squeeze on public finances. Adopted Affordable Housing SPD</p>	
--	--	---	---	--

		<p>7. Seeks flexibility on the freehold disposal of affordable housing as this should be possible to any RSL rather than approved RSL.</p> <p>8. Transport Demand etc para 3.4-3.11 refers to policies within BTCAAP, LH& NR seek clarity within the SPD of what these obligations are, to ensure consistency within the LDF itself.</p> <p>9. Object – the SPD should clarify where highway works can be delivered on-site – until then LH&NR seek to reserve their position.</p> <p>10. Object to Para3 3.12-3.29-30 – text for new community infrastructure/facilities is considered to</p>	<p>requires that affordable housing be transferred to an RSL. Para 6.34 does allow for site circumstances giving potential for 999 year lease, or that cascade arrangements may be appropriate.</p> <p>7. Guidance in ‘Delivering Affordable Housing’ para 50, promotes spirit of partnership between developer, RSL and LA In relation to housing provider in order to ensure that the housing provider is acceptable to all parties. LB Bromley would not prescribe one RSL to deliver a site- there are several providers that develop housing in Bromley. They have a local presence and management base and this usually helps create cost efficiencies throughout the development process and life of the scheme.</p> <p>8. Full details of AAP related obligations are for the AAP and reference must be made to that document, in particular to Policy BTC31 on Developer Contributions. http://www.bromley.gov.uk/environment/planning/town+centre+action+plan/</p> <p>9. Highway s106 only required on sites where it is necessary, directly related, and fairly and reasonably related in scale and kind to a development. These matters are dealt with on a case by case basis.</p> <p>10. Obligations sought in</p>	
--	--	--	--	--

		<p>represent insufficient justification for contributions are sought- LH&NR feel that without robust evidence, sought contributions would fail to meet tests of Circular 05/05.</p> <p>11. Object Paras 3.14-25 & Appendix 1- no guidance given in Appendix 1 on costs per nursery place –DCSF do not provide costs –therefore clarification is sought and taken into account and must be proportion of children attending private nurseries and the part-time nature of nursery provision.</p> <p>12. Object Para 3.21 – further clarification need on criterion (d), statement is considered ‘too vague’.</p> <p>13. Object – re calculating child yield – draft SPD fails to take into account ‘other factors’. Examples given are where schools overlap boundaries, social housing residents moving to new development who may be already living in the borough, LB Richmond identified percentage of new social rent education, and finally there is no proof evidence given in para 3.20 for the reported</p>	<p>accordance with Circular 05/2005 tests. Para B15 makes clear that where a development gives rise to the need for additional or expanded community infrastructure, which is necessary in planning terms; “it might be acceptable for contributions to be sought”. This approach has been upheld through various court judgements nationally and locally, (contributions towards social/community/educational facilities) Accepted by the Inspector and the Secretary of State. PINS case ref 2043219 to be found at: http://www.pcs.planningportal.gov.uk/pcsportal/casesearch.asp . Additionally Policy C1 seeks the re-provision of facilities lost through redevelopment proposals.</p> <p>11. Costs per place for nursery education have been provided by out Children & Young People’s department. The part-time nature of early years provision (i.e. a.m and p.m sessions) has been factored into this figure. The use of private nurseries is also factored in, as set out in new para.3.26.</p> <p>12.Para 3.21 addressed by deletion of para (d) and further clarification in criterion (a).</p> <p>13. Statistics relating to cross borough pupils are routinely collated by the Council. The calculation has been refined to account for the likelihood of residents being educated out of</p>	<p>11. New para 3.16.</p> <p>12. Text amended</p> <p>13 Text and formula amended</p>
--	--	--	---	---

		<p>fact that the Council is a net importer of pupils.</p> <p>14. Object -Bromley Town Centre paras 3.41-42- stronger links to this document - identifying contributions and obligations sought then state how these meet the test of the circular.</p> <p>15. Clarification paras 3.43-44 – Public Realm and Historic Buildings Improvements. Reference should be made to the fact that where necessary improvements can be delivered on site, no off-site contribution would be sought from the Council.</p>	<p>Borough or in private education. Whilst children moving into social housing may have relocated from other social housing units the result is a net increase in social housing units and increased pressure on education facilities in the area.</p> <p>14. This has been addressed by adding a link and further clarification given to BTCAAP.</p> <p>15. Include text - where necessary improvements can be delivered on site no off-site contribution would be sought by the Council.</p>	<p>14. Link added</p> <p>15.Text included.</p>
<p>29. 31st March</p>	<p>Metropolitan Police (CGMS) Alun Evans and Julieanne Saxty</p>	<p>1. Object Paras 3.29-3.30 –There is no formal definition of ‘Community Strategy’. Furthermore guidance in PPS1 seeks to ensure provision of safe and secure environments, and the London Plan Policy 3A.18 stresses that policing is an integral aspect of social and community infrastructure. Require an additional paragraph inserted between paras 3.30 & 3.31:-In order to ensure continued safety and security across the borough, where appropriate, Major Development may be expected to contribute to policing needs and facilities in order to mitigate against the impact of new development upon policing. Development resulting in the net increase in the number of residents, businesses, commercial, social and leisure activity in an area many increase the need for emergency services and police services. In parts of Bromley police services will already be at capacity. New populations will require additional police services.</p> <p>2. Request for the insertion of a new topic area ‘Policing Facilities’ in the Appendix 1- this would be below Community facilities, this would require a contribution towards policing as development has an impact on policing needs of an area.</p>	<p>Acknowledged receipt.</p> <p>1. The boroughs “Sustainable Community Strategy” and its relevance to the SPD is adequately set out in paras 1.14 & 1.15. Policing would not be considered under circular 05/05. There may be circumstances under the forthcoming Community Infrastructure Levy where such a police contribution may be sought.</p> <p>2. ‘Policing Facilities’ is not explicitly set out in Policy IMP1 (although this list is not exhaustive) however this heading or similar as a topic area may come forward in the Core</p>	<p>Inform when SPD adopted</p>

			Strategy development. Note Policy C1 seeks the re-provision of facilities lost through redevelopment proposals. Any contributions must be justifiable in the context of the circular.	
--	--	--	--	--

This page is left intentionally blank

APPENDIX 2



Draft
Supplementary
Planning
Document

Planning Obligations

Contents:

1. Introduction

- Background
- Legislative and National Regional and Local Guidance
- Objectives of this guidance

2. General Principles

- Thresholds
- Conditions
- Unilateral Undertakings
- Formulae
- Maintenance Payments
- Pooled Contributions
- Administration and Monitoring

3. Topic Areas for which Obligations will be sought

- § Affordable Housing
- § Transport Demand, Highway Works, Public Rights of Way
Travel Plans
- § Community Infrastructure: Education, Employment and Training,
Health and Community facilities
- § Natural Open Space /Outdoor Recreation and Leisure, and Play
- § Bromley Area Action Plan
- § Major and District Town Centres
- § Public Realm and Historic Buildings Improvements, and Public Art
- § Mitigation of Environmental Impacts (air, soil and water)

Appendices

- 1 Summary of Planning Obligations and Costs**
- 2. Public Transport Accessibility Levels**
- 3. Map showing Ward Level Claimant Count Rates**
- 4. Maps showing areas of Open Space Deficiency**
- 5. Map showing Childrens Play Facility Deficiency**
- 6. Procedure for Negotiating and Completing a Planning Obligation**
- 7. Bromley Section 106 Precedent**
- 8. Notification Form**
- 9. Affordable Housing Definitions and Interpretations, and Affordable Housing Schedule**
- 10. Glossary**
- 11. List of Contacts**
- 12. Background documents**

1. Introduction

Background

- 1.1 The main aim of this document, is to explain and provide non-statutory guidance on the Council's general approach to planning obligations, and where possible the requirements, and mechanisms for infrastructure contributions. This is in accordance with Bromley Unitary Development Plan (UDP) July 2006, and the London Plan (2008). This guidance supplements the policies of the Bromley UDP, which were extended on Direction of the Secretary of State in July 2009. Until such time as policies are replaced through the Local Development Framework (LDF), the UDP will remain the statutory planning document for development management purposes.
- 1.2 A Formal public consultation took place in February and March 2010 ~~will be carried out on the document~~, in accordance with Planning Policy Statement 12 (PPS12) and the Statement of Community Involvement (SCI). During this time comments from a range of interested parties and key stakeholders were ~~will be~~ sought. All comments received were ~~will be~~ reported to the Council's Development Control and Executive Committees and changes to the document ~~may be~~ were made in light of responses received and comments made. ~~Following consultation, t~~ The guidance will be adopted for development management purposes, forming part of the Council's Local Development Framework (LDF) and will be a material planning consideration in the determination of planning applications. The document has been prepared in line with the requirements of the Planning and Compulsory Purchase Act 2004, associated regulations and guidance.
- 1.3 Planning obligations are private agreements negotiated, usually in the context of planning applications, between the Council and persons with an interest in a piece of land. They are intended to make acceptable development that would otherwise be considered unacceptable in planning terms. They can be used to prescribe the nature of a development, for example requiring that a given proportion of housing is affordable. A planning obligation can mitigate the impacts of proposed new development, or secure a contribution from a developer to compensate for the loss or damage created by the development. There may be significant financial implications and developers, applicants and their agents will therefore need to take this guidance into account when seeking planning permission and landowners will need to consider its implications when contemplating the disposal of their land. Planning obligations relate to a planning permission but are also attached to the land and registered as a local land charge. This means that contributions cannot only be enforced against those who entered into it but against anybody who gains title to the land. This ensures that if land is sold with a planning permission and related planning contributions, those contributions can be enforced against the new owner(s) of the land i.e. successors in title.

- 1.4 The Barker report on Housing Supply in March 2004 recommended the introduction of an explicit tax on development gains, instead of extending the powers of s106 agreements. The tax was known as the Planning-gain supplement (PGS) – to be levied nationally on the increase in land value resulting from the grant of planning permission. The scheme was to be administered through the HM Revenue and Customs (HMRC). Consultation followed but the proposal did not gain support. In the Pre-budget Report of October 2007, the Government announced the replacement of PGS by a planning charge and increased spending on infrastructure. The Planning Act 2008 (Dec) then enabled the planning charge which is called the Community Infrastructure Levy (CIL) and unlike PGS will be collected locally. ~~A Commencement Order came into effect on 6 April 2009; Local Planning Authorities can start preparatory work for developing a 'charging schedule'.~~
- 1.5 ~~The Government consulted in October (2009) on detailed proposals and draft regulations for the introduction of the CIL as a general charge. Local Planning Authorities (from April 2010) can choose to set CIL on most types of new development. CIL is designed to help fund infrastructure identified through a local Community Infrastructure Delivery Plan (CIDP). Until such time as an CIDP is available and a Charging Schedule is produced through the Core Strategy programme, this Council we will continue to apply the current national, regional and local policy regarding planning obligations. Therefore it is envisaged that this guidance will be reviewed as appropriate in the light of any future changes in legislation, experience of the process and local circumstances.~~

Legislation and National, Regional, and Local policy guidance.

- 1.6 The facility to enter into a negotiated planning obligation using section 106 of the 1990 Town and Country Planning Act ~~will and remains when now that~~ CIL regulation ~~is~~ has been introduced. The facility is restricted to the terms of the Circular 05/2005 on Planning Obligations which clarifies existing policy, and aims to streamline the system of negotiated agreements aligning the planning obligations with the system of spatial planning established by the Planning & Compulsory Purchase Act 2004. ~~The circular will be become statute when the final CIL regulations are published in April 2010.~~ The Government intends that from ~~2012~~ 2014 onwards there will be a scaling back of s106 to restrict its use and to this ~~chiefly~~ affects tariff or standard charges, where monies are pooled. Whilst this Council uses formulae for specific obligation areas it does not use tariff or standard charges in areas where there is pooling this would remain until April 2014 or such time as a Community Infrastructure Levy Schedule is adopted.
- 1.7 Circular 05/2005 requires that planning obligations are *'intended to make acceptable development which would otherwise be unacceptable in planning terms'*. They should be used to ensure the development complies as far as practical with local, regional and national planning

policies. Where there is a choice to make a development acceptable through a planning condition or a planning obligation, the imposition of a condition is preferable.

- 1.8 The Secretary of State's policy requires, amongst other factors, that planning obligations are only sought where they meet all the following tests (Circular 05/2005 sets out (at paragraph B5) five policy tests):
- Relevant to planning;
 - Necessary to make the proposed development acceptable in planning terms;
 - Directly related to the proposed development;
 - Fairly and reasonably related in scale and kind to the proposed development; and
 - Reasonable in all other respects.

In addition, Regulation 122 of the Community Infrastructure Levy (CIL) Regulations, which came into force on 6 April 2010, makes it unlawful for a planning obligation to be taken into account in determining a planning application for a development, or any part of a development, that is capable of being charged CIL, whether there is a local CIL in operation or not, if it does not meet the three tests set out in Regulation 122. These statutory tests are based upon three of the five policy tests in Circular 5/2005 at paragraph B5.

- Necessary to make the proposed development acceptable in planning terms;
- Directly related to the proposed development;
- Fairly and reasonably related in scale and kind to the proposed development
-

At such time as a CIL Schedule is adopted, Regulation 123 will ensure that the use of Planning Obligations and CIL do not overlap. This regulation has affect from 6 April 2014 and locally on the date a first schedule takes effect that the authority will no longer be able to seek more than five individual planning obligation contributions towards infrastructure that is capable of being funded by CIL.

- 1.9 Planning is required to be more spatially aware, ensuring sustainable development as set out in Planning Policy Statement (PPS) 1: Delivering Sustainable Development and PPS 12; Local Spatial Planning. The approach is intended to enable the necessary social, physical and green infrastructure to ensure sustainable communities are delivered.
- 1.10 PPS1 encourages sustainable development to be treated in an integrated way during the creation of development plans. It encourages planners to take full account of the need for transparency, information and participation. It recognises the potential adverse impact that proposed development may have on people who do not directly benefit

from development. It recognises this is an area where planning obligations can be used to ameliorate such impacts.

- 1.11 PPS12 requires planning to go beyond the traditional land use planning role and take into consideration other plans and projects not previously considered.

London Plan Consolidated with Alterations since 2004 (February 2008) and Draft London Plan (DLP) Oct 2009

- 1.12 The London Plan (February 2008) Spatial Development Strategy for Greater London, is the statutory development plan for the region. The guidance in this SPD is prepared in accordance with policies 6 A.4 *Priorities in Planning Obligations*, and 6 A.5 *Planning Obligations* of the this current London Plan.
- 1.13 In the London Plan (2008) the Mayor's priorities for planning obligations are that "...affordable housing and public transport improvements, should generally be given the highest importance with priority also given to tackling climate change, learning and skills, health facilities and services, and childcare provisions". In the draft London Plan October 2009 it is stated that in addition to these priorities will be "small shops" (DLP Policy 8.2). The Mayor, when considering planning applications of potential strategic importance will always consider the content and existence of any planning contributions.

Local Plans

Sustainable Community Strategy

- 1.14 "Building a Better Bromley"- 2020 Vision (March 2009), is the Boroughs Sustainable Community Strategy setting out Bromley's long-term comprehensive strategy to preserve and enhance an environment in which people can improve their well-being. The 'Building a Better Bromley 2020 Vision' centres on eight key themes:

- A safe place in which to live
- A quality environment
- Helping Bromley's children and young people achieve their potential
- Promoting independence and health
- Future housing
- A prosperous and thriving borough
- Involving communities and citizens; and

- Public service partnership

1.15 Planning obligations may be required to ensure development proposals are aiding the Council's efforts in achieving some of the priorities and targets outlined in this strategy. The table below sets out the linkages between seven of the “2020 Vision” themes and planning obligation topic areas.

Sustainable Community Strategy	SPD on Planning Obligation topic areas
Children and Young People	Education, Outdoor recreation and leisure, Public realm improvements
Safer Communities	Public realm improvements
Independence and health	Health and Community facilities
Involving communities and citizens	Health and Community facilities, Natural open space, Outdoor recreation and leisure
Quality Environment	Natural open space, Outdoor recreation and leisure, Mitigation of impacts on air, soil and water, Public realm improvements, and Public Art, World Heritage Site, and Archaeology
Future Housing	Affordable housing
Prosperous and thriving borough	Bromley Town Centre, Major and District Centres, and Employment

Unitary Development Plan (UDP)

1.16 The Council’s overarching policy on planning obligations is set out in **Policy IMP1 Planning Obligations** of the UDP 2006. When considering planning applications ***‘the Council will, where appropriate, seek the attainment of planning obligations in accordance with Government guidance’***. The Council’s objective is to deliver sustainable development and ensure that social and environmental benefits are achieved through the proper use of planning obligations in regeneration and new development proposals. The Council will not accept that the provision of a planning obligation is a reason for granting permission nor will the absence of a planning obligation, in itself, constitute a reason for refusal.

1.17 In developing policies in the UDP 2006 earlier drafts were subject to a rudimentary Sustainability Appraisal during the deposit stages. Therefore, in addition to IMP1, other relevant policies are indicated in this document purely as a guide and are listed beneath each topic heading in Section 3.

Objectives of this guidance

- 1.18 Following guidance in Circular 05/2005 the overall objective of this local guidance is to:
- Clarify the topic areas for which planning obligations may be sought and any methodology for calculating the amount of these obligations, and to explain associated procedures.**
- 1.19 This guidance provides the development industry, the community, land owners and the Council with a vehicle to identify the likely planning obligations that a proposal will generate, attributed to its impact, at an early stage in the proposal formulation process. Acknowledgement and preparation for the required planning obligations should be integral to negotiation of land transactions and the formulation of development proposals. Planning obligations will be sought on developments when they reach the various thresholds detailed in Appendix 1. Each topic area is explained in more detail in Section 3 of this document.
- 1.20 This guidance provides the basis for the negotiation of contributions by setting out the following:
- the broad range of likely contributions that may be sought, why these may be required;
 - the types of developments that would be subject to planning obligations, in terms of their scale, nature, uses proposed and their location;
 - the calculation of any financial contributions and use of formulae and
 - general principles relating to the consideration of such matters as on-going maintenance, legal costs, the pooling of contributions and the possible alternative use of conditions attached to planning consents.
- 1.21 The Council will expect developers to enter into discussions on potential planning obligations ~~requirements~~ with Council officers as soon as possible, prior and during the pre-application stage. The Heads of Terms of any planning agreement will need to be finalised before applications are reported to elected members. These early discussions and decisions are crucial to avoid lengthy finalisation of any legal agreements and to ensure the application remains within statutory timeframes.
- 1.22 In addition to this document any development briefs or area action plans produced by the Council should also be considered as these may refer to specific requirements.
- 1.23 The potential obligations requirements included in the guidance and explained in the document are not exhaustive; other requirements may arise in specific circumstances, which are not mentioned, but are referred to in the policies in the UDP. Importantly the guidance thresholds and calculations in Appendix 1 ~~are not rigid and~~ are intended to be used as a starting point in the negotiation process.

- 1.24 Developers should note that **not all** of these policy requirements obligations may be required for every scheme and a level of priority will be applied. Current Council priorities for planning obligations are Affordable Housing, Education, Health, and Highways. Policy obligations should be reflected in land values from the outset and thus should not threaten scheme viability. However, the market situation will be taken into account and the impact of contributions on scheme viability will be considered, particularly in respect of the provision of affordable housing. Where a planning obligation is identified as being relevant necessary, the Council will expect the developer to acknowledge the policy, and offer some rationale for their proposal.
- 1.25 This guidance will be reviewed and regularly updated to reflect changes in Government policy and guidance, costs, ~~including~~ and changes to the Council priorities or as service area obligations ~~needs~~ are met. It will be important for users of this document to ensure that they have the most up-to-date version of the Appendix 1.

2. General Principles

Thresholds

- 2.1 New developments create varying impacts on the provision of services and facilities. As a general rule the greater the scale and complexity of a development, the greater its scale and range of impacts. All stakeholders should be aware of the Council's likely planning obligations' requirements prior to the application stage of the development.
- 2.2 The table in Appendix 1 lists the range of commonly required planning obligations and their relationship to the scale and impact of the development. The most used threshold in the table is that of 'Major Development'. This is defined in the General Development Procedure Order 1995 as development involving one or more of the following:
- (a) the mining or working of minerals or the use of the land for mineral working deposits;
 - (b) waste development;
 - (c) (i) the number of dwellings to be provided is 10 or more; or
(ii) the development is to be carried out on a site having an area of 0.5 hectares or more and it is not known whether the development falls within paragraph (c) (i);
 - (d) The provision of a building or buildings where the floor space to be created by the development is 1000sqm or more; or
 - (e) Development carried out on site having an area of 1 hectare or more.
- 2.3 If it is identified that a proposed development is not maximising the use of a site to avoid an obligation threshold, the Council will seek obligations from the development, which reflect the appropriate or full use of the land. Likewise, where it is identified that a potentially large development proposal or site has been split into smaller applications in order to be under obligation thresholds, the Council will require that, for the purposes of planning obligations, all the individual proposals are treated as single or whole.

Conditions

- 2.4 Most planning applications will not require an obligation. There are many developments where planning conditions can adequately deal with on-site works and even the provision of works or facilities outside the application site. This may be achieved through the imposition of a condition preventing the occupation or commencement of a development until the works or facilities in question have been provided (such conditions are known as Grampian Conditions). When considering applications, the Council will consider whether planning conditions can adequately control all direct and indirect impacts of the development and

secure the desired benefits before it decides that a planning obligation is necessary. The circumstances where an obligation will be required will be determined by the precise merits of the case, taking into account the location, scale and nature of the proposal. Pre-application discussion will be particularly useful in giving consideration as to whether an obligation is likely to be required.

- 2.5 Negotiations for all planning obligations will be undertaken by a Council planning officer and where appropriate assisted by officers representing various other service areas.

Unilateral Undertakings

- 2.6 Planning obligations made under s.106 of the Town and Country Planning Act may be entered into by agreement with the Borough Council (commonly known as 's.106 agreements') or unilaterally.

- 2.7 Unilateral undertakings are legal agreements which bind only one party, usually the developer, to undertake planning obligations that do not have to be negotiated and can be volunteered. Unilateral undertakings are suitable for simple contributions. Unilateral undertakings are also appropriate in the case of appeals to the Secretary of State for schemes which the Council considers unacceptable or where agreement cannot be reached. In addition, where it is possible for a developer to determine the likely requirements in advance, developers will be encouraged to submit a unilateral agreement with their application.

Formulae

- 2.8 The Circular 05/2005 on Planning Obligations encourages local authorities to employ formulae where appropriate. The Circular advises these are to be consistent in their application and must still meet the Secretary of State's necessity tests (para 1.8). Formulae will be used for Education, and Health planning obligations, details for which is clarified in Section 3.

Maintenance Payments

- 2.9 The Circular 05/2005 advises that where contributions are secured through planning obligations towards the provision of facilities which are predominantly for the benefit of the users of the associated development, it may be appropriate for the developer to make provision for subsequent maintenance (i.e. physical upkeep). Such provision may be required in perpetuity. However, if the facility is to be used by the wider public, the costs of maintenance and recurrent expenditure would be borne by the Council. Ongoing maintenance costs should only be for the time between completion and inclusion in the public sector funding streams, not for

perpetuity. The Council will seek agreement on the type of payments to be made on for example a capitalised sum, with a clear audit trail.

Pooled Contributions

- 2.10 Circular 05/2005 advises that pooling of contributions can take place both *between developments and between local authorities where there is a cross-authority impact*. The Council has already set up a capital fund known as the Town Centre Improvement Fund to hold relevant s.106 contributions which directly refer to town centre environments or local economy matters. This practice will continue until April 2014 or such time as a Community Infrastructure Levy Schedule is adopted that could, subject to Member agreement, be re-invested as appropriate in the Borough's larger town centres towards identified projects once any improvement plans have been approved. The Council will demonstrate a direct relationship between a proposed development and the infrastructure provided in the light of CIL regulations.
- 2.11 When any such contributions are requested, the Council would set out in advance any need for joint supporting infrastructure (for specific requirements of the Bromley Town Centre developers should refer to the Bromley Town Centre Area Action Plan). There would be a clear audit trail between the contribution made and the infrastructure provided and the Council would account to the developer for the initiatives on which the contributions are spent. Any unspent balance monies, together with interest, would be returned to the developer.
- 2.12 Pooled contributions can also be sought from developments which are permitted after the infrastructure has been provided where the policy tests are met and the need for the infrastructure and proportionate contributions to be sought is set out in advance (Circular 05/2005 Para 23 refers).

Timing of Obligations

- 2.13 Infrastructure works and highway improvements directly associated with the development are normally required to have been carried out prior to occupation. Unless phasing has been negotiated at an early stage, financial contributions for off-site works and longer term projects will be required to be received by the Council prior to commencement of the development.

Administration and Monitoring

- 2.14 The Council has an established process for recording and monitoring Section 106 agreements, including a database with the details of all agreements. The monitoring costs for this service are provided in Appendix 1 and are based on the extent of the obligations and the officer time involved in monitoring the agreements. Please contact the

Council's s.106 Monitoring Officer for information on any particular agreement; telephone number 020 8313 4345.

- 2.15 Appendix 6 outlines a flow chart showing the various stages of the procedure pre and post legal agreement. Following either Development Control or Plans-Sub Committee's decision, the drafting of the agreements is undertaken by the Council's Legal Services Division. A sample of a s106 precedent is attached at Appendix 7. This does not preclude other parties from using their own document when preparing their s106 agreement with the Council. Developers will be required to pay the legal costs expended in the preparation of the agreements (see Appendix 1) and any associated costs for the monitoring of planning obligations. In addition to assist with accurate monitoring of s.106 agreements developers/applicants are asked to complete a 'Notification Form' (see Appendix 8) and return this to the Council. ~~with the necessary information on.~~
- 2.16 If issues of viability of a scheme arise during negotiations and a developer provides robust information regarding the viability, the Council may review the range and nature of obligations and, if it is found that ~~and~~ independent third party advice is required for that scheme, the costs for this are to be met by the developer.

3. Topic areas for which obligations should be sought where they are directly related to the proposed development.

Affordable Housing

SPD on Affordable Housing

H2 Affordable Housing

H3 Affordable Housing – payment in lieu

- 3.1 In support of the Community Plan, in line with the Supplementary Planning Document (SPD) on Affordable Housing (March 2008) <http://www.bromley.gov.uk/NR/rdonlyres/59865160-EC74-4451-AF27-1B03346BDBAB/0/AffordableHousingSPDMarch2008.pdf> and Policy H2 of the UDP (2006) affordable housing will be sought on all housing sites capable of providing 10 units or more or on sites of 0.4ha or more. On all sites at or above this threshold the Council will seek to negotiate 35% of habitable rooms for affordable housing purposes unless material considerations indicate otherwise; with 70% of that provision for social-rented purposes and 30% for intermediate housing (that can consist of, shared ownership, low cost home ownership or sub market rented housing) unless it can be demonstrated that a lower level should be sought or that the 70:30 split would not create mixed and balanced communities. For further detail refer to Para 6.24 of the Affordable Housing SPD.
- 3.2 Policy H3 specifies that where a site meets the size threshold and is suitable for affordable housing, payment in-lieu of affordable housing on site or provision in another location will be acceptable only in exceptional circumstances, and where the applicants can provide robust evidence to demonstrate that it would be impractical to transfer the affordable housing to a Registered Social Landlord (RSL) Provider; on-site provision of affordable units would reduce the viability of the development to such a degree that it would not proceed; on-site provision of affordable units would not create mixed and balanced communities; and there would be benefit in providing such units at another location. The applicant will be required to submit a full Financial Viability Appraisal that will be independently assessed by a RICS accredited organisation, appointed by the LA and paid for by the applicant. The FVA will be assessed to consider the extent to which abnormal development costs, in addition to the affordable housing contribution, would impact unduly on scheme viability. Para 6.24 of the Adopted Affordable Housing SPD states that particular development costs will usually be reflected in land values. See Appendix 9 for the Affordable Housing Definitions and Interpretations and the Affordable Housing Schedule.

Transport Demand, Highway Works, Public Rights of Way and Travel Plans.

T1 Transport Demand

T2 Assessment of Transport Effects

T6 Pedestrians
T7 Cyclists
T9 Public Transport
T10 Public Transport
T15 Traffic Management
L2 Public Rights of Way and other Recreational Routes
Bromley Town Centre Area Action Plan

- 3.4 Policies within the Transport section of the UDP set out the Council's requirements regarding transport provision. These policies generally seek to reduce the need to travel, to ensure that there is access to a choice of travel mode and to integrate transport and land use. They also seek to ensure safe and convenient access for pedestrians, cyclists and public transport users who, in policy terms, have priority over access by the private car. Transport Policies in the UDP and Bromley Town Centre Area Action Plan BTC31, Developer Contributions <http://www.bromley.gov.uk/environment/planning/town+centre+action+plan/> (submitted for inspection November 09 adopted November 2010) allow for obligations for appropriate works to be undertaken, as an example these could be seeking improvements to public transport interchanges, up-grading cycle routes, cycle parking stands, provision for electric vehicle charging, variable messaging signs, travel plans (non-residential and residential), or if the proposal was in the town centre the obligation could be for contributions to the Town Centre Improvement Initiative Fund to help achieve these types of objective.
- 3.5 When mitigating the impact of a development, Circular 05/2005, cites as an example that, if a proposed development is not acceptable in planning terms *due to inadequate access or public transport provision, planning obligations might be used to secure contributions towards a new access road or provision of a bus service, perhaps co-ordinated through a Travel Plan*. Travel Plan guidance can be found in the TfL (Transport for London) Travel Plan Best Practice Guidance. Travel planning is not exclusively for non-residential developments. The Public Transport Accessibility Map for Bromley reproduced at Appendix 2.
- 3.6 All new development may have transport implications. For schemes with significant transport implications a Transport Assessment will be necessary to help assess the impact of the development on its surroundings and what works may need to be undertaken to help overcome any detrimental impact the development will have. Any applications referred to the Mayor must adhere to the current Transport Assessment Best Practice Guide issued by TfL.
- 3.7 Where it is identified that off-site highway works are necessary to facilitate the development, these will be secured through an obligation (or through uses of conditions if more appropriate). The developer will be required to either carry out these works directly or meet the Council's costs in doing so. For any major development the impact of development may go further than the highway network and require mitigating the impact on the public transport network either individually or through pooled obligations (until 6th April 2014 under CIL regulation).

- 3.8 Where development is likely to have an impact on the strategic road network, it may be appropriate for the developer to contribute towards major highway schemes identified in the Local Implementation Plan. In such circumstances, appropriate proportional contributions will be sought. Where a development impacts on the TfL Road network, the applicants will be required to carry out any works directly or meet Transport for London's costs in doing so. This may be in addition to any highways schemes identified through the Local Implementation Plan.
- 3.9 Where appropriate, and demonstrated through the Transport Assessment, developers may be required to contribute to additional public car parking, traffic calming or traffic management measures. Construction management, and Service and Delivery Plans may also be secured through obligations.
- 3.10 It should be noted that an obligation involving highway works may also need to refer to the provisions of Section 278 of the Highways Act 1980 that enables landowners to make financial contributions towards carrying out highway works.
- 3.11 Development affecting a Public Right of Way will be dealt with on a case by case basis. Planning permission will not be granted for development affecting a Public Right of Way, unless the proposals include either the retention or diversion of the Right of Way. Contributions will depend on the scale and impact of the development.

Community Infrastructure:

- C1 Community Facilities and objectives
C2 Community Facilities and Development

- 3.12 The White Paper "Planning for a Sustainable Future" (2007), highlights that the provision of local infrastructure, including schools, health and social care facilities, and other community facilities are essential to the creation of thriving, healthy sustainable communities" (para 1.11) The White Paper suggests that, without the right infrastructure in place, at every level, our quality of life – individually and collectively – will diminish, and that improving infrastructure provision is vital for unlocking housing growth (para 1.14). The Housing Green Paper (2007) also stresses the importance of access to good schools, healthcare, transport and other community facilities, adding that "Local authorities can often agree how such facilities are provided as part of the planning process, ensuring a fair contribution by developers to the local infrastructure." (Chapter 5 para 1)
- 3.13 The London Plan <http://www.london.gov.uk/thelondonplan> Mayoral Best Practice Guidance "Health Issues in Planning" (June 2007) <http://www.london.gov.uk/mayor/strategies/sds/bpg-health.jsp> looks at the wider determinants of health and indicates how positive health improvements can be achieved through the use of s.106 agreements to

address shortfalls in community infrastructure. Community infrastructure topic areas below support the priorities of the Bromley Community Plan.

Education

C1 Community Facilities, and objectives

C7 Educational & pre-School Facilities

- 3.14 Planning contributions will be expended on capital investment for providing additional educational capacity across the borough in line with the Councils education investment strategies.
- 3.15 ~~The Government's "Every Child Matters: Change for Children" agenda sets out the new approach to the well being of children, based on~~ The legislative framework is set out in the Education Act 2002, the Children Act 2004, and the Child Care Act 2006. ~~This whole system reform of childrens' services,~~ includes the entitlement to 15-hours a week free nursery education for all 3 and 4 year olds, and places on local authorities the requirement to produce "Childcare Sufficiency Assessments" and develop "Childrens Centres". These assessments will be used to identify areas where contributions to nursery infrastructure development is required by this SPD,
- 3.16 Childcare & early education provision is met in a variety of settings, including through private day nurseries, nurseries linked to schools and through the programme of "Childrens Centre" development.
- 3.17 In support of the Community Plan the authority's policy with regard to primary school provision is that parents should be able to access a place for their child in a nearby local school and maintain a 5% spare capacity. This policy is designed to meet parental demand and to be the most sustainable pattern of school provision. The numbers of births have been steadily increasing since 2001 placing significant pressure for places at primary schools in the Borough. Additionally new housing developments will further increase the pressure in some areas, particularly around central Bromley.
- 3.18 The pattern of primary school provision is considered through reviews of the Primary Schools Development Plan. These reviews (or subsequent primary provision strategy documents) will be used to identify areas where contributions to education infrastructure development are required by this SPD. Some proposals to address shortfalls and ongoing enhancements to the primary infrastructure may be identified in the Primary Capital Programme. Contributions will be sought in areas identified as having expansion need within the Primary School Development Plan review, even if specific schemes have yet to be set out in the Primary Capital Programme.
- 3.19 There is continued pressure on secondary school places across the Borough as Bromley's secondary schools adapt to meet the demands of the National Curriculum, including the 14-19 reforms. Bromley's

Strategy for Capital Investment in Secondary Schools Sept 2008 (“Secondary Strategy for Change”) included an “Assessment of Capacity, suitability, condition and identification of improvements”. Section 106 contributions will be sought to meet the pressures identified in the Strategy document which new development will exacerbate. Ongoing update reports to the Investment Strategy set out the prioritised schemes.

- 3.20 Catchment areas for secondary schools are broad with pupils travelling across the Borough to access school places, additionally children cross borough boundaries: Bromley is a net ‘importer’ of pupils who are resident in adjoining Boroughs. New housing developments will add to existing pressures. Primary and secondary schools are also experiencing increased pressure as a result of a recession related shift away from private sector education.
- 3.21 The Council will seek contributions for educational provision from all major residential developments;
- (a) Where the development is located in an area where the Childcare Sufficiency Plan identifies a shortage of pre-school provision, and or the impact of the development would lead to a shortfall such that a 5% spare capacity cannot be maintained.
 - (b) Where the development is located in an area where there is an identified shortage of primary school places, and
 - (c) Where the development will place pressure on places in secondary education, such that the 5% spare capacity across the education sector, necessary to provide choice, cannot be maintained within a 3mile radius (as the crow flies), and
 - ~~(d) Where the size of the development creates a significant impact on the pattern of educational demand.~~
- 3.22 Education contributions will be calculated by multiplying the likely child-occupation generated by a particular development (see child yield information below) by the cost per pupil place (with locational factor). The current cost per place data for primary, secondary and 16 – 17 yrs is set out in Appendix 1, but note this information is subject to change over time and the up to date Department for Children, Schools & Families (DCSF) annual data on the cost-multiplier per pupil place in schools (and locational factor) is found at :
<http://www.teachernet.gov.uk/management/resourcesfinanceandbuilding/schoolbuildings/schooldesign/costinformation/>
<http://www.teachernet.gov.uk/docbank/index.cfm?id=10463>
Cost relating to capital investment in early years education will be has been determined on the advice of the Councils Children & Young People department. The figure of £8,141 has been derived on the basis of 5 recent schemes including new builds, extensions and refurbishments.

- 3.23 Developments of purely one bedroom flats, and also specialist accommodation e.g. for elderly persons will normally be excluded from calculations.
- 3.24 There is no single reliable child yield figure estimating the number of children who will live in new housing developments, which can be applied across the board to all housing types & tenures. This document uses three child yield datasets put forward in two recent DMAG (Data Management and Analysis Group) publications.
- Oxfordshire New Housing Survey (2004) -(DMAG “Child Yield” Briefing 2005/25)
 - London Housing Survey 2002 (DMAG “Child Yield” Briefing 2005/25)
 - “Child Occupancy of New Social Housing” (DMAG Update 2006/11)
- 3.25 Neither the Oxfordshire nor the London Housing Survey datasets provide a yield for 16– 17 yrs, or 3- 4 yrs. This has been remedied as follows
- The 1991 Census indicates that 40.6 % of children aged 0 - 4 yrs are aged 3 & 4 yrs hence a child yield figure can be extrapolated.
 - Using the known progression between the 11-15 and 16-17 age groups in “Child Occupancy of New Social Housing” it is possible to extrapolate a reasoned 16-17 child yield progression for the Oxfordshire and London Housing Survey datasets.
- DMAG Briefing Child Yield 2005/25 suggests that the child yield by age in Oxfordshire taken from a large survey with a good response rate may be appropriate for developments of houses rather than flats in Outer London Boroughs.

Child Yield (Private Houses)

Age	Number of Bedrooms			
	1	2	3	4+
0-4	0.03	0.17	0.31	0.41
3-4 (extrapolated)	0.01	0.07	0.12	0.16
5-10	0.01	0.08	0.21	0.41
11-15	0.01	0.13	0.13	0.15
16-17 (extrapolated)	0.00	0.08	0.05	0.04

(Oxfordshire New Housing Survey)

- There are the significant numbers of flatted developments within particular parts of Bromley, notably Bromley Town Centre. For flats it is therefore considered more appropriate to rely on the London Housing Survey 2002 which reflects a more urban form of development. This data indicates the same or reduced child yield as the Oxfordshire Survey in all circumstances other than 1 bed flats.

Child Yield (Private flats)

Age	Number of Bedrooms			
	1	2	3	4+
0-4	0.04	0.08	0.15	0.23
3-4 (extrapolated)	0.02	0.03	0.06	0.09
5-10	0.01	0.08	0.21	0.35
11-15	0.00	0.06	0.14	0.28
16-17 (extrapolated)	0.00	0.04	0.05	0.08

(London Housing Survey 2002 Inner London Owner Occupied)

- DMAG Update “Child Occupancy of New Social Housing” 2006/11 provides recent data in respect of the social housing element of affordable housing.

Child Yield (Social Housing)

Age	Number of Bedrooms			
	1	2	3	4+
0-4	0.20	0.64	0.62	0.41
3-4 (extrapolated)	0.08	0.03	0.25	0.16
5-10	0.00	0.23	0.74	1.22
11-15	0.00	0.08	0.47	1.29
16-17 (extrapolated)	0.00	0.05	0.17	0.37

(DMAG Update “Child Occupancy of New Social Housing” 2006/11)

- 3.26 Schools in Bromley are extremely popular, however, some children will be educated privately or across the boundary in neighbouring boroughs. Currently 94% of children born in the Borough subsequently enter Bromley schools at reception. In respect of secondary education the figure is 85%. It is therefore appropriate to attach a factor of 0.94 to nursery and primary child yield and 0.85 to Secondary and Post 16 child yield at the current time. Advice will be taken from the Council’s Children and Young People department about changes to these figures overtime.

Health

- C1 Community Facilities and objectives
- C2 Community Facilities and Development
- C4 Health facilities

- 3.27 Policy IMP1 identifies the provision of community, health, and leisure resources as examples of appropriate planning obligations.

- 3.28 The London Plan (Policy 2A.1) advises that, in considering planning applications referred to him, the Mayor will ensure that development takes account of existing or planned infrastructure including community infrastructure such as schools and hospitals. The London Plan also advises that the spatial needs of London’s diverse population should be addressed, existing facilities that meet the needs of particular groups should be protected and, where shortfalls have been identified, policies should seek measures to address them proactively.

3.29 The NHS London Healthy Urban Development Unit (HUDU) has devised a process for identifying the impact that residential and mixed use developments have on the capacity of health services, and the associated cost of ameliorating this impact. The Council, in coordination with the Bromley Primary Care Trust (PCT), will identify if a residential or mixed use development is likely to create a demand for ~~new~~ additional facilities or services. The Council's preferred way to gauge this demand is to use the NHS HUDU s106 Model for 'planning contributions and health' at <http://www.healthyurbandevelopment.nhs.uk>. This model calculates Revenue and Capital financial contributions which may be required after assessment of the likely impact from the development. The Council, on behalf of the PCT, would seek the Capital element only in a s106, monies to enhance health services to provide the necessary financial support. provide/enhance the physical space in Primary Care, Acute and Mental Health facilities to accommodate the additional activity until mainstream funding kicks in demand. Any agreed on-site contributions should be offered to the PCT at zero or reduced rent. Any premises offered to the PCT at a commercial rent would not be considered contributions.

Community Facilities

C1 Community Facilities and objectives

C2 Community Facilities and Development

3.30 UDP Community Services Objectives seek partnership with providers to secure the provision of essential facilities (including health, educational, faith, social ~~service~~ facilities) and enhance the availability of the wide range of community facilities which contribute to the quality of life of the Borough's population. Provision of community facilities will be based on a case by case basis. UDP Policy C1 seeks the re-provision of facilities lost through redevelopment proposals.

3.31 The London Plan (Policy 3A.25) advises that for Major developments (as defined by the London Plan) local neighbourhood needs, identified by local community organisations and other local partners, should be used as a basis for negotiating local community benefit from development, including s106 agreements. The "identified needs" in Bromley will be set out in advance (in accordance with Circular 05/2005 para B21) in plans or strategies of the Council or Local Strategic Partners. The likelihood of a contribution towards particular infrastructure being required in particular areas will be set out in other LDF documents, including for example the Core Strategy, Area Action Plans and Planning Briefs.

Employment and Training

Business and Regeneration Objectives

3.32 The Council is committed to reducing unemployment, promoting the development of e-commerce, improving skills and creating competitive town centres. The largest rise in employment levels recently has been

within the construction sector. Conditions or planning obligations will may be sought on a case by case basis in all major development proposals borough wide, and especially in areas where unemployment levels are above the Borough average. However, Areas have been identified where employment and training opportunities could be accessed by those not working or with low skill levels (i.e. not just where they live and not be limited to high unemployment but also where there are low paid and poor quality jobs to increase access to other opportunities). As a guide see map at Appendix 3 showing 'Ward level Claimant Count Rates' above the Borough average. A priority is making training available to all, promoting and ensuring access opportunities for example childcare provision or access for people with disabilities. Opportunities would be sought both during the construction phase and post development stage. However, where a commercial enterprise provides its own training schemes and thereby provides opportunities 'in-house' there would be no obligation to make further provision, similarly for the childcare provision element.

Natural Open Space

Green Belt and Open Space Objectives

NE1 Development and SSSIs

NE2 Development and Nature Conservation Sites

NE3 Nature Conservation and Development

NE4 Additional Nature Conservation Sites

NE5 Protected Species

L2 Public Rights of Way and recreational routes

Bromley Bio-diversity Plan 2006-2009.

- 3.33 In determining planning applications, the Council will ensure that the effects of biodiversity, wildlife habitats, geological features and nature conservation are fully taken into account. PPS 9 requires that new development protects and enhances biodiversity. Paragraph 14 states that 'development proposals provide many opportunities for building-in beneficial bio-diversity or geological features as part of good design'. Where development proposals are otherwise acceptable but cannot avoid damage to and /or loss of wildlife features, the Council will require, through planning obligations or conditions, the inclusion of suitable mitigation measures and the protection, creation, enhancement and management of wildlife habitats and landscape features. Planning obligations may be used where financial payments or on-going management are required to address biodiversity or geological conservation concerns. For further detail refer to the Bromley Bio-diversity Action Plan <http://www.bromleybiodiversity.co.uk/>.
- 3.34 The Ravensbourne River in the north west of the borough and the River Cray in the north east form parts of the Blue Ribbon Network across London and London Plan Policy 4C.3 advises protection and enhancement of the Blue Ribbon Network including 'taking opportunities to open culverts and naturalise river channels'.

3.35 Where planning obligations are required to manage specific impacts they will need to be negotiated on a case by case basis. Where the combined impact of a number of developments creates a green infrastructure need, developers contributions may be pooled between those developments and where applicable between the Council and potentially other local authorities, until April 2014 or such time as a Community Infrastructure Levy Schedule is adopted

Outdoor recreation and leisure

- L2 Public Rights of Way and other Recreational Routes
- L6 Playing Fields
- L8 Public Open Space Deficiency

3.36 PPG17 “Planning for open space, sport and recreation” promotes the need for sustainable patterns of leisure activity. The protection of existing sport, open space and recreation facilities, identified by assessment of needs and audit, is given clear priority. Most open spaces and recreational facilities have a potential and should be designed to perform multiple functions, in addition to amenity (including provision of habitat) and have a role to play in improving air quality, and promoting health and well-being.

3.37 PPG17 advises that planning obligations should be used as a means to remedy local deficiencies in the quantity or quality of open space, sports and recreational provision, and those local authorities will be justified in seeking planning obligations where the quantity or quality of provision is inadequate or under threat, or where new development increases local needs (para 33).

3.38 The Council will resist loss of sports grounds or playing fields. Planning obligations will be designed to secure conversion of part of the major residential proposal site to reduce or eliminate any deficiency. Sport England has developed an online ‘Planning Contributions Kitbag’ which the Council may use to secure new and improved sports and recreation facilities;
http://www.sportengland.org/facilities_planning/planning_contributions.aspx).

3.39 In all major residential developments in areas of open space deficiency, planning obligations should ensure the provision of open space and/or access to open space. See map at Appendix 4 showing Areas of Open Space Deficiency.

Table: Hierarchy of Public Open Space UDP 2006	
Open Space categorisation	Size guideline and distance from home
Regional Parks	400 hectares 3.2-8km
Metropolitan Parks	60 hectares 3.2km
District Parks	20 hectares

	1.2km
Local Parks and Open Spaces	2 hectares 0.4km
Small Open Spaces	Under 2 hectares 0.4km or less

Play

- 3.40 The PPG17 definition of “Open Space” includes provision for children and teenagers - including play areas, skateboard parks, outdoor basketball hoops, and other more informal areas (e.g. teenage shelters).
- 3.41 PPS3 Housing advises that “Particularly where family housing is proposed, it will be important to ensure that the needs of children are taken into account and that there is good provision of recreational areas, including private gardens, play areas and informal play space” (Para 17). With specific reference to “Play”, the London Plan (February 2008) Policy 3D.13 seeks to ensure that all children have safe access to good quality play and informal recreation provision. The Mayor has set out benchmark standards for play provision in new developments in the Supplementary Planning Guidance “Providing for Children and Young People’s Play and Informal Recreation” (March 2008). Policy 3D.13 advises that provision should normally be made on-site, in accordance with the Play Strategy for the area. Off site provision, enhancements to existing facilities and financial contributions may be secured by legal agreement, provided that the provision fully satisfies the needs of the development. Appendix 5 of this SPD illustrates areas of Children’s play space deficiency, which it is appropriate to address. In areas not illustrated as deficient in respect of access to play space advice will be sought from the Council’s play advisors, in respect of the appropriateness of facilities to meet needs (e.g. quality and variety of provision). Bromley’s Play Strategy can be found at:
http://www.bromley.gov.uk/education/childcare/bromley_play_strategy_2007_2012.htm

Bromley Town Centre

- 3.42 The Bromley Town Centre Area Action Plan (BTCAAP) was ~~submitted to GOL in November 2009. It will then go forward to a hearing in March 2010 prior to being formally adopted by the Council later in November 2010. It will~~ The BTCAAP contains development opportunities within the town as well as site specific and other policies designed to ensure the town’s competitiveness whilst retaining its character and heritage. In compliance with the Action Plan the Council is committed to securing developer contributions towards the improvement ~~in~~ of the vitality and viability of the town centre; particularly to the public realm, as well as transportation and highway enhancements in order that the town can accommodate the demand that will be generated by new development. Planning obligations identified in policy BTC31 of the AAP, will be part of

negotiations on any development proposal to ensure the town centre as a whole benefits, as appropriate, from new development. Obligations would be dependant on the type and scale of development proposed. Small scale development proposals coming forward within the town centre on sites not identified within the AAP would contribute to the Town Centre Improvement Initiative fund. Pooled contributions will be requested until April 2014 or such time as a Community Infrastructure Levy Schedule is adopted, and the Council would set out in advance the need for joint supporting infrastructure. Until such time, for the specific requirements of the Bromley Town Centre, developers should refer to the Bromley Town Centre Area Action Plan available at:-
<http://www.bromley.gov.uk/environment/planning/town+centre+action+plan/>.

Major and District Town Centres

- 3.43 In support of the Community Plan and in order to ensure the Borough's other town centres remain economically viable and attractive, appropriate planning obligations are may be part of negotiations on any development proposal strictly within the terms of Circular 05/2005 and CIL regulation 122. Obligations may include improvements to the Public Realm, safety and security measures, car clubs, transport improvements, traffic schemes, outdoor recreation and open space, this list is not exhaustive and obligations will be sought on a case by case basis; excludes contributions already sought by virtue of the Bromley Town Centre AAP. Specifically for Orpington Town Centre there is a Masterplan and it is intended that this will be adopted in due course as a Supplementary Planning Document (SPD); this document was published for consultation in June 08 and again amplifies Council policy on developer contributions (Policy IMP 1).

Public Realm and Historic Buildings Improvements

BE4 Public Realm
London Plan policy 4B.3
BE8 Statutory Listed Buildings
BE10 Locally Listed Buildings

- 3.44 All—In line with Circular 05/2005 and CIL regulation 122 Major developments may require contributions or works to control movement through streets, for example, CCTV, lighting, including elements such as areas for children to play, or planting street trees, cycle parking, seating or surface treatments, public spaces can also have soft landscaping improvements not only hard landscaping to control movement. This supports the Community Plan in facilitating a quality environment. The appropriate planning obligations including “enabling development” will be part of negotiations on any development proposals on a case by case basis. Where necessary improvements can be delivered on site no off-site contribution would be sought by the Council. Financial contributions

sought for public realm improvements in Bromley Town Centre will be consistent with priorities identified in policy BTC18 of the AAP

- 3.45 Specifically for historic buildings, types of contribution could include; repair, restoration or maintenance of historic asset (s) and their setting; increased public access and improved signage to and from heritage assets; interpretation panels/ historic information and public open days; production and implementation of up-to-date Conservation Area management plans and appraisals; measures for preservation, investigation and recovery of archaeological remains; display of archaeological sites; dissemination of information for public/school education and research; maintenance and management to the Borough' Scheduled Monuments and Registered Parks and Gardens, and, sustainability improvements (such as loft insulation) for historical buildings. This list is by no means exhaustive but provides an indication of the type of planning obligations that may be expected. Web resources found to be of use to developers are:-

Design for Biodiversity

<http://www.d4b.org.uk/>

Biodiversity by Design

<http://naturalengland.communities.com/naturalenglandshop/docs/TCP1.pdf>

Right Trees for a Changing Climate

<http://www.right-trees.org.uk/>

Adapting to Climate Change: A Checklist for Development

<http://www.london.gov.uk/lccp/publications/development.jsp>

Public Art

BE5 Public Art

- 3.46 Public Art is beneficial in helping to establish a sense of place and local distinctiveness and can also provide a link to local history. Economic benefits can also be gained through their ability to attract visitors and the use of local businesses and individuals in the design. In all major developments in Town, Major and District centres the Council will on a case by case basis encourage proposals for Public Art to enhance buildings and open spaces where appropriate. Public Art can take a number of forms including fine art, sculpture, murals, street furniture, paving and lighting (obligations for the Bromley Town Centre refer specifically to the Area Action Plan). If it is mutually agreed that public art cannot be provided a financial contribution may be acceptable.

Mitigation of environmental impacts (including air, soil and water)

ER2 Waste management facilities

London Plan 4A.7 Renewable Energy

London Plan 4A.9 Adaptation to Climate Change

London Plan 4A.11 – Living roofs and walls

4A.14 Sustainable drainage

4A.17 – Water Quality

London Plan 4A.19

ER7 Contaminated Land
London Plan 4A.20 and the Mayors Ambient Noise Strategy
London Plan 4A.14 & 4A.18
G14 Mineral Workings and Associated Development
G15 Associated Development

- 3.47 With pressure on natural resources and the uncertainty of climate change it is important that new homes are built in ways that provide benefits for both residents and the environment. The Council may seek an obligation on a site by site basis to cover mitigation measures for the additional environmental impact arising from of new development where this cannot be avoided and where development is otherwise acceptable and not for mitigation measures to alleviate an existing problem. Protection of groundwater quality is of importance in Bromley, the Borough having 4 groundwater Source Protection Zones and chalk formation being exposed from the northeast to the south part of the Borough- approximately 50% of the total area.
- 3.48 Attenuation measures may be for immediate impacts for example, noise or access arrangements, reinstatement of a site and surrounding roads or include proposed hours of operation. The measures in the medium or long term may include impact on air quality, ensuring the energy efficiency of a building, or to secure long-term operation and maintenance for example, maintenance for a suitable site sustainable drainage systems and related water management (for example open spaces within development may be designed to accommodate flood waters).
- 3.49 Where planning obligations are required to manage specific impacts they will need to be negotiated on a case by case basis. Where the combined impact of a number of developments creates an infrastructure need, developers contributions (commensurate with impact of each proposal) may be pooled between those developments and where applicable between the Council and potentially other local authorities, until April 2014 or such time as a Community Infrastructure Schedule is adopted.

Summary of Planning Obligations and Costs

APPENDIX 1

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
Affordable Housing	Sites capable of providing 10 units or more or 0.4ha or more in size.	Borough wide	<p>On-site provision or contribution towards housing on an alternative site in exceptional circumstances.</p> <p>On site provision of affordable housing as follows:</p> <p>35% of total number of habitable rooms for affordable purposes split between 70% of the affordable element for social-rented housing and 30% for intermediate housing.</p> <p>Payment-in-lieu may be considered in exceptional circumstances if on-site provision is demonstrated to be practically difficult by the applicant (as set out in Policy H3 of the UDP .2006).</p>	<p>Formula for calculating financial contributions in lieu of on-site affordable housing provision is as follows:</p> <p>Difference between market value of units and financial contribution (from a Housing Association to Developer) set out in Appendix 2 to Affordable Housing SPD March 2008 - x number of affordable units.</p>	Please refer to the Adopted Affordable Housing SPD (2008) for further guidance on affordable housing provision.

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
Transport Demand	Development falling under the Major Development classification	Borough wide	Contribution	Based on a case by case basis depending on the scale and impact of development	Costs can be amended or updated as required depending on the success of implementation and the costs of the resulting projects Pooling of resources may be appropriate in certain circumstances
Highway works	Any development proposals – see criteria	Any proposal creating an additional impact on the road and transport network	Examples: <ul style="list-style-type: none"> • Provision and maintenance of highway improvements • Acquisition/dedication of land for highways improvements • Highway/transport infrastructure • Improvement of highway to ensure it is an adoptable standard • Contribution to increase capacity at public transport nodes • Traffic management • Provision of new or replacement bus stops and facilities • Minor works including contribution for the loss of parking bays, approval of plans and inspection of 	No formula. If a financial contribution is required estimates for the costs will be provided by the Council's Transportation Planning Division	In the majority of proposals the works will be required to be carried out by the developer. The actual cost for Council inspection and supervision will be recovered from the developer. A developer should undertake a survey of an unmade road prior to commencement of development and reinstate the road to a satisfactory state afterwards.

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
Public Rights of Way	On a case by case basis All developments	A diversion of an existing right of way or a new right of way is required for the development to proceed	<p style="text-align: center;">highway works etc</p> Maintenance contribution	No formula. Any contribution will be calculated on a case by case basis depending on scale and impact of the development	The Consultation Transport engineers will provide an estimate of the costs.
Travel Plans	Non residential developments that are likely to generate significant amount of vehicle based movement	Examples: <ul style="list-style-type: none"> • Business uses • Schools & nurseries • Medical establishments • Large retail and leisure developments 	Submit a Travel Plan for approval by the Council. An outline of the Plan should be submitted with the planning application and should be suitable for attachment to the S.106 agreement	Measures could include: <ul style="list-style-type: none"> • Corporate/management commitment and promotion of initiatives to reduce the number of trips made by employees by car • Employing a dedicated Travel Plan advisor • Travel surveys • Challenging targets based on the survey to reduce car usage over a given period together with monitoring procedures 	
Education	All Major	Borough wide	Contribution	Formula to be based	<u>Child Yield= (X)</u>

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
	residential developments of 10 units or more			on X times Y where X equals the expected child yield and Y equals the total cost per child of the expansion scheme	<p><u>Child yield=(X)</u> As set out by dwelling size & tenure in para 3.25 and new para 3.26.</p> <p><u>Cost Per School Place DCS&F multiplied by the Bromley location factor = (Y)</u> (Costs subject to change – see www.teachernet.gov.uk. Figures for Jan 09 as below)</p> <p><u>Nursery place £8,141.</u> Primary — £12 257 Secondary — £18 469 Post-16 — £20 030</p> <p>Multiplied by the Bromley locational factor of 1.12</p>
Employment and Training	Major developments	Borough wide especially in areas where unemployment levels above the Borough average have been identified also where employment and training	<u>Unless such a scheme is provided already ‘in-house’</u> , contribution to or implementation of a Local Employment Training Scheme in partnership with local colleges or be based on the direct provision of employment and training initiatives by the developer or the provision of premises to undertake training, during the construction phase	No formula. Any contribution will be calculated on a case by case basis depending on scale of the development	<p>To make training available to all and promote and ensure access to opportunities e.g. childcare provision may be required for those attending training and access issues for individuals with physical disabilities.</p> <p>Childcare contributions would apply to both training</p>

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
		opportunities could be accessed by those not working or with low skill levels	and post development.		and employment <u>phases</u> .
Health	Major residential developments	Borough wide	Either on-site provision or contribution towards providing or enhancing local health facilities. <u>Any on-site contributions must be progressed following detailed consultation and agreement from the PCT, and be in line with the approach to facilities management being progressed by the NHS, and most up to date PCT documentation setting out the estates strategy. Any agreed on-site contributions should be offered to the PCT at zero or reduced rent. Any premises offered to the PCT at a commercial rent should not be considered contributions.</u>	Health demand produced by a development will be calculated using the NHS Health Urban Development Unit (HUDU) toolkit	Refer to: http://www.healthyurbandevelopment.nhs.uk for more information
Community Facilities	Large residential developments which by their nature generate	Borough wide	Community and ancillary services to mitigate additional pressures on existing provision and, where applicable the loss of existing facilities.	Based on a case by case basis depending on the scale and impact of development.	

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
	a demand for additional community space OR where an existing community facility is lost as a result of development				
Natural Open Space	All Major residential proposals	<p>In areas of deficiency and/or providing access to open space to help improve the provision of such.</p> <p>To mitigate effect of damage to and or loss of wildlife features, habitats and landscape features. Obligations can include new additions/creati</p>	<p>Provided on site or adjacent sites (e.g. a local Council-owned SINC where habitats can be enhanced as a result of a reduction in habitat on a development site), or projects which benefit unspecified biodiversity in the Borough as a whole on the ground or that assist survey work or monitoring on or off site, or provide information on biodiversity to the public or targeted groups (e.g. education packs). <u>Management and impact surveys.</u></p>	<p>No formula obligations will be based on a case by case basis.</p>	<p>Based on a case by case basis however, the following documents can act as guidance:-</p> <p>The Rights of Way Improvement Plan.</p> <p>Biodiversity Action Plan,</p> <p>World Heritage Site Management Plan.</p>

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
		on of habitat/opportunities for biodiversity.			
Sports and Recreation	All Major residential proposals	In areas of deficiency	Provided on site or contribution towards providing necessary facilities on an appropriate site	No formula but should be in line with National Playing Field Standards.	Sport England produce a 'Planning Contributions Kitbag' which can be viewed via http://www.sportengland.org/facilities_planning/planning_contributions.asp
Play Provision	All Major residential proposals	Borough wide	Provided on site or contribution towards providing necessary facilities on an appropriate site	No formula but should be in line with Mayoral Benchmark Standards for play provision	Mayor's Supplementary Planning Guidance "Providing for Children and Young People's Play and Informal Recreation" (March 08) benchmark standards for play provision set out in Table 4.6
Bromley Town Centre (Area Action Plan DPD contains detail).	All development located within the Bromley Town Centre boundary	Development within the area identified in the BTC AAP	<u>For specific obligation details refer to policy BTC31.</u> Examples: <ul style="list-style-type: none"> • Town Centre management • Variable message signing • Car clubs • Travel plans • CCTV • Public Art (see below) 	The level of contribution will vary depending on the scale of development.	Adopted 2010

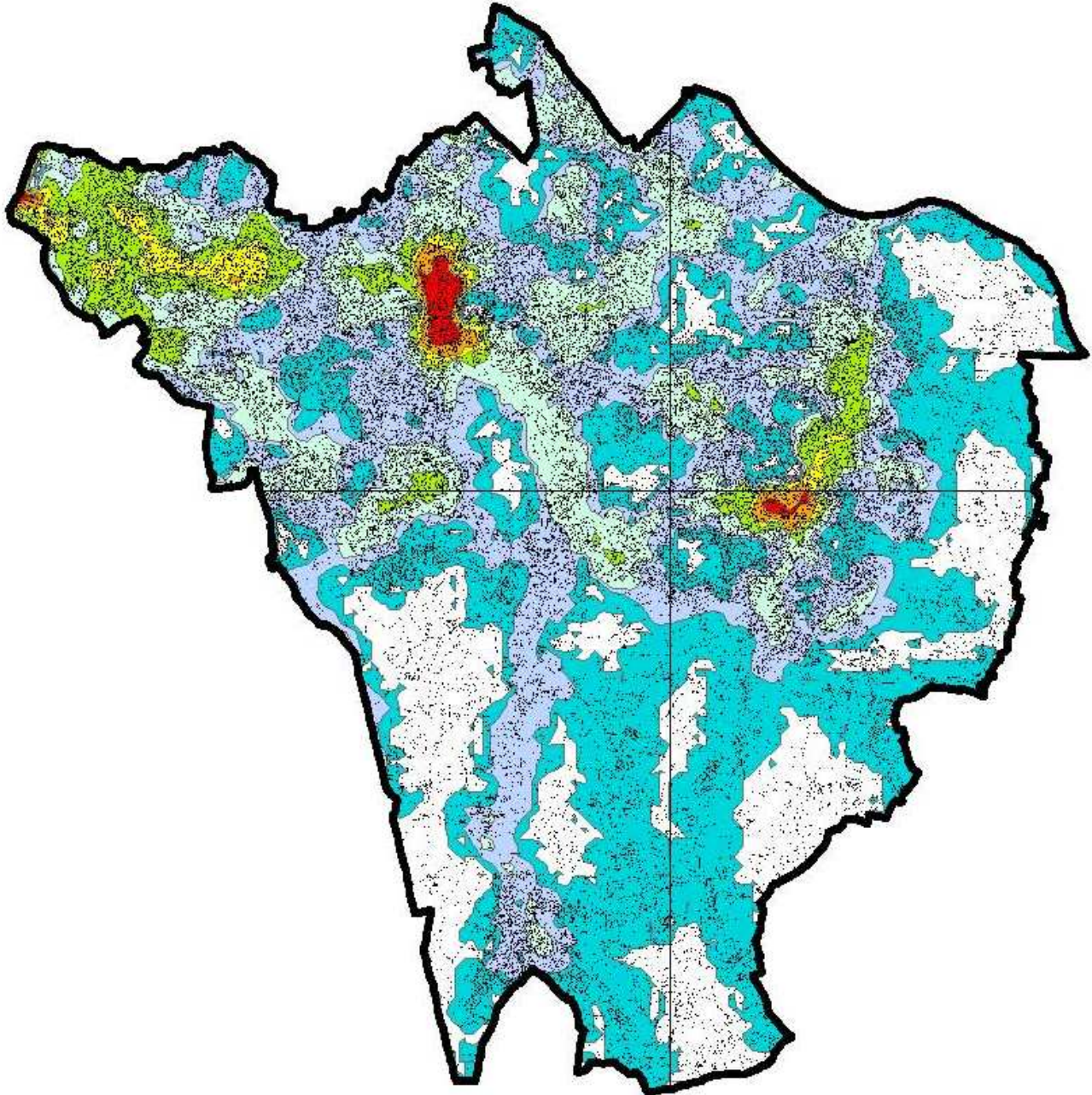
Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
			<ul style="list-style-type: none"> • Public realm improvements • Highways and transport improvements • <u>SUDS</u> • <u>Warnings systems and signage</u> • <u>Recreational facilities, including access, signage and landscaping</u> 		
Major & District Town Centres	All development proposals <u>in such areas</u>	Proposals within the defined shopping frontages; <u>excluding Bromley Town Centre (see above.</u>	Contribution towards town centre management, CCTV and public realm improvements for example Townscaping or lighting.	No formula. Any contribution will be calculated on a case by case basis depending on scale and impact of the development	Draft Orpington SPD published for consultation June 08.
Public realm and built heritage improvements	All Major developments	Borough wide	<p>Contribution to planting and maintenance of trees including street trees.</p> <p>Contribution towards the provision of townscaping of areas within the public realm.</p> <p>Contribution for the restoration /maintenance of the historic fabric.</p>	No formula. Any contribution will be calculated on a case by case basis depending on scale and impact of the development	<p>Costs calculated by the Council as an estimate of the costs of the particular works.</p> <p>In the majority of proposals the works will be required to be carried out by the developer.</p> <p>The actual cost for Council inspection and supervision</p>

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
			Investigation and recovery of archaeological remains. Management plans. Measures for preservation.		will be recovered from the developer
Public Art	All Major developments	Development in town and District centres. & Business areas where appropriate	A piece of work to be incorporated into the design of the building or associated public space around the building. If it is mutually agreed that public art cannot be provided a financial contribution may be acceptable.	No formula. Any contribution will be calculated on a case by case basis depending on scale and impact of the development	
Mitigation of environmental impacts on air, soil and water.	Allny development may have an impact	Borough wide - especially those <u>new</u> developments that place a burden on existing facilities	Examples where contributions or site mitigation measures may be required: <ul style="list-style-type: none"> • Energy efficiency of buildings • Development that may have an adverse impact on public areas, landscape, or biodiversity. • Reducing impact of development on air quality and monitoring to ensure acceptable levels • Site investigations and remedial works on contaminated land 	No formula. Any contribution will be calculated on a case by case basis depending on scale and impact of the development depending on impact and cost of implementing schemes or required maintenance payments, to mitigate effects of development.	Hours of operation of non-residential development will be considered. Waste reduction and recycling initiatives. Community energy efficiency and renewable energy projects Monitoring arrangements. An agreement may be required between the

Subject	Threshold	Criteria	Requirement <u>Types of obligation sought where they are directly related to the proposed development.</u>	Formula	Detail
			<ul style="list-style-type: none"> • Sustainable drainage systems • Mitigate noise pollution • Mitigate light pollution • <u>Protection of groundwater quality.</u> 		developer and the Council to ensure measures are maintained for the life of the building
Planning Obligation Monitoring Service	All developments with Planning Obligations.	All agreements.	Contribution	The Council may charge up to a maximum of £1,000 depending on complexity and phasing.	Dependant on the estimated time involved in monitoring each obligation.
Legal Services	All developments with Planning obligations	All agreements	Contribution	The normal charge is normally between £850- £2,000.	Dependant on the complexity of the case

Public Transport Accessibility Levels (PTALs)

(Source: Transport for London - September 2010)



Key

-  High (level 6a)
-  High (level 5)
-  Moderate (level 4)
-  Moderate (level 3)
-  Low (level 2)
-  Low (level 1b)
-  Low (level 1a)

NOTE:

The map is designed to show indicative borough-wide PTAL levels. It is not suitable for assessing individual sites.

Data Sources: -

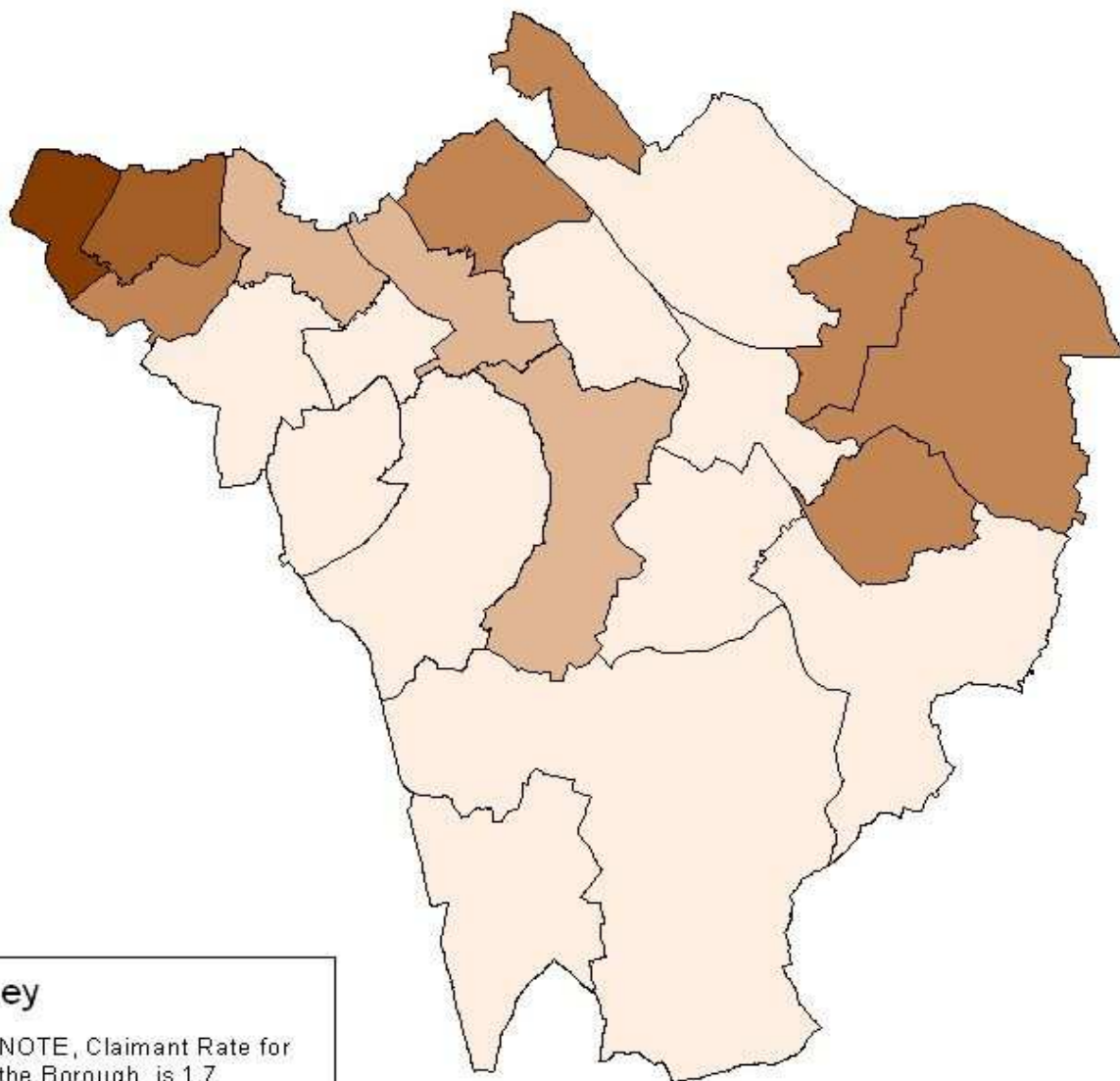
National Rail – 2008 base + London Overground + Recent revisions
London Buses – April 2010 data



1:100,000

Ward Level Claimant Count Rates

(Proportion of resident working population estimates)



Key

NOTE, Claimant Rate for the Borough is 1.7

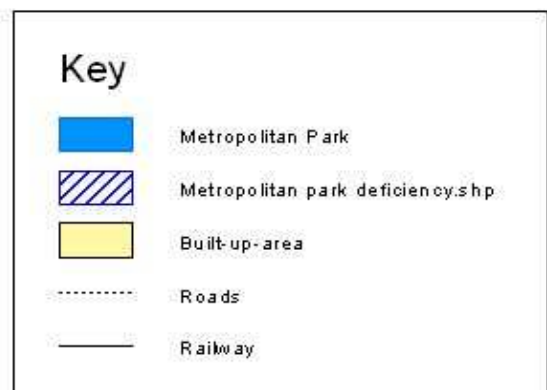
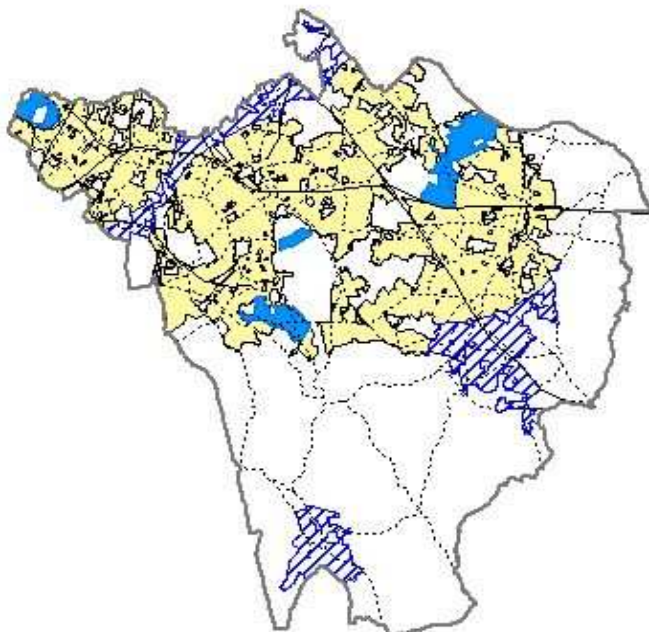
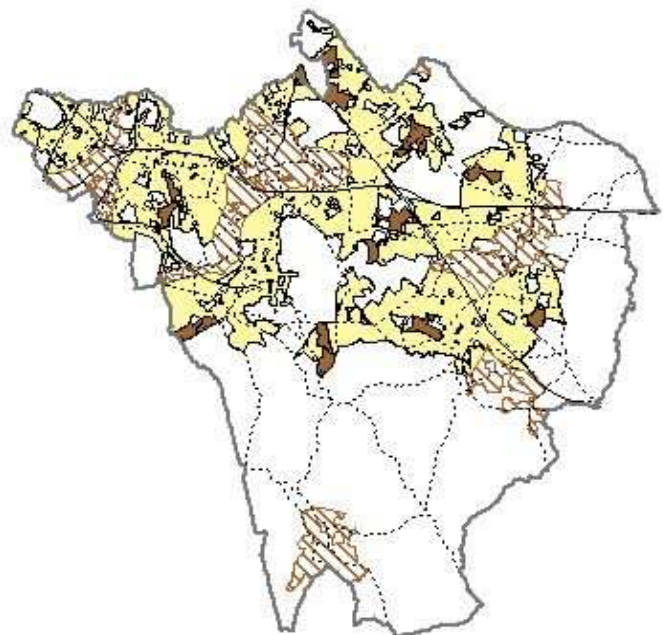
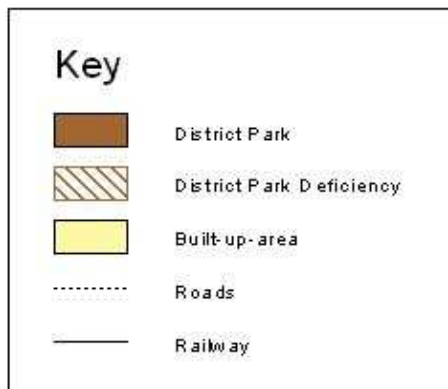
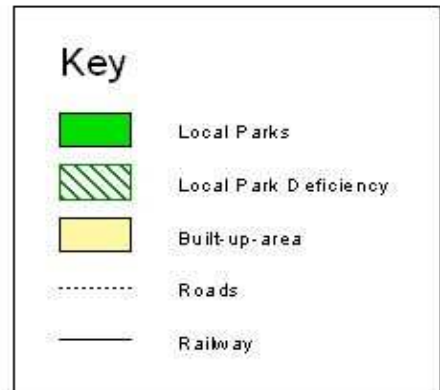
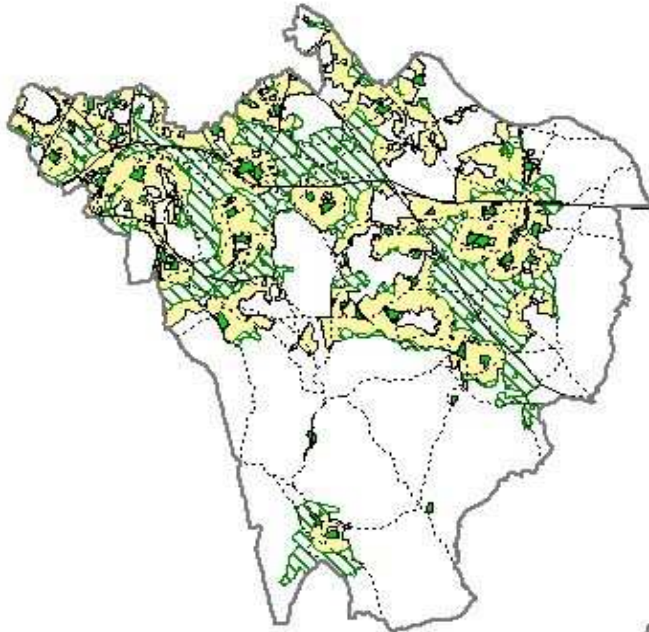
Lightest Tan	0.6 - 1.34
Light Brown	1.34 - 2.08
Medium Brown	2.08 - 2.82
Dark Brown	2.82 - 3.56
Darkest Brown	3.56 - 4.3

The claimant count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices. This is not an official measure of unemployment, but is the only indicative statistic available for areas smaller than Boroughs.

Source: ONS © Crown Copyright Reserved August 2007

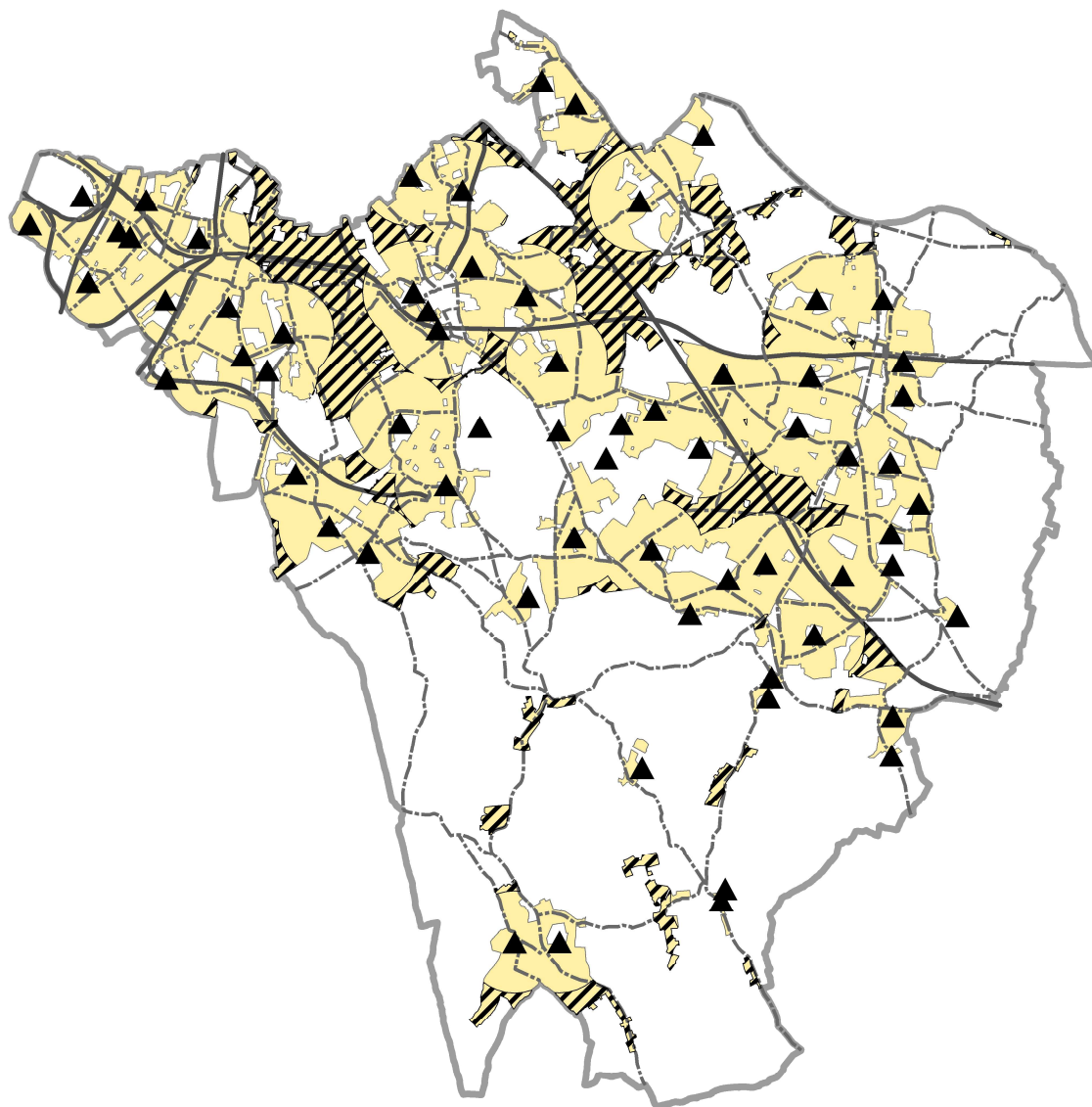
Open Space Deficiency

(Based on the London Plan Hierarchy of Public Open Space)



Childrens' Play Facility Deficiency

(More than 800 metres from Childrens Play Facility)



Key

- ▲ Childrens' play facilities
- ▨ Area deficient in childrens' play facilities
- Built-up-area
- Roads
- Railways

Procedure for Negotiating and Completing a Planning Obligation APPENDIX 6

Stage	Actions	Responsibility
Pre application Agree Heads of Terms prior to submission	1. Applicant to consider relevant SPD and Planning policies prior to submitting application along with proposals for planning obligations. Formal advice can be provided by attendance of all parties at Pre-application meeting to agree Head of Terms to submission	Applicant/Case Officer/Policy/Highways/Other Service Departments /Legal
Formal Consideration of Planning Application and Preparing the Legal Agreement	2. Need for planning obligations confirmed with applicant and legal instructed to prepare S106 Draft	Case Officer/ Legal
	3. Standard letter sent to applicant e.g. requesting proof of title information, and completion of an undertaking by applicant to pay Council's legal costs to be returned	Legal/ Applicant
	4. 1 st Draft obligations sent to applicant's Solicitor for consideration	Legal
	5. Further negotiation meetings held if necessary. Legal begin drafting S106 on a 'without prejudice' basis	Applicant/Case Officer/Legal
	6. Agreed heads of terms and triggers included in committee report	Applicant/Case Officer/Legal
	Committee Consideration Resolution to grant	7. Consider application – if proposal accepted grant permission subject to completion of legal agreements. Resolution to grant planning permission subject to completion of legal agreement. Monitoring Officer to liaise and send Draft Decision Notice and copy of Draft Decision Notice to Legal
Legal Agreement Completion	8. Before agreement is completed, Council to ensure all title matters are in order and the Council's legal costs have been paid	Legal
	9. Copy of final legal agreement, decision notice and any other consents sent to applicant's Solicitor	Legal
	10. Copy sent to S106 Monitoring Officer for circulation to other officers as necessary	Legal/S106 Monitoring Officer
Recording	11. Statutory Register updated to show that permission has been granted. Copy of the legal agreement placed on register and made available on the Council's Planning website	S106 Monitoring Officer

Recording	12. Agreement and consents registered as local land charges	Land Charges	
	13. Agreement registered as a charge against the title at HM Land Registry	Legal/Land Registry	
Monitoring	14. Details of agreement recorded on a shared database and copies of a S106 passed to the relevant partners (see 10 above)	S106 Monitoring Officer	
	15. Implementation of planning permission and compliance of obligations including receipt of the Notification Form, monitored by Planning via joint working with Finance, Address Management, and Land Charges departments. Non-compliance enforced as necessary. Service area officer alerted to receipt of funds, and makes a formal bid for the relevant fund. Committee approval authorises funds for Service area. Database updated.	S106 Monitoring Officer, Finance Officer, Address Management, Land Charges, Relevant Service Area Officer and Enforcement	
	16. S106 Monitoring Officer to check (no less than quarterly End March/June/Sept/Jan) all agreement for compliance with obligation trigger dates (e.g. date of implementation) and notify Finance Officer of findings (even if no action is required) to ensure that all agreements are adhered to	S106 Monitoring Officer Finance Officer	
	17. Where necessary Finance Officer to raise and render sundry debtor invoice using unique ledger code for recording purposes in Council's financial system	Finance Officer	
	18. Finance Officer to monitor debtors invoice and record the date the payment is received	Finance Officer	
	19. Budget monitoring team to generate quarterly budget monitoring statement to Executive	Finance	
	20. Report present bi-annually to PDS Committee	Planning/Finance	

**AGREEMENT PURSUANT TO SECTION 106 OF
THE TOWN AND COUNTRY PLANNING ACT 1990
AND OTHER POWERS IN RELATION TO:**

[Insert site address]

Dated: 201...

**THE MAYOR AND BURGESSES OF
THE LONDON BOROUGH OF BROMLEY**

(1)

and-

[Owner]

(2)

-and-

[List any other interested persons]

(3)

Ref: [Insert file reference no.]

TABLE OF CONTENTS

INTRODUCTION

Clause:

1. INTERPRETATION
2. LEGAL EFFECT OF AGREEMENT
3. COMMENCEMENT
4. OWNER'S COVENANTS
5. COUNCIL'S COVENANTS
6. GENERAL PROVISIONS
- [] **[MORTGAGEE'S CONSENT]**
7. WAIVER
8. INTEREST
9. SEVERABILITY
10. VERIFICATION AND ENFORCEMENT
11. MODIFICATIONS TO AGREEMENT
12. RESOLUTION OF DISPUTES
13. NOTICES
14. REVOCATION
15. THIRD PARTIES
16. JURISDICTION
17. DELIVERY

SCHEDULE

Schedule 1: **Draft Planning Permission**

Schedule 2: **Planning Obligation(s)**

-
- 5 The Parties are satisfied that:
- (a) the restrictions and provisions in this Agreement are relevant to planning considerations concerning the Site;
 - (b) fairly and reasonably relate to the Development;
 - (c) fairly and reasonably relate in scale and kind to the Development; and
 - (d) are reasonable in all respects.
- 6 Having regard to the unitary development plan and the planning considerations affecting the Site, the Council considers that the Development ought only to be permitted subject to the terms of this Agreement and resolved to grant the Permission subject to those terms at its Planning Applications Sub-Committee held on **[insert date]**.

MATTERS AGREED:

1 INTERPRETATION

- 1.1 In this Agreement the following expressions must have the meanings set out below:

“Act” the Town and Country Planning Act 1990 (as amended)

“Agreement” the Planning Obligations made pursuant to Section 106 of the Act

“Application” the application for planning permission dated [] submitted to the Council for the Development and allocated under reference number []

“Chief Planner” the Council’s Chief Planner or any other officer or person properly exercising the authority of the Chief Planner for the time being.

“Commencement Date” means the date on which the Development commences by the carrying out on the Site pursuant to the Planning Permission of a material operation as specified in Section 56(2) and (4) (a) to (d) of the Act and **“Commence”** and **“Commenced”** and cognate expressions will be interpreted in accordance with this definition but material operation for these purposes shall exclude operations consisting of site clearance, demolition work, archaeological investigations, ground investigations, diversion of services, erection of any temporary means of enclosure for the purposes of Development Site security and or the temporary display of site notices or advertisements.

“Council” the party of the first part hereto which shall include its successors and assigns from time to time.

“Development” **[insert description of the development as set out in the in the Application]**

“Interest” interest at 4 per cent above the base lending rate of Barclays Bank plc from time to time.

“Notification Form” the form attached to this Agreement notifying the Council of implementation and completion of obligations.

“Parties” means the Mayor and Burgesses of the London Borough of Bromley (**“the Council”**) [**insert name of the Owner (“the Owner”)** and/ or the Developer (**“the Developer”**) **insert name of the Mortgagee (“the Mortgagee”)**]] which shall include its successors and assigns from time to time

“Permission” planning permission in the form of the draft attached to this Agreement

“Plan” the plan attached to this Agreement

“Site” **[insert site address]** as shown edged red on the plan attached to this Agreement

- 1.2 Any covenant by the **Owner** or the Council not to do any act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done by another person where knowledge of the actions of the other person is reasonably to be inferred.
- 1.3 Any references to any particular statute include any statutory extension, modification, amendment or re-enactment of such statute and also include any subordinate instruments, regulations or orders made in pursuance of it.
- 1.4 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.
- 1.5 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner.
- 1.6 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can

be enforced against all of them jointly and against each individually, unless there is an express provision otherwise.

- 1.7 Where under this Agreement any notice, approval, consent, certificate, direction, authority, agreement, action, expression of satisfaction is required to be given or reached or taken by any party or any response is requested any such notice, approval, consent, certificate, direction, authority, agreement action, expression of satisfaction or response shall not be unreasonable or unreasonably withheld or delayed.
- 1.8 The headings appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement.
- 1.9 Where reference is made to a Clause, Part, Plan, Paragraph, Recital or Schedule such reference (unless the context requires otherwise) is a reference to a clause, part, plan, paragraph, recital or schedule of or to (or in the case of Plan attached to) this Agreement.
- 1.10 References to any Party to this Agreement must include:
- (a) the Party's successors in title and to any deriving title through or under that party; and
 - (b) in the case of the Council, the successors to their respective statutory functions.

2 LEGAL EFFECT OF AGREEMENT

- 2.1 This Agreement is made under the Act and the obligations and are:
- (a) covenants to which the relevant statutory provisions apply; and
 - (b) relate to the Site; and
 - (c) are enforceable by the Council as the local planning authority.
- 2.2 The obligations shall be enforceable without limit of time not only against the **Owner** but also against its agents servants successors in title and assigns and those deriving title under it, Provided That neither the **Owner** nor its agents servants successor in title and assigns shall be liable for any breach of any covenant contained in this Agreement after it has parted with all its interest in

the Site except in relation to any antecedent breach prior to parting with such interest.

3 COMMENCEMENT

3.1 This Agreement is conditional upon:

- (a) the grant of the Planning Permission; and
- (b) the Commencement of Development,

except for the provisions of [**clauses 4(c); 16 and 17**] which shall come into effect immediately upon completion of this Agreement

4 OWNER'S COVENANTS

The **Owner** hereby covenants with the Council:

- (a) To observe and perform and cause to be observed and performed the covenants contained in [**Schedule 2**] of this Agreement; and
- (b) at its own cost to do all things necessary:
 - (i) to enable an entry relating to this Agreement to be made in the Charges Register of the Title Number of the Property, or if the Title is not registered in the Land Charges Register and immediately after execution of this Agreement, to apply to the Chief Land Registrar to make such entry; and
 - (ii) following the making of such an entry to furnish the Council's Solicitor with an official copy of the register entries relating to the Title
- (c) to pay, on completion of the Agreement, the Council's reasonable legal costs and disbursements in connection with the preparation of this Agreement
- (d) to pay any legal and other professional costs incurred by the Council in monitoring or enforcing the performance of the Owner's obligations under this agreement
- (e) to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Agreement have been discharged such notice to give details

of the transferee's full name and registered office (if a company or usual address if not) together with a plan showing the area of the Site purchased

- (f) to complete and submit a copy of the Notification Form attached to this Agreement to the Chief Planner C/o Central Income Section, London Borough of Bromley, BR1 3UH on implementation and completion of each obligation

5. COUNCIL'S COVENANTS

- 5.1 The Council hereby covenants with the **Owner** to observe and perform the relevant covenants contained in this Agreement.

6. GENERAL PROVISIONS

IT IS HEREBY AGREED AND DECLARED that:

- 6.1 The covenants on behalf of the parties to be observed and performed under this Agreement shall be treated as Local Land Charges and registered at the Local Land Charges Registry for the purposes of the Local Land Charges Act 1975; and
- 6.2 Nothing in this Agreement shall prejudice or affect the rights powers duties and obligations of the Council in the exercise by it of its statutory functions and the rights powers duties and obligations of the Council under private or public statutes bye-laws orders and regulations may be as fully and effectively exercised as if it were not a party to this Agreement.
- 6.3 The Council will on written request from the **Owner** and on payment of its reasonable costs and expenses certify whether or not an obligation under this Agreement has been satisfied
- Following the performance and satisfaction of all the obligations contained in this Agreement the Council shall cancel all entries made in the Register of Local Land Charges in respect of this Agreement.

[INSERT ADDITIONAL CLAUSE IF NECESSARY]

[MORTGAGEE'S CONSENT]

[The Mortgagee acknowledges and declares that this Agreement has been entered into by the Owner with its consent and that the Site shall be bound by the obligations contained in this Agreement and that the security of the mortgage over the Site shall take effect subject to this Agreement PROVIDED THAT the Mortgagee shall otherwise have no liability under this Agreement unless it takes possession of the Site (or part thereof) in which case it too will be bound by the obligations as if it were a person deriving title from the Owner]

7 WAIVER

No waiver (whether express or implied) by the Council of any breach or default by the **Owner** in performing or observing any of the covenants undertakings obligations or restrictions contained in this Agreement shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the said covenants undertakings obligations or restrictions or from acting upon any subsequent breach or default by the **Owner**.

8 INTEREST

Without prejudice to any right remedy or power available to the Council, if any payment of any sum referred to shall have become due but shall remain unpaid for a period exceeding twenty one days, the Owner shall pay on demand to the Council interest thereon at the interest rate of four per centum per annum above the base lending rate of Barclays Bank plc, from the date when it becomes due until payment.

9 SEVERABILITY

Each Clause Sub-clause Schedule or paragraph shall be separate distinct and severable from each other, to the extent only that if any of these becomes or is invalid or shall be held by the Courts to be void but would be valid if severed or any wording was deleted or any time period reduced or scope of activities or area covered diminished, then any modifications necessary to ensure such Clause Sub-clause Schedule or paragraph be valid shall apply without

prejudice to any other Clause Sub-clause Schedule or paragraph contained in this Agreement.

10 VERIFICATION AND ENFORCEMENT

- 10.1 The **Owner** shall permit the Council and its authorised employees and agents upon reasonable notice to enter the Site at all reasonable times after receipt of a request in writing for the purpose of verifying whether any obligation arising under this Agreement has been performed or observed.
- 10.2 Without prejudice to the terms of any other provision in this Agreement the **Owner** shall pay the reasonable legal charges and expenses (including without prejudice to the reasonable legal costs and reasonable Surveyor's fees) incurred by the Council for the purpose of or incidental to the enforcement of any right or power of the Council or of any obligation of the **Owner** arising under this Agreement.
- 10.3 Without prejudice to any other right remedy or power contained in this Agreement or otherwise available to the Council, if there is a breach of a requirement in a planning obligation herein to carry out any operations in on under or over the Site the Council may:-
- (a) Enter the Site and carry out the operations; and
 - (b) Recover from the **Owner** any expenses reasonably incurred by the Council in doing so as a debt due and owing
- 10.4 Before the Council exercises its power under clause 10.3 above it shall give not less than 21 days notice of its intention to do so to the **Owner**.

11 MODIFICATIONS TO AGREEMENT

In the event of the planning obligations contained in this Agreement being modified, a note or memorandum shall be endorsed on this Agreement.

12 RESOLUTION OF DISPUTES

- 12.1 Wherever in this Agreement the consent agreement or approval of any Party is required, it shall not be unreasonably withheld or delayed.

12.2 In the event of any dispute between the Parties including any dispute as to reasonableness, any Party may invite any other Party to resolve the dispute by mediation in such manner as the Parties may agree.

12.3 In the event of a dispute between the Parties (other than a dispute relating to a matter of law or in relation to the construction or interpretation of this Agreement which will be subject to the jurisdiction of the courts) the Parties agree that the matter in dispute will on the application of either of them be referred to a Surveyor acting as an expert (hereinafter referred to as the “Expert”) (being a member of the Planning Division of the RICS with not less than ten years recent experience in the field of town and country planning and development) whose identity will be agreed between the Parties or in default of agreement appointed by or on behalf of the President for the time being of the RICS on the application of any Party and it is further agreed that:-

12.3.1 the determination of the Expert will be final and binding on the Parties save in the case of manifest error; and

12.3.2 the Parties will be entitled to make representations and counter-representations in accordance with such timetable as the Expert shall direct; and

12.3.3 the Expert’s costs will be borne in such proportions as he may direct failing which each Party will bear its own costs of the reference and determination and one-half each of the Expert’s costs.

13 NOTICES

13.1 The **Owner** shall give written notice to the Council at least 14 days prior to the Commencement of the Development.

13.2 The provisions of Section 196 of the Law of Property Act 1925 (as amended) shall apply to any notice or approval to be served under or in connection with this Agreement and any such notice to the:

(a) Council shall be in writing and addressed to the Chief Planner at Civic Centre, Stockwell Close, Bromley BR1 3UH and shall quote the reference number referred to in the definition of “Application” in clause 1.1 of this

Agreement and shall state that the notice is served pursuant to this Agreement.

(b) **Owner** shall be in writing and addressed to **[Insert name]** at **[Insert address]**.

(c) **[Include other names and addresses if necessary]**

13.3 For avoidance of doubt, where proceedings have been issued in the Courts of England and Wales, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with such proceedings.

14 REVOCATION

In the event that the Planning Permission is quashed lapses or is revoked or otherwise withdrawn this deed will cease to have any further force or effect unless otherwise agreed in writing with the Council

15 CONTRACTS (RIGHTS OF THIRD PARTIES ACT) 1999

It is hereby agreed between the Parties that the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no one other than the Parties to this Agreement (and any of its servants successors in title assigns or successor bodies) shall have any rights under or be able to enforce the provisions of this Agreement.

16 JURISDICTION

This Agreement is governed by and interpreted in accordance with the law of England and Wales.

17 DELIVERY

The provisions of this Agreement (other than this clause which shall be of immediate effect) shall be of no effect until this Agreement has been dated.

IN WITNESS whereof the parties hereto have executed this Agreement as a deed on the day and year first before written.

EXECUTED AS A DEED when the common seal of)
THE COUNCIL was affixed in)
The presence of:)

SIGNED AS A DEED by)
[INSERT NAME])
.....)



NOTIFICATION FORM

Notification/cheques and letters to be sent for the attention of: **Chief Planner, C/o Central Income Section. London Borough of Bromley, Civic Centre, Stockwell Close, Bromley BR1 3UH**

Section 106 Legal Agreement

Site address: _____

Date of Legal Agreement: _____

Planning Reference: _____

Date of implementation of development and or Date of relevant trigger (s): _____

Obligation(s) quote Schedule(s) and Clause No(s)

Please continue on separate sheet if necessary

Section 106 Obligation

Documentation submitted to the Council with this form:

NB: please continue on separate sheet(s) if necessary.

CONTACT DETAILS

YOUR REFERENCE:

DATE SUBMITTED:

SUBMITTED BY: _____

ADDRESS: _____

PHONE/FAX NUMBER: _____

FOR COUNCIL USE

COST CODES: _____

Note: This form is of a summary nature only and is not intended to be a binding legal document. The London Borough of Bromley uses this form to assist in the monitoring and implementation of the covenants and obligations in the s106 Agreement. No statement or declaration in this form shall override, vary, or modify the wording of the s106 Agreement. If a contradiction does exist between the Form and the s106 Agreement, then the s106 Agreement is to take precedence. **All cheques should be made payable to "London Borough of Bromley"**

APPENDIX 9

AFFORDABLE HOUSING DEFINITIONS AND INTERPRETATIONS

Affordable Dwelling(s): means a Dwelling which shall not be occupied other than as Affordable Housing

Affordable Housing: Means 'social rented' and 'intermediate' housing provided by a Registered ~~Social Landlord~~ **Provider** that is affordable for households that are unable to rent or buy on the open market including the relevant level of parking provision for the units

(i) Social rented housing: Is housing where rents are within the Homes and Communities Agency's target rent levels.

(ii) Intermediate housing: Is housing that is affordable to households with income levels of less than £35,000 per annum, based on a household spending no more than 33% of its gross income on housing costs. Housing costs include rents, mortgages and service charges.

Tenure 70% of the Affordable Dwellings shall be Social Rented Dwellings and 30% of the Affordable Dwellings shall be Intermediate Dwellings unless otherwise agreed in writing by the Council's Assistant Director (Housing and Residential Services).

Registered Provider previously known as the Registered Social Landlord (prior to April 2010): Means a registered provider ~~social landlord~~ as defined in ~~Part 1 of the Housing Act 1996~~ **Housing and Regeneration Act 2008**, registered with the Homes and Communities Agency and a partner on the Council's approved list that has been agreed in writing by the Council's Assistant Director (Housing and Residential Services).

Affordable Housing Scheme that part of the Development comprising [...] no habitable rooms and [...] no residential dwellings [...*describe mix of affordable dwellings setting out no of habitable rooms and dwelling size in metres squared e.g.: 2 x 2 bedroom flats, 55 metres squared.*] and in number comprising 35% of the total number of Habitable Rooms including market housing units within the application) together with [.....] car parking spaces shown on drawing numbers [*drawing references*]; or any one or more of them

****NB the detail in italics in this definition needs to be filled in by the applicant**

South East London Housing Partnership: Wheelchair Homes Design Guidance design guidance which has been adopted as the design brief for all wheelchair homes in SE London.

Habitable Room means any habitable room as defined in the RICS Code of Measurement 5th Edition, within a Dwelling, the primary purpose of which is for living, sleeping or dining including kitchens where the total area (including fittings) is more than 13 square metres and for the avoidance of doubt in blocks of flats rooms exceeding 20 square metres which are readily capable of division shall be counted as two

Chargee/ mortgagee: any mortgagee or chargee of the Registered ~~Social Landlord~~ **Provider** or the successors in title to such mortgagee or chargee or any receiver or manager (including an administrative receiver) appointed pursuant to the Law of Property Act 1925

Chargee's/ mortgagee's duty: The tasks and duties set out in paragraph [...] Schedule [...] (*detailed in this document under Covenants: In-Perpetuity/Chargee's/mortgagee's duty*)

Protected tenant: any tenant who

(a) has exercised the right to acquire pursuant to the Housing Act 1996 or any statutory provision for the time being in force (or any equivalent contractual right) in respect of a particular Affordable Dwelling

(b) has exercised any statutory right to buy (or any equivalent contractual right) in respect of a particular Affordable Housing Dwelling

(c) has been granted a shared ownership lease by a Registered ~~Social Landlord~~ Provider (or similar arrangement where a share of the Affordable Dwelling is owned by the tenant and a share is owned by the Registered ~~Social Landlord~~ Provider) by the Registered ~~Social Landlord~~ Provider in respect of a particular Affordable Dwelling and the tenant has subsequently purchased from the Registered ~~Social Landlord~~ Provider all the remaining shares so that the tenant owns the entire Affordable Dwelling

COVENANTS

In perpetuity/ Chargee's/ mortgagee's duty : From the date of Practical Completion of the Affordable Dwellings shall not be used other than for Affordable Housing save that this obligation shall not be binding on:

(a) any Protected Tenant or any mortgagee or chargee of the Protected Tenant or any person deriving title from the Protected Tenant or any successor in title thereto and their respective mortgagees and chargees; or

(b) any Chargee provided that the Chargee shall have first complied with the Chargee's Duty

(c) any purchaser from a mortgagee of an individual Affordable Dwelling pursuant to any default by the individual mortgagor.

OR

In perpetuity/ Chargee's/ mortgagee's duty : Subject to the provisions hereinafter appearing the Owner covenants with the Council not to allow the occupation of the units to be constructed pursuant to the Permission except for the provision of Affordable Housing

The Owner covenants with the Council:

(1) not to use the Affordable Dwellings otherwise than for the purposes of Affordable Housing; and

(2) not to dispose of any of the Affordable Dwellings otherwise than by way of rental or by way of shared ownership

The provisions contained in Clauses 1 to 2 inclusive shall not bind nor be enforceable against:-

(a) any mortgagee or chargee of the Owner which mortgagee or chargee is exercising its powers of sale in respect of the Site against the Owner

(b) an occupant of an Affordable Dwelling who has a shared ownership leave of an Affordable Housing Unit or who has exercised a statutory right to acquire under the Housing Act 1996 or otherwise ("Occupant") or any person other than a Registered ~~Social Landlord~~ Provider deriving title under any such Occupant

a mortgagee of an Occupant in the event that the mortgagee of an Occupant seeks to dispose of an Affordable Dwelling pursuant to its power of sale exercised pursuant to default of the terms of the mortgage

AFFORDABLE HOUSING SCHEDULE

35% of the total number of Habitable Rooms of all Dwellings to be constructed as affordable housing

70% of the Affordable Dwellings (rounded to the nearest whole number) shall be Social Rented Dwellings

30% of the Affordable Dwellings shall be of intermediate tenure

10% of Dwellings shall be designed in accordance with the standards set out in the South East London Housing Partnership: Wheelchair Homes Design Guidance

35% of the social rented units shall be 3 bed 5 person units or larger

All Affordable Dwellings shall be designed in accordance with Homes and Communities Agency's Design and Quality Standards April 2007

All Affordable Dwellings shall be designed to achieve level ~~3~~ 4 in the Homes and Communities Agency's "Code for Sustainable Homes"

All Affordable Dwellings shall be designed in accordance with the principles contained in the document "Lifetime Home Standards" published by the Joseph Rowntree Foundation and dated 1999

All Affordable Dwellings shall be designed in accordance with the principles contained in the document "Secured by Design"

The Affordable Dwellings will at all times be managed by a Registered ~~Social Landlord~~ Provider

All Affordable Dwellings shall be purchased by the Registered ~~Social Landlord~~ Provider without direct public subsidy unless otherwise approved in writing by the Council's Assistant Director (Housing and Residential Services). It is the responsibility of the applicant, through discussions with the Council and an ~~RSL~~ RP, to enquire as to the availability of subsidy. Any decision taken in relation to the use of public subsidy shall include the assessment of an affordable housing development appraisal to be presented to the Council by the applicant, in partnership with the ~~RSL~~ RP, at the earliest stage.

The Council requires that affordable housing be transferred to an approved ~~RSL~~ RP on a freehold basis.

No more than 50% of the Market Housing shall be Occupied until the Affordable Housing Dwellings have been transferred to the Registered ~~Social Landlord~~ Provider on terms that accord with relevant Homes and Communities Agency funding requirements current at the date of construction of the Affordable Housing Units.

GLOSSARY

APPENDIX 10

Term	Definition
The Act	The Planning and Compulsory Purchase Act 2004.
Affordable Housing	<p>Social-rented housing: housing provided by a landlord where access is on the basis of housing need, and rents are no higher than target rents set by the Government for housing association and local authority rents.</p> <p>Intermediate housing: sub-market housing available to people on moderate incomes who cannot afford to buy or rent housing generally available on the open market. This is presently defined as households on an income of less than £35,000 per annum (as at 2008) <u>however this figure will be reviewed annually</u> to reflect changes in income: house price ratios. Intermediate housing may take the form of shared ownership, low cost home ownership or sub market rented housing, as defined in the UDP 2006.</p>
Area Action Plan (AAP)	LDD setting out the planning framework for areas with a concentration of proposals for change and areas of conservation, AAP's have DPD status.
Community Infrastructure Levy (CIL)	CIL is a general charge that local Planning Authorities can (from April 2010) choose to set on most types of new development following the development and publication of a Development Charge Schedule DPD..
Core Strategy	Sets out the long-term spatial vision for the local planning authority area, strategic objectives, and strategic policies to deliver that vision. The Core Strategy will have the status of a Development Plan Document.
Development Plan Documents (DPD)	Spatial planning documents that are subject to independent examination.
Engrossment	Final version of a deed prepared for signature by all parties to the legal agreement.
Greater London Authority (GLA)	The strategic authority for London, which assumed its main responsibilities in July 2000. The Mayor for London has a duty to prepare a number of city-wide strategies, including a <i>Spatial Development Strategy (The London Plan)</i> .
Habitable Room	A room within a dwelling the primary purpose of which is for living, sleeping or dining - including kitchens where the total area (including fittings) is more than 13 sq.m. In proposals for blocks of flats, rooms exceeding 20 sq.m. readily capable of division will be counted as two.
Heads of Terms	Proposed terms or clauses to be included in a s.106 legal agreement.
Household	One person living alone or a group of people (who may or may not be related) living or staying temporarily at the same address, with common housekeeping (1991 Census definition).

Legal Agreement	In accordance with Section 106 of the Town and Country Planning Act 1990, advantages may be offered or sought as part of a development proposal (planning obligations) in order to limit the effects of that proposal, or which are necessary for it to be implemented e.g. highways improvements or contributions to education provision.
Local Development Documents (LDDs)	The collective term in the Act for Development Plan Documents, Supplementary Planning Documents, and the Statement of Community Involvement (SCI).
Local Development Framework (LDF)	The name of the portfolio of LDDs. Consisting of: <ul style="list-style-type: none"> • Development Plan Documents • Supplementary Documents • Statement of Community Involvement • Local Development Scheme • Annual Monitoring Report Together these documents provide the framework for delivering spatial planning strategy for a local authority area.
Local Development Scheme (LDS)	Sets out the programme for the preparation of LDDs. This must be submitted to the Secretary of State for approval within six months of the commencement of the Act.
Planning Policy Statements (PPSs)	Government advice on various planning policy matters issued from time to time to guide Local Planning Authorities in their operation of the planning system.
Registered Social Landlord (RSL) Provider	A non profit-making organisation registered with the Housing Corporation whose purpose is the provision, construction, improvement or management of houses for sale or rent (see Policy H2).
Sealed	Sealed or stamped with the Borough Crest and signed by the Mayor/ or Councillor, or Director of Legal and Democratic Services/Senior Solicitor.
Statement of Community Involvement (SCI)	LDD which sets out the methods and standards which the planning authority intend to achieve in relation to involving the community in the preparation, alteration and review of all LDDs and in development control decisions. The SCI is not a DPD but is subject to independent examination.
Spatial Development Strategy	A statutory plan prepared by the Mayor for London. This aims to provide an integrated approach to strategic planning and land use issues in London.
Supplementary Planning Document (SPD)	Introduced under the Town and Country Planning Regulations (2004) previously referred to as SPG (see above). Provides additional guidance on certain planning topics.

Section 106 List of Contacts

APPENDIX 11

	Contact	Telephone
Monitoring s.106 agreements	Karen Bradshaw Rebecca Black	020 8313 4550 020 8313 4345
General s106 Policy	Terri Holding	020 8313 4344
Affordable Housing	Stephanie Turner Martin Poole	020 8313 4477 020 8313 4676
Highways	Duncan Gray	020 8313 4556
Landscape/Public Realm Improvements. Public Art.	Matthew Etherington	020 8313 4573
Biodiversity Action Plan	Alister Hayes	0208 461 7808
Community Infrastructure. Education and Health	Gill Slater	020 8313 4492
Open Space/Sports and Recreation	Doug Ogilvie	020 8313 4454
Bromley Area Action Plan	Kevin Munelly	020 8313 4582
Sustainable Development	Katie Ryde	020 8313 4520
Major Developments Team Manager	Chris Evans	020 8313 4554

BACKGROUND DOCUMENTS

APPENDIX 12

National

Planning Act 2008
Planning and Compulsory Purchase Act 2004
Highways Act Section 278 (1980)
Education Act (2002)
Children Act (2004)
Child Care Act (2005)
Circular 05/2005 on Planning Obligations (2005)
Office of National Statistics (2007)
Census 2001, National Report for England and Wales (2003)
Planning Policy Statement 1: Delivering Sustainable Development (2005)
Planning Policy Statement: Planning and Climate Change, Supplement to Planning Policy Statement 1 (Dec 2007).
Planning Policy Statement 12 Local Development Frameworks (2008)
Planning Policy Guidance 13: Transport (2001)
Planning Policy Guidance 17: Planning for Open Space, Sport and Recreation (2002)
Sustainable Communities: Building the Future (2003)
Barker Review of Housing Supply (2004)
Every Child Matters: Change for Children (2003)
London Research Centre Labour Land Use Survey (1991)
Housing Green Paper: Homes for the future (Aug 2007)
CLG - Community Infrastructure Levy consultation July-Oct 2009

Regional

The London Plan: Spatial Development Strategy (2008)
The London Plan: Consultation draft replacement plan (2009)
Transport for London (TfL) Travel Plan Best Practice Guidance (2006)
Mayor's Supplementary Planning Guidance: 'Providing for Children and Young People's Play and Informal Recreation (2008)

Local

Unitary Development Plan (2006)
Building A Better Bromley, Sustainable Community Strategy (March 2009)
Local Development Scheme (2007)
Draft SPD – Affordable Housing (2007)
Statement of Community Involvement (2006)
The Future of Darwin's Wildlife in Bromley: The Bromley Biodiversity Plan (2006-9)
Rights of Way Improvement Plan (2007)
Bromley Town Centre Area Action Plan Submission 2009

Websites

http://www.sportengland.org/facilities_planning/planning_contributions.asp
<http://www.healthyrurbandevelopment.nhs.uk>
<http://www.statistics.gov.uk>
<http://www.london.gov.uk/thelondonplan> <http://www.london.gov.uk/mayor/strategies/sds/bpg-health.jsp>
<http://www.teachernet.gov.uk/management/resourcesfinanceandbuilding/schoolbuildings/schooldesign/costinformation/>
<http://www.teachernet.gov.uk/docbank/index.cfm?id=10463>
http://www.bromley.gov.uk/education/childcare/bromley_play_strategy_2007_2012.htm

Report No.
DRR 10/00139

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Executive

Date: 8th December 2010

Decision Type: Urgent Executive Non-Key

Title: PROPOSALS FOR CHANGES TO PLANNING APPLICATION FEES CONSULTATION

Contact Officer: Bob McQuillan, Chief Planner
Tel: 020 8313 4441 E-mail: bob.mcquillan@bromley.gov.uk

Chief Officer: Bob McQuillan

Ward: N /A

1. Reason for report

This report provides a suggested response on the questions asked as part of the consultation on planning application fees.

2. **RECOMMENDATION**

Members endorse the recommended responses.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Quality Environment.
-

Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Planning
 4. Total current budget for this head: £3.3m
 5. Source of funding: Existing revenue budget
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Research commissioned by the Department of Communities and Local Government from Arup in 2009 suggested that planning application fees were not covering the cost of handling those applications. In response a consultation on Proposals for Changes to Planning Application Fees has commenced. The consultation ends on 7th January 2011. A copy of the consultation document is attached.

3.2 At present planning fees are set nationally. Not all applications attract a fee. The consultation paper puts forward two options:-

1. Decentralise the responsibility of setting fees to local planning authorities
2. Maintain the current fee system

Option 1 is the preferred option in the consultation paper.

3.3 Comments are also sought on allowing local planning authorities to decide whether to give applicants a “free go” when resubmitting an application following refusal or withdrawal and to allow local planning authorities to set a higher fee for retrospective applications. It is not proposed to change the type of applications which do not attract a fee. The fee will cover only handling, processing and determining applications which attract a fee. It will not cover any other aspect of the planning service which remains to be funded by the local authority.

3.4 The consultation seeks a response to a number of questions

Question 1

Do you agree that each LPA should be able to set its own (non profit making) planning application fee charges?

While on the face of it this is an attractive change, in practice because the fees will operate on a cost recovery basis, it will not change the percentage of the planning service which will be covered by fee income.

Question 2

Do you agree that LPAs should be allowed to decide whether to charge for applications that are resubmitted following withdrawal or refusal?

This seems to be an appropriate change as resubmitted applications have similar consultation and processing costs for the LPA.

Question 3

Do you agree that LPAs should be able to set higher fees for retrospective applications?

Yes. As it is clearly unacceptable for applicants not to seek permission before commencing work, it is to be hoped that a higher fee would reduce the number of such applications.

Question 4

Are there any other development management services which are not currently charged for but should require a fee?

As the consultation paper makes clear, it is not proposed to change the exemption from fees of Listed Building, Conservation Area Consent applications and applications required for works to

protected trees. This is on the basis that owners cannot opt out of these designations which are in the public interest. However it would seem reasonable to be able to charge a fee for applications required because permitted development rights have been removed by condition. Such conditions are imposed because of local circumstances.

Question 5

Are there any other development management services which currently require a fee but should be exempt from charging?

No

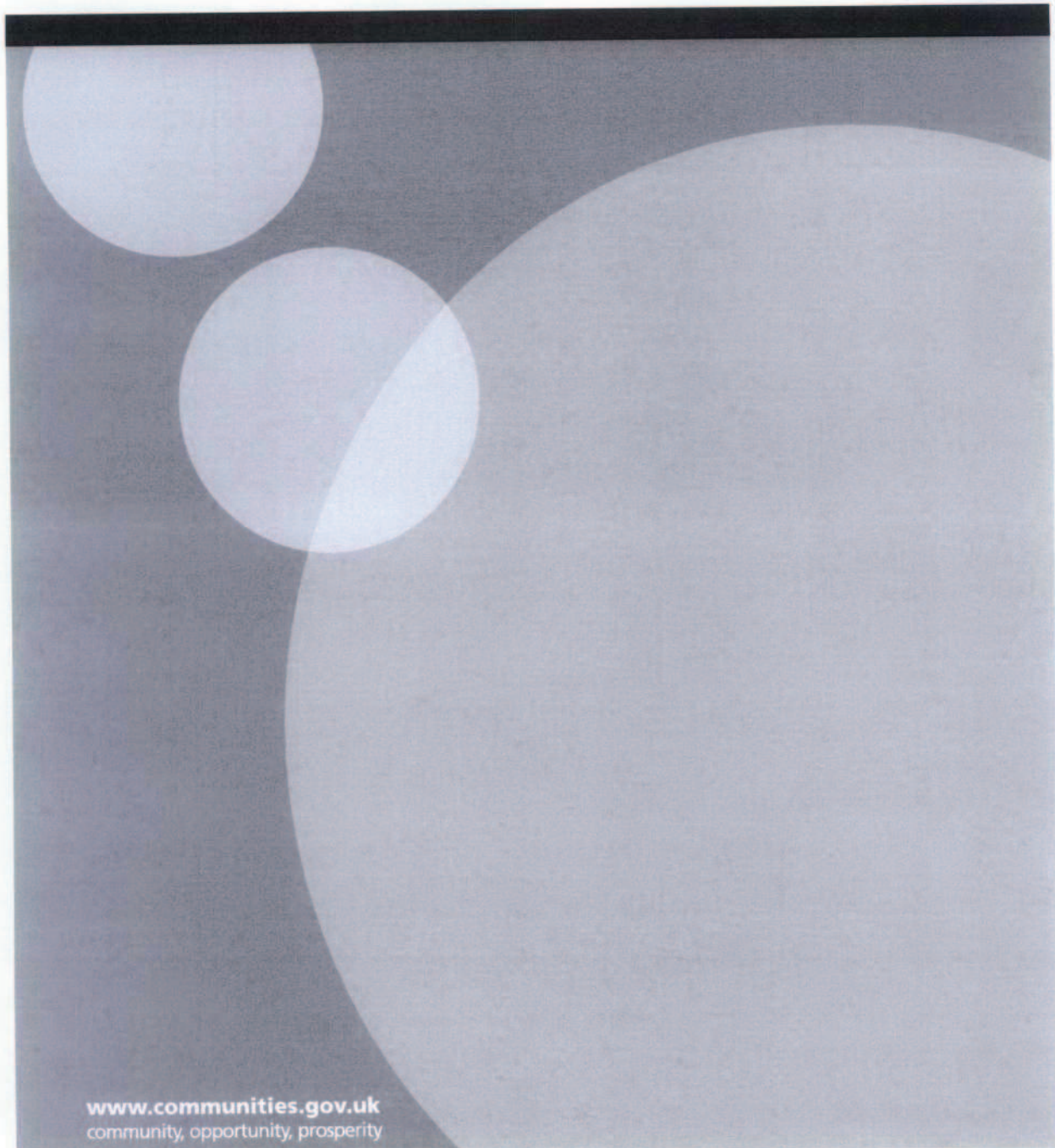
4 FINANCIAL IMPLICATIONS/ PERSONNEL IMPLICATIONS

- 4.1 At this early stage and with limited detail available about the final option to be chosen, it is not possible to add to what is in the body of the report. Should the preferred option be adopted, it may limit the percentage of the planning budget within the Council's control and could increase the cost of providing that part of the planning service not covered by fee income.

Non-Applicable Sections:	Policy; Legal	
Background Documents: (Access via Contact Officer)	Proposals for Changes to Planning Application Fees Consultation	



Proposals for changes to planning application fees
in England
Consultation



www.communities.gov.uk
community, opportunity, prosperity



Proposals for changes to planning application fees
in England
Consultation

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000
Website: www.communities.gov.uk

© Crown Copyright, 2010

Any other use of the contents of this publication would require a copyright licence. Please apply for a Click-Use Licence for core material at www.opsi.gov.uk/click-use/system/online/pLogin.asp, or by writing to the Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU

e-mail: licensing@opsi.gov.uk

If you require this publication in an alternative format please email alternativeformats@communities.gsi.gov.uk

DCLG Publications
Tel: 0300 123 1124
Fax: 0300 123 1125
Email: product@communities.gsi.gov.uk
Online via www.communities.gov.uk

November 2010

ISBN: 978 1 4098 2610 1

Contents

Introduction	7
The legal background	8
Resourcing the planning system	9
The changes we propose	10
Options	11
Invitation to comment	14
Annex A	
Fees for development management services	17
Annex B	
Impact assessment	19
Annex C	
Criteria for governmental consultation exercises	45

Scope of the consultation

<p>Topic of this consultation:</p>	<p>Planning application fees</p> <p>Local planning authorities received more than 450,000 planning applications in 2009-10, including everything from house extensions to large developments. It is resource intensive for authorities to handle, check and publicise applications and give each one appropriate and careful consideration. Local planning authorities charge fees in order to recover the costs of processing most types of planning applications. Fees are currently set nationally.</p>
<p>Scope of this consultation:</p>	<p>This consultation paper proposes changes to the planning application fees regime which would decentralise responsibility for setting fees to local planning authorities. We also propose to widen the scope of planning application fees so that authorities can charge for more of their services. This would enable (but not compel) authorities to charge for resubmitted applications, and would allow authorities to charge higher fees for retrospective applications. Both proposals will help to reduce taxpayer subsidy of planning applications.</p>
<p>Geographical scope:</p>	<p>Applies to local planning authorities in England.</p>
<p>Impact Assessment:</p>	<p>There is an impact assessment attached and it can be found at Annex B. We have undertaken an equalities impact assessment initial screening and no issues have been identified. If responses to consultation highlight any equalities issues with proposals, we will undertake a full equalities impact assessment as is necessary.</p>

Basic Information

To:	Local planning authorities, developers, businesses, householders and anyone else who makes planning applications.																								
Body/bodies responsible for the consultation:	<p>This consultation document is available on the Communities and Local Government website. If necessary, paper copies can be obtained from Julian Wheeler (see below). Your representations, by e-mail or in writing, should be sent – for receipt by the closing date of 7 January 2011 – to:</p> <p>Julian Wheeler Department for Communities and Local Government Zone 1/J1, Eland House Bressenden Place London SW1E 5DU e-mail: julian.wheeler@communities.gsi.gov.uk</p>																								
Duration:	15 November 2010 – 7 January 2011																								
Enquiries:	As above																								
How to respond:	As above																								
Additional ways to become involved:	<p>This policy change is a significant change for local authorities and developers and to help with the understanding of our proposals we have provisionally booked venues for a series of seminars for local authorities around the country. A separate event for developers and business interests will be held in London. This is aimed at chief planners or those with financial responsibilities to bring forward ideas about how to set up their own fees structure in time to meet the 1st October 2011 deadline.</p> <p>If you would like to take part in one of these workshops please email julian.wheeler@communities.gsi.gov.uk to book a place indicating your preferred venue (and a second choice). Please note that there are a limited number of spaces available at some venues so places will be allocated on a first come first served basis (or second choice venues will be allocated where possible).</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Time</th> <th>Venue</th> </tr> </thead> <tbody> <tr> <td>Friday 26 November</td> <td>10.30 – 12.30pm</td> <td>London (businesses)</td> </tr> <tr> <td>Monday 29 November</td> <td>2.30 – 4.30pm</td> <td>London (local planning authorities)</td> </tr> <tr> <td>Wednesday 1 December</td> <td>2 – 4pm</td> <td>Bristol</td> </tr> <tr> <td>Thursday 2 December</td> <td>2 – 4pm</td> <td>Leeds</td> </tr> <tr> <td>Wednesday 15 December</td> <td>2- 4pm</td> <td>Nottingham</td> </tr> <tr> <td>Monday 20 December</td> <td>2 – 4pm</td> <td>Manchester</td> </tr> <tr> <td>Tuesday 21 December</td> <td>10.30 – 12.30pm</td> <td>Guildford</td> </tr> </tbody> </table>	Date	Time	Venue	Friday 26 November	10.30 – 12.30pm	London (businesses)	Monday 29 November	2.30 – 4.30pm	London (local planning authorities)	Wednesday 1 December	2 – 4pm	Bristol	Thursday 2 December	2 – 4pm	Leeds	Wednesday 15 December	2- 4pm	Nottingham	Monday 20 December	2 – 4pm	Manchester	Tuesday 21 December	10.30 – 12.30pm	Guildford
Date	Time	Venue																							
Friday 26 November	10.30 – 12.30pm	London (businesses)																							
Monday 29 November	2.30 – 4.30pm	London (local planning authorities)																							
Wednesday 1 December	2 – 4pm	Bristol																							
Thursday 2 December	2 – 4pm	Leeds																							
Wednesday 15 December	2- 4pm	Nottingham																							
Monday 20 December	2 – 4pm	Manchester																							
Tuesday 21 December	10.30 – 12.30pm	Guildford																							
After the consultation:	Responses to the consultation will be analysed and considered before the Government's response to the consultation is published on the DCLG website.																								

<p>Compliance with the Code of Practice on Consultation:</p>	<p>The consultation does not comply with the Code which recommends a 12 week consultation period. This consultation will be for a reduced period of eight weeks because of the need to prepare secondary legislation, which will need to be debated and approved by Parliament before it can come into effect on 4 April 2011. An eight week period will enable the Government to take into account representations before drafting secondary legislation.</p>
---	--

Background

<p>Getting to this stage:</p>	<p>The Planning Act 2008</p> <p>The provisions for charging planning application fees are set out in section 303 of the Town and Country Planning Act 1990, as substituted by section 199 of the Planning Act 2008. These provisions:</p> <ul style="list-style-type: none"> • allow fees to be charged in relation to any function of a local planning authority and for matters ancillary to those functions • allow the Secretary of State to prescribe fees or a means of calculating fees to be set by someone else (such as a local planning authority) • allow the Secretary of State to prescribe when a service would be exempt from fees <p>Research on planning application fees was undertaken by the previous Government (see next section). It informs our proposals.</p>
<p>Previous engagement:</p>	<p>The District Councils Network has published a paper on local authority fees and charges, which includes proposals to decentralise responsibility for setting planning application fees. The Local Government Association is in favour of these proposals.</p> <p>In February 2009, the previous Government commissioned independent research from Arup¹ to look at whether planning application fees were covering local authority costs, and to identify methods that authorities could use to set their own charges. Arup's report is available on our website. It shows:</p> <ul style="list-style-type: none"> • that authorities are recovering around 90 per cent of their costs, on average • that between April 2006 and March 2010 (with projections used for 09-10) the average cost of handling and determining planning applications was £619, and the average fee received was £569 • that around 35 per cent of development management resources are being allocated to dealing with applications which do not currently incur a fee

¹ *Planning Costs and Fees*, Ove Arup & Partners for Communities and Local Government, November 2010

Introduction

1. Local planning authorities received more than 450,000 planning applications in 2009-10, including everything from house extensions to large developments. It is resource intensive for authorities to handle, check and publicise applications and give each one appropriate and careful consideration. Local planning authorities are able to charge fees in order to recover the costs of processing most types of planning applications.
2. Fees are currently set nationally, which means they do not take account of differing local circumstances and market conditions. This is contrary to the spirit of localism, and the principle that decisions should be taken at the lowest possible level, by people who are accountable to the public.
3. The majority of local planning authorities are failing to recover costs from fee income. Since planning permission often adds significant value to land, this means that local tax payers are subsidising applications which may make the applicant a considerable profit. On the other hand, some authorities are actually generating more income through charging fees than it costs to process applications, because the national charges exceed their local costs.
4. The only way to overcome this is to enable authorities to set their own fees which reflect local costs, and encourage them to run a fair and efficient system.
5. This consultation paper proposes changes to the planning application fees regime which would decentralise responsibility for setting fees to local planning authorities. We also propose to allow authorities to charge for some of those applications which are currently free. Both proposals will help to reduce the subsidising of planning applications by local residents.
6. If accepted and approved by Parliament, the changes would be implemented from April 2011, with a six month transition period until October 2011.

The legal background

The Planning Act 2008

7. The provisions for charging planning application fees are set out in section 303 of the Town and Country Planning Act 1990, as substituted by section 199 of the Planning Act 2008. These provisions:
 - allow fees to be charged in relation to any function of a local planning authority and for matters ancillary to those functions
 - allow the Secretary of State to prescribe fees or a means of calculating fees to be set by someone else (such as a local planning authority)
 - allow the Secretary of State to prescribe when a service would be exempt from fees
8. Section 303 (10) of the Town and Country Planning Act 1990 states that the income from a fee must not exceed the cost of performing the fee-related function (handling, processing and determining planning applications, in this instance). This means that fees cannot be used to make a profit.

The basis for charging planning application fees

9. It is an established principle that local authorities should pay for activities that are purely or largely for the wider public good. The intention of development management is above all to promote the public good: since managing local development helps to secure the long-term benefits of sustainable, well-designed communities. Yet planning decisions often bring private benefit to the applicant as well; in particular, a property with planning permission may be much more valuable than it would be without. The power granted to authorities to charge planning application fees reflects the possible private benefit implicit in a planning permission. An applicant should expect to pay a fee for an application that could bring a measure of gain. The fee payable reflects the overall cost of handling, administering and deciding the application, including related overheads.

Resourcing the planning system

Research

10. In February 2009, the previous Government commissioned independent research from Arup¹ to look at whether planning application fees were covering local authority costs, and to identify methods that authorities could use to set their own charges. Arup's report is available on our website. It shows:
 - that authorities are recovering around 90 per cent of their costs, on average
 - that between April 2006 and March 2010 (with projections used for 2009-10) the average cost of handling and determining planning applications was £619, and the average fee received was £569
 - that around 35 per cent of development management resources are being allocated to dealing with applications which do not currently incur a fee

¹ *Planning Costs and Fees*, Ove Arup & Partners for the Department for Communities and Local Government, November 2010

The changes we propose

Decentralising planning application fees

11. Wherever possible, decisions should be taken at the local level, by people who are accountable to the public. There is no reason why charges for planning applications should be an exception. Local planning authorities should be able to set their own charges to recover their own costs. Applicants should be charged for the full cost of the application where they are paying a fee, rather than being subsidised by the general tax payer. **We therefore propose to decentralise responsibility for planning application fee setting to local planning authorities.**
12. In April 2008, fees were increased by 23 per cent in order to help authorities recover more of their costs. However, some authorities are still not recouping costs – as Arup’s research showed – while others are recovering more than it cost them. This variation is inevitable when fees are set nationally and has been raised as an issue by respondents to the Government’s Spending Challenge². Letting local planning authorities set their own fees will enable them to recoup their costs but not exceed them. At the same time, setting fees locally provides a stronger incentive for local planning authorities to run a more efficient service: since it will be a more transparent system, directly accountable to local residents.
13. If the proposal is taken forward there will be a six month transition period to give authorities time to develop charges which accurately reflect their costs.

Extending the scope of planning application fees

14. Some applications, such as those for listed building consent, are not currently subject to fees, because they provide significant public benefit. Annex A outlines the development management services for which a fee is and is not payable.
15. In some instances, applicants are receiving private benefits without having to pay a fee for their application. This isn’t sustainable for authorities and is unfair for the general tax payer, who is subsidising the application.
16. **We propose to widen the scope of planning application fees so that authorities can charge for more of their services.** This would enable (but not compel) authorities to charge for resubmitted applications, and would allow authorities to charge higher fees for retrospective applications. Specific proposals are outlined below.

² http://www.hm-treasury.gov.uk/press_23_10.htm

Options

Option 1 would decentralise the responsibility for setting fees for planning applications to local planning authorities

17. This would give local planning authorities control over setting planning application fees. We would set out in regulations the principal requirements for local planning authorities (which would include establishing a charging schedule) and exemptions from fees.
18. Local planning authorities would have to establish a charging scheme which reflects full cost recovery and the principle that the user should pay for the actual service they receive. Authorities should keep their costs to a minimum – helped by local democratic accountability – and should ensure that charges are based on efficient services which remain affordable.

Option 2 would maintain the current fee system

Preferred option

19. We believe that option 1 is the appropriate way forward. It would give local planning authorities the flexibility to charge fees that properly recover the costs they incur in determining planning applications. It is the option that is most consistent with the Government's commitment to localise and decentralise power. It will also introduce greater accountability and transparency into the planning fees system, as local planning authorities will need to be able to demonstrate that their charges are justifiable and based on cost.

Q1. Do you agree that each local planning authority should be able to set its own (non-profit-making) planning application fee charges?

Other proposals

Proposal (a) would allow local planning authorities to decide whether to give applicants a “free go” when resubmitting applications that have been withdrawn or refused

20. Currently no fee is payable for applications that are resubmitted following withdrawal before determination or refusal (this is known as the “free go”). This is principally because it was considered unfair to charge applicants twice for similar applications, which should theoretically not require as much work to determine as two separate, unrelated applications. However, in practice, a resubmitted application may be very different from the original application whilst still being entitled to a “free go”. Resubmitted applications, can represent substantial work, and therefore cost, for an authority. A comprehensive “free go” fails to reflect this cost. A better approach would be to allow authorities to make their own decisions about whether or not to allow a “free go”, depending on the local costs they expect to incur for resubmitted applications. This would also allow local authorities to deter repeat applications for development which already exists (retrospective planning applications).

Q2. Do you agree that local planning authorities should be allowed to decide whether to charge for applications that are resubmitted following withdrawal or refusal?

Proposal (b) would allow local planning authorities to charge a higher fee for retrospective planning applications

21. Currently no distinction is made between fees for routine applications and applications which are made retrospectively (after development has begun). Retrospective applications are sometimes made as a result of investigation by a local planning authority. In these instances, they impose a greater cost on authorities than routine applications. The principle behind planning application fees is that they should be set at a level that allows authorities to fully recover the associated costs. Authorities should therefore be able to charge a higher fee for retrospective applications where the application has come about as a consequence of investigatory work by the authority, in order to recover all of the related costs.

Q3. Do you agree that local planning authorities should be able to set higher fees for retrospective applications?

Any other comments

22. Applications for Listed Buildings, Conservation Area consent³ and for works to trees that are the subject of a tree preservation order (TPO consent) do not currently incur a fee. In developing our proposals we considered whether this position should change. We are not minded to make a change principally because owners cannot opt-out of having their building Listed or located within a Conservation Area designation, and because such designations confer burdens with regard to preservation and maintenance that are clearly in the public interest. Similarly residents cannot opt-out of the tree preservation order designation, it is a burden on those affected, and tree maintenance (which requires consent) is of public environmental benefit. However, we would welcome comments or suggestions about whether this is the appropriate approach, or about fees and concessions on fees for development management services that have not been discussed in this consultation paper. Annex A sets out the main types.

Q4. Are there any other development management services which are not currently charged for but should require a fee?

Q5. Are there any other development management services which currently require a fee but should be exempt from charging?

³ Conservation Area consent is required for the demolition of a building (within a Conservation Area) with a volume of greater than 115 cubic metres, although there are a few exceptions; and for the demolition of a wall, fence, gate or railing over 1 metre in height next to a highway (including a public footpath or bridleway) or public open space; or over 2 metres in height elsewhere.

Invitation to comment

23. We welcome your comments on this document. You might also want to look at *Planning Costs and Fees*, which outlines some of the evidence informing our proposals. It is on our website.
24. In summary, we propose:
- **to decentralise responsibilities for setting planning application fees to local planning authorities**
 - **to allow authorities to decide whether to provide applicants with a “free go” for applications that are resubmitted following withdrawal or refusal**
 - **to enable authorities to set higher fees for retrospective applications.**
25. The **options** and **proposals** are explained on pages 9–10. A summary of **questions** is below. If responding, please make clear which option, proposal, question or other element of the consultation paper each comment relates to. Ideally, comments should be supported with evidence or data, though anecdotal evidence can serve to illustrate a wider point or identify a risk.

- Q1** *Do you agree that each local planning authority should be able to set its own (non-profit-making) planning application fee charges?*
- Q2** *Do you agree that local planning authorities should be allowed to decide whether to charge for applications that are resubmitted following withdrawal or refusal?*
- Q3** *Do you agree that local planning authorities should be able to set higher fees for retrospective applications?*
- Q4** *Are there any development management services which are not currently charged for but should require a fee?*
- Q5** *Are there any other development management services which currently require a fee but should be exempt from charging?*
- Q6** *What are the likely effects of any of the changes on you, or the group or business or local authority you represent?*
- Q7** *Do you think there will be unintended consequences arising from these proposals?*
- Q8** *Do you have any comment on the outcomes predicted in the impact assessment, in particular the costs and benefits (see Annex B)?*

26. This consultation document is available on The Department for Communities and Local Government website. If necessary, paper copies can be obtained from Julian Wheeler (see below). A consultation response form is provided, and your representations, by e-mail or in writing, should be sent – for receipt by the closing date of 7 January 2011 – to:

Julian Wheeler
 The Department for Communities and Local Government
 Zone 1/J1, Eland House
 Bressenden Place
 London
 SW1E 5DU

e-mail: Julian.Wheeler@communities.gsi.gov.uk

27. Where possible this consultation follows the Government's Code of Practice on Consultation (see **Annex C** for further details). When commenting, please say if you represent an organisation or group, and in what capacity you are responding. A summary of responses will be published on the website following consultation. Hard copies of the summary can also be obtained thereafter, by contacting Julian Wheeler at the above address.

28. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA)).
29. If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
30. The Department for Communities and Local Government will process your personal data in accordance with the Data Protection Act and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.
31. Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Annex A

Fees for development management services

A fee is currently payable for:

- 1) Applications for:
 - full or outline planning permission
 - non-material changes to planning permission
 - approval of reserved matters
 - certificates of lawfulness of existing or proposed use or development
 - consent to display advertisements
 - determination as to whether prior approval will be required for permitted development
- 2) Requests for confirmation that conditions attached to a grant of planning permission have been complied with
- 3) Site visits to a mining or landfill site

A fee is currently not payable for:

- 1) Applications for Listed Building consent
- 2) Applications for Conservation Area consent
- 3) Applications for works to trees covered by a tree preservation order
- 4) Applications that are resubmitted following withdrawal or refusal
- 5) Applications for development to dwellinghouses, or buildings to which members of the public are admitted, for the purpose of providing means of access for disabled people (or securing the safety, health or comfort of disabled people, in the case of dwellinghouses)

- 6) Applications for development which is allowed under permitted development rights where those rights have been removed by an Article 4 direction or a condition
- 7) Second applications (made following the granting of planning permission) relating to development of the same character or description on the same site
- 8) Applications relating to the same use class which are made necessary because of a condition
- 9) Applications to consolidate subsisting minerals planning permissions

Fees for town and parish councils

Parish and town councils enjoy various rights under Schedule 2 Part 12 of the General Permitted Development Order to carry out works without the need to make a planning application. Where they do need to apply, they pay a 50 per cent fee.

Fees for playing fields

There is currently a flat-rate fee of £335 for applications made by non-profit making clubs or other non-profit-making sporting or recreational organisations, relating to playing fields for their own use. The term 'playing field' includes football, cricket, hockey or hurling pitches, but not enclosed courts for games such as tennis or squash, and not golf courses or golf driving ranges.

This page is left intentionally blank

PART 1 - PUBLIC

Decision Maker: Executive on 8th December 2010
Renewal and Recreation Portfolio Holder
For pre-decision scrutiny by the Renewal and Recreation
PDS Committee on 7th December 2010

Date: 7th December 2010

Decision Type: Non-urgent Executive Key

Title: BROMLEY MUSEUM AT THE PRIORY, ORPINGTON

Contact Officer: Colin Brand, Assistant Director
Tel: 020 8313 4107 E-mail: colin.brand@bromley.gov.uk

Chief Officer: Marc Hume, Director of Renewal and Recreation

Ward: Orpington

1. Reason for report

1.1 Further to the report to the Executive on 29th June 2010, this report sets out the results of the consultation around Option 3: the extension of the borough's museum service into part of the vacated library building. In addition this report advises Members on potential funding for this proposal as a result of a 'pre-application' submission to the Heritage Lottery Fund.

2. **RECOMMENDATION(S)**

That the Renewal and Recreation Policy and Development Scrutiny Committee:

2.1 considers the results of the consultation undertaken and provide the Portfolio Holder with their comments;

That the Portfolio holder for Renewal and Recreation:

2.2 considers the comments provided by the Renewal and Recreation Policy and Development Scrutiny Committee and the results of the consultation undertaken on Option 3 and the potential funding available from the Heritage Lottery Fund to implement the works;

That the Executive:

2.3 approve the submission of a first stage application to the Heritage Lottery Fund with a further report brought back to a future meeting of the Executive on the outcome of this application.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Vibrant and Thriving Town Centres
-

Financial

1. Cost of proposal: The cost of Option 3 is £3m, of which a possible grant of up to 90% (£2.7 m) could be secured from the Heritage Lottery Fund. This would leave a maximum Council Capital Contribution of £300k, of which a proportion can be 'in kind' such as staff salaries and volunteer time.
 2. Ongoing costs: Increasing the scale and appeal of the museum will lead to an increase in revenue costs. The scheme at present allows for income generating options to off set the resulting increased running costs.
 3. Budget head/performance centre: Museum Budget
 4. Total current budget for this head: £ 98,280
 5. Source of funding: Revenue/Capital
-

Staff

1. Number of staff (current and additional): 3fte's
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: No statutory requirement of Government guidance. The museum service is discretionary. However The Priory is a Grade II* listed building which the Council has statutory obligations to maintain.
 2. Call-in: call in is applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Current 2009/10 visitor numbers are 25,000 per annum. It is expected that, if these works proceed, visitor numbers will increase to between 75,000 – 100,000 per annum.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments: Yes
2. Summary of Ward Councillors comments:

Cllr Lydia Buttinger:

“Thank you for providing the opportunity to comment. I am very supportive of this proposal and I know a lot of hard work has gone into preparing it. This is an excellent opportunity to restore and enhance a historically significant building, expand a valuable educational facility for the local community and to really help drive forward the regeneration of Orpington Town Centre. I note there has been wide consultation of interested parties and has wide spread support. If the HLF bid were successful this would provide a valuable resource for local people at very little expense to the local council tax payers.”

3. COMMENTARY

3.1 The Executive on 29th June was presented with three options for the future of The Bromley Museum at The Priory, Orpington having agreed to relocate Orpington public library. Having considered the three options the Executive chose to investigate Option 3 resolving that:

3.1.1 Further work be undertaken to explore funding and approval be given for a formal consultation process to be undertaken; and

3.1.2 A further report, with full evaluation and the outcome of discussions to seek external funding, be submitted the Executive in six months time, or earlier if possible.

3.2 Option 3 involves substantially enhancing the museum space with internal high quality visitor facilities that would include a café area. The aim would be to create an 'arts and heritage hub' in the conservation area located at the southern end of Orpington High Street that sits within a fully-restored landscape to the front of the building. These enhanced services would support the aims and objectives of the Orpington Master Plan and compliment the various capital schemes that have been successfully completed over the last two years. The overall aims of the project would be:

3.2.1 To preserve one of the most historic buildings in the borough and improve public access by:

- undertaking heritage repairs to the building
- reinstating the 'green court' in front of the property
- creating and improving access to all areas through new and contemporary inter-connecting spaces in order to open up more heritage rooms within the building to people of all abilities
- extending and improving visitor facilities (to include a multi-purpose space, cafe, landscape viewing platform, atrium, lift to first floor, visitor reception, toilet facilities and disabled access)
- employing green building practices with regard to energy efficiency, building materials, construction waste, biodiversity and timber.

3.2.2 To increase the use and profile of The Priory, Orpington, making it an important and sustainable creative hub in the borough's second largest town centre and an 'attraction of choice' for local people and visitors.

3.2.3 To improve and expand the borough's museum service offer.

3.3 The second and third aims will be achieved by forming a steering group with stakeholders and local residents that will work towards improving learning opportunities, conservation and participation as follows.

3.3.1 Help people learn about The Priory and the borough's history by:

- creating a new permanent interactive display of 'lives and times at The Priory' from 1032 to date
- improving and increasing exhibition spaces for the display of artefacts
- extending the variety of activities on offer from the museum service both on site and on an outreach basis

- extending the media used to interpret local history
- providing an improved environment in which to learn and study both formally and informally
- extending opening hours

3.3.2 Contribute to the conservation of The Priory hall and its immediate grounds by:

- recording the project's progress using visual and written materials for posterity
- creating a long-term conservation and management plan for the site
- ensuring appropriate training is available to staff/volunteers and steering committee where required.

3.3.3 Help more local people, and a wider range of people, participate in and make decisions about The Priory's heritage and the borough's museum service by:

- encouraging stakeholders and local residents to sit on the project steering committee
- providing opportunities for volunteers to take part in research, and preparation for, the permanent display
- the reinstatement of the green court at the front of the building and the development of the borough's museum service
- entering into new partnerships with historical organisations, interested parties and key stakeholders
- providing access to training opportunities for staff, volunteers, teachers, work placements and representatives from local history organisations
- working on the development of new audiences
- delivering extended services through partner organisations such as local historical societies and trusts
- improving and extending physical access to, and within, the site
- increasing the range of media used to engage people of different ages and with different abilities
- extending the outreach service and site opening hours

3.4 This scheme would also involve renting out part of the now vacant public library as offices which would contribute an important revenue stream into the extended museum.

3.5 Following on from the Executive's decision in June officers, in conjunction with Ward members, drew up a list of organisations and individuals to consult with, as listed at Appendix 1. Officers have met with these organisations and individuals over the last few months. In addition an open consultation session was held during the afternoon of the 9th November at The Priory. This was promoted to those on the list at Appendix 1 and to existing museum and library users. As a result of the consultation process a number of formal responses were received from groups and individuals. These are attached at Appendix 2.

3.6 In summary, the main conclusion of the consultation is that the majority of people welcome and support the concept of

- expanding the museum service into part of the vacated public library

- improving the visitor facilities; and
 - broadening the scope of the museum offer.
- 3.7 Many of those who were consulted felt that the proposals would have a positive impact on Orpington town centre. Similarly the concept of seeking funding from the Heritage Lottery Fund was well supported.
- 3.8 A number of alternative comments were received, in particular one individual felt strongly that a museum should be built in a more centrally located site within the borough and another felt that The Priory should be sold to fund the creation of a new museum on farm land, or elsewhere within Priory Gardens, as the conversion of a historic building into a larger museum would be problematic. Neither of these two views is supported by either English Heritage or the Heritage Lottery Fund both of which consider that Option 3 provides a unique opportunity to transform The Priory into a museum and community resource of significant merit.
- 3.9 With regard to potential funding options officers, following advice from English Heritage and the Heritage Lottery Fund, made a 'pre-application' to the Heritage Lottery Fund's Heritage Grants Programme. This approach is necessary in order for officers and the Heritage Lottery Fund (HLF) to begin a dialogue around project proposals and grant funding. Following submission of the pre-application representatives from HLF asked to meet officers on site to discuss the matter further and consider the merits of the local authority submitting the first stage of a two-stage application process to upgrade the building and extend the museum service into part of the vacated library space. As a result of this meeting the HLF wrote on the 8th October 'Due to the clear heritage importance of the building and the Bromley Museum collection, and your initial thoughts on audience development and learning, the project appears to be an attractive one which the HLF would strongly encourage Bromley Council to pursue'. The full response from the HLF is shown at Appendix 3. Whilst there can be no guarantee of securing lottery funding, the response from the HLF is a clear indication that it seeks to work with Bromley and would support a bid. Furthermore the HLF have asked to meet with officers prior to the submission of the first stage application, another indication of the level of support that they intend to provide.
- 3.10 The HLF have recently amended their funding criteria to assist organisations in coping with the current and forth coming economic challenges. Previously the HLF, for grants above £1m operated on 75% funding to 25% match funding basis. The HLF now funds up to 90% of a project costs, expecting the recipient to provide the remaining 10%. This project is estimated to cost £3m including fees. Based on the above funding formula a grant of £2.7 m could be obtained from the HLF, if Bromley Council will provide £300,000 towards the total project costs (a proportion of which can be 'in kind' such as officers salaries or volunteer time).
- 3.11 If Members are minded to support a funding application to the HLF more detailed work will need to be undertaken on the precise breakdown of costs. This would be required as part of the first stage application. Officers would undertake the first stage application however specialist advice would be required in order to meet the HLF's first stage criteria. The cost of this advice is £22,500. This figure can be included in the Council's 10% match funding as required by the HLF.
- 3.12 In order to progress the scheme to the final phase, culminating in a Stage 2 application to the HLF, detailed design work and conservation reports will be required. The HLF operate a 'Development Grant' process which officers would make a bid to, in order to fund this detailed design work. The estimated costs of these works are £185,000. The HLF operate the same 90%/10% split for Development Grants, it is therefore possible to make an application for a development grant of £166,500, with the Council contributing the balance of £18,500. If this application was successful, these costs could be included as part of the Council's broader contribution to the overall project costs.

3.13 The following indicative programme could be considered as representing the key milestones:

Executive Committee 8 th December 2010	Decision to proceed with HLF funding bid
January 2011 to April 2011	Compilation of first stage funding application to HLF including request for a development grant to contribute towards costs of taking the application from the first stage to the second stage
April 2011	HLF first stage application submitted
July 2011	HLF informs LBB if it has secured a development grant and is invited to apply to the second stage of the application process. Report presented to Executive on outcome of HLF first stage bid, asking for a decision to progress to the second stage.
July 2011 to December 2011	Detailed information prepared regarding finance, activities, outputs, timetables, risk assessments, works required, planning application, tendering of works
December 2011	HLF second stage application submitted
March 2012	HLF informs LBB if it has been successful in its second stage application
June 2012 to December 2012	Tendering of works process takes place
January 2013 to March 2013	Works contracts awarded
April 2013 to March 2014	Works commence
March 2014	Works completed, new museum service opens

4 POLICY IMPLICATIONS

4.1 The proposed relocation of Orpington Library arose out of the 2006 review of the borough's library service. It was first endorsed at the Local Economy Portfolio Holder meeting on the 12th April 2007 when it was agreed that the relocation of Orpington Library should be included within the Master Plan for Orpington - supporting the Council's broader objectives around vibrant and thriving town centres.

The Council's Building a Better Bromley 2010 – 2012 commitment states that it will finalise proposals for the Bromley Museum and old library site.

5 FINANCIAL IMPLICATIONS

5.1 The project concept and public consultation work undertaken to date has been funded from within existing budgets and has involved staff time; no other costs have been incurred. Should the Executive support the proposal to progress Option 3 by applying for funding from the

Heritage Lottery Fund, then costs of £22,500 will be incurred to comply with the HLF's first stage criteria. Should the first stage application be successful and the Council is invited to progress to the second stage there will, at this point, be no contractual obligation to proceed any further. The £22,500 costs can be funded from the recreation revenue budget for 2010/11 as a balance of a provision has recently been returned to the revenue budget as it is no longer required as the works for the re-surfacing of the tennis courts at Newstead Woods has now been completed.

- 5.2 The cost involved in preparing the second stage application is £185,000. As the HLF permits applicants to ask for a planning and development grant in its first stage application officers recommend that this should be pursued in order to contribute up to £166,500 towards this figure of £185,000. However should the Council not wish to progress to the second stage of the application process any funds provided by the HLF up to this point, such as the planning and development grant, would have to be reimbursed. It should be noted that the results of the first stage application will be reported back to Members for a decision as to whether to continue to the second stage application and therefore commit to the full scheme or not.
- 5.3 The total estimated cost of the scheme is £3m inclusive of fees. The HLF would potentially fund up to 90% of these costs, £2.7m. The borough therefore would be expected to fund the balance of £300,000. A recent survey of the Priory building has identified that approximately £100,000 of works needs to be undertaken to stabilise the walls. These works would be incorporated into the broader HLF scheme therefore the Council would only have to find an additional £200,000 in order to draw down £2.7 million.
- 5.4 From the revenue side, it is expected that the scheme will generate an additional £70k from the café and rental income. This will be used to offset the extra premises costs of extending the museum service into the old library building.

6 PERSONNEL IMPLICATIONS

- 6.1 There are no direct personnel implications arising from this report. The initial first stage application would be compiled by officers with some technical support. Existing staff at the Museum would be involved in this process and

Non-Applicable Sections:	Legal Implications
Background Documents: (Access via Contact Officer)	Local Economy Portfolio Holder – 25 th January 2007 Local Economy Portfolio Holder – 12 th April 2007 Orpington Master Plan Document Executive 4 th November 2009 Executive 9 th December 2009 Renewal and Recreation Portfolio Holder – 29 th June 2010 Executive 21 st July 2010

This page is left intentionally blank

APPENDIX 1

NAME	CONTACT DETAILS	DATE OF MEETING	LOCATION OF MEETING
Janet Clayton	Orpington District Archaeological Society 020 8302 1572	24 th September At 3pm	B43
Brian Philp	Kent Archaeology Rescue Unit 020 8460 1442	9 th September At 2.30pm	Crofton Roman Villa
Dr Dawson	Ex-president / chairman of Friends of Priory Gardens 01689 829180	23 rd August At 1.30pm	107 Crofton Road
Stewart Vassie	Chairman of the Friends of the Priory and Gardens 01689 820323	4 th October 8pm	59 Craven Road BR6 7RU
Dr Anthony Allnutt	Chairman/Secretary, Bromley Borough Local History Society 020 8467 3842	7 th September At 7.45pm	Methodist Church Hall North Street Bromley
Christine Hellicar	Bromley Borough Local History Society Chris.hellicar@btinternet.com		

NAME	CONTACT DETAILS	DATE OF MEETING	LOCATION OF MEETING
Mr P J Gray	Orpington Recorded Music Society 01689 856693	Friday 17 th September At 3pm	11 Oak Road Green Street Green BR6 6BB
Keith Nelson	Chairman, Park Avenue Residents Association KeithNelson@chaseandpartners.co.uk	29 th September At 4pm	B43
Susan Smith	Chair, Vinson Close Residents Association susan@twinoaks51.fsnet.co.uk	15 th October At 4.30pm	61 Vinson Close BR6 0EQ
Bob Walters Orpington U3A	Chairman 01689 854880 Bob.walters5@btopenworld.com	Offered him 21 st October morning or late afternoon	

ATTENDANCE RECORD FOR
CONSULTATION EVENT
AT
THE PRIORY, ORPINGTON
ON
TUESDAY 9TH NOVEMBER 2010

NAME	ORGANISATION
Jill Allan	Pratts Bottom resident
Robert Allan	Pratts Bottom resident
Cliff Watkins	Beckenham Heritage Group
Pat Manning	Beckenham Heritage Group
Cheryl Curr	Town Centre Manager
Gordon Norrie	Councillor, Biggin Hill
Michael Meekums	Orpington and District Archaeological Society
John Stiles	Orpington and District Archaeological Society
Reg Goodman	Orpington resident
Mr Skinner	Orpington resident
Mrs L H Smith	Orpington Recorded Music Society
Mr B Smith	Orpington Recorded Music Society
Phillip Gray	Orpington Recorded Music Society
Peter Dow	Copers Cope Residents Association
Val Dow	Copers Cope Residents Association
Simon Finch	Senior Librarian, Local Studies and Archives
Elaine Clarke	Orpington resident
Mr G Potter	Local resident
Gill Hughes	Teacher, Perry Hall School

Kent Archaeological Rescue Unit

Established 1971: to survey, excavate, record and publish threatened archaeological sites

Director: Brian Philp AICSA, MCMI, FSA, MIFA

Hon. Treasurer: Colin Martin FCCA **Secretary:** Edna Mynott

Colin Brand Esq., Assist. Director, Renewal and Recreation,
London Borough. of Bromley,
Civic Centre, Stockwell Close,
Bromley, Kent BR1 3UH

14th Sept. 2010.

LONDON BOROUGH

15 SEP 2010

OF BROMLEY

Dear Mr. Brand,

The Priory, Orpington (Improved Museum facilities).

Many thanks for briefly outlining the proposals for the above on 9th September. I much admire the positive spin put on all aspects of the proposals. My reflections.

It is very good news that Bromley Council is considering enlarging its museum facilities, which is long, long overdue and for which my teams have campaigned since 1968 (published statement attached of 1973). Bromley, as a wealthy and very important borough is also the 14th largest "city" in the U.K. But its museum facilities have been far below national levels. As I said Nottingham and Leicester have multiple museums and dozens of staff, both being roughly half the size of Bromley !

The bad news is that the proposals have two major failings:

1. The key element of the proposals is expanded modern museum facilities. To try to fit these into a building hundreds of years old, built for domestic purposes and also a poor utility post-war library is a "Wretched Compromise". The old building contains narrow passages, some small rooms and split levels. I have worked in over 40 museums from Torquay to Dundee and a major complaint is having to fit modern facilities into pre-existing buildings. It seriously impacts on display areas, access, movement and security. The acknowledged remedy is to provide purpose-built structures, ideally a shell that can be sub-divided flexible.
2. My experience of lottery bids, one major, is that the process is highly competitive. Applications can be falsely encouraged for internal reasons and more likely to fail. The lower the percentage demand the better the chance. I think this will fail.

East Kent: Roman Painted House, New Street, Dover, Kent, CT17 9AJ
tel: 01304 203279

West Kent: 11 Penshurst Green, Bromley, Kent, BR2 9DG
tel/fax: 020 8460 1442

e-mail: KentArchaeology@aol.com



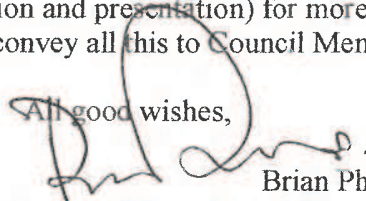
The Unit is a registered charity (no. 273581) which carries out projects for local councils, development companies and private bodies. The Unit advises widely on planning applications, provides written specifications for programmes of excavations and watching briefs. It carries out surveys, excavations and extensive publication. It also acts in a consultancy capacity and is a leading member of the Council for Kentish Archaeology

A far better solution for Bromley is:

1. Sell-off (say £4-6 million) the Priory Buildings to a professional, or other acceptable buyer, with sensible protection and access safeguards (or long-term lease).
2. This also removes the costly ongoing and long-term obligation to maintain and repair a very old listed building and a poor quality post-war structure.
3. Construct a new purpose-built, modern shell (say £3-5millions) from the proceeds of the sale of the Priory Buildings, or with a Council top-up or much reduced lottery grant, if needed.
4. Use Council owned land, such as a small parcel of farmland changed to a leisure use, or donated land. Or even a small section of the adjacent gardens which is a much more likely option of convenience and minimum objection.

I suspect that all this may not entirely be what you wanted to hear, but it must be stated. It is based on my working with the archaeology and history of the Borough (large-scale excavation, publication and presentation) for more than 40 years and also as a life-long resident. Do please convey all this to Council Members.

All good wishes,



Brian Philp,
Director, of Bromley and West Kent Archaeological Group.

Brand, Colin

From: Brand, Colin
Sent: 12 May 2010 16:47
To: Hume, Marc
Subject: FW: ORPINGTON PRIORY

Marc – for information

Colin

From: WOODS, Malcolm [mailto:Malcolm.Woods@english-heritage.org.uk]
Sent: 12 May 2010 14:42
To: Brand, Colin
Subject: ORPINGTON PRIORY

Dear Colin

Thank you for taking the time this morning to talk me through the emerging proposals for the regeneration this grade II* listed building following the removal of the existing library to new accommodation elsewhere in Orpington town centre.

The outline scheme you showed me this morning drawn up by Frankham's suggests that the western half of the post-war library building would be used to extend the museum and provide additional facilities including a new cafe whilst the eastern half would be partitioned off to create a suite of offices. Improving the museum offer on the site would certainly be welcomed especially as it would provide a secure future for this important grade II* listed building. The outline proposals look to represent an exciting re-generation of this building and whilst there is much to be welcomed, I do see a couple of elements that have the potential to raise significant concerns for English Heritage.

First, we agree that access, especially for the disabled, into and around the existing building(s) is currently unacceptable. It is proposed to address this with a new ramp to connect the post-war extension to the existing building and a new lift tower standing off the north facade to gain access to the upper floors of the original building. I don't see the former as being problematic in principle but the latter does potentially involve significant interventions into what seems to be important historic fabric and a compelling case of justification will need to be made if this part of the proposal is to be followed through.

Second, removing the car parking from the forecourt area of the Priory will be warmly welcomed I am sure, especially if there is an historic landscaping scheme that can be used to inform the re-landscaping of this area. I am concerned, however, about the idea of creating a new area of car parking on the area of grassland adjacent to the rear boundaries of the houses in Aynscombe Angle. This plot of land is within the grade II Registered Historic Park and you will likely meet strong resistance from English Heritage - and, no doubt, the Garden History Society and others - to any plans to create new areas for car parking within the registered area boundary, notwithstanding the fact that existing car parking areas will be given back to more sensitive landscaping.

I realise, of course, that these are early days and that your Council has yet to resolve to take these ideas forward. Nevertheless, they represent a very encouraging starting point and I look forward to further discussions, hopefully based on on this initial outline scheme. Do keep in touch.

Regards,

Malcolm

Malcolm Woods
Historic Buildings & Areas Adviser
London Region
Direct line: 0207 973 3769

VCRA Committee meeting on 19.9.10 at 8.30 pm.

Present : Sue Smith, John Epton, Ann Epton, Richard Burton, Sabine Whelan and

Jo Wyton

Discussion about future of the library building at Orpington Priory

Options appear to be

1. Extend the museum
2. Create a conference centre / banqueting suite
3. Rent out for business use
4. Some combination of elements of the above.

Comments on these options were as follows:-

We feel this is a unique opportunity to extend and improve the museum, especially if all of the library building is incorporated into it. Many more artefacts could be displayed and in a more imaginative/interactive way.

With some investment and careful planning, we think the museum could become a small but exciting visitor attraction especially if there was a small café on site with good toilet facilities - this would also make the whole Priory Park more family friendly.

When meetings are held in the museum hall the venue is too small and therefore very cramped – part of the library could be used to create a larger room for such meetings. It could also be used as an education room for school groups.

It was suggested that a purpose built presentation room with permanent IT facilities could be used by a number of social groups. This could be developed further to create much needed cinema facilities for the town - for example, something similar to The Clocktower Cinema in Croydon which has about 100 seats and shows a mix of recent releases and classic or foreign films each month.

The museum hall is also used for special exhibitions and a larger space would be more versatile. The unified building could incorporate a museum and arts centre.

The small computer room is currently well used and we would like to see this retained as a local history and family history research centre.

It was queried whether more people would visit the museum if it was more centrally located, for example in Bromley town centre. However the Priory museum is the only Grade II listed building in the borough which is fully accessible to the public for free and is therefore ideally suited to its current purpose.

When the library was built in the 1960s, the right hand half of the historic Priory building was pulled down to make way for it – to modern eyes this was an act of vandalism. We would like to suggest that the front façade of the building should now be restored to its original design. The frontage of the modern library could at least be altered so that it blends with and complements the older building.

Concern was expressed about providing good disabled access – one of our members who works with a disabled group says they do not use the new Village Halls because the lift can only take one wheelchair at a time.

It was generally felt that we do not need a large conference/ banqueting suite since there are the new Village Halls, the Crofton Halls and a number of others available for hire in the area. It was queried whether there would be adequate parking space nearby if the venue was used for weddings etc.

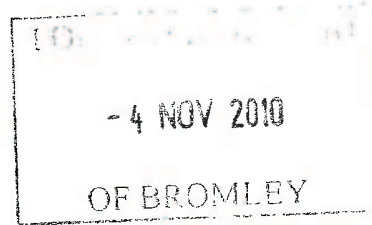
Members did not think that renting out to business was making the best use of the building –this is a good opportunity to enhance the venue for the community to use. There are plenty of empty offices at other locations in the town.

Neither did we feel a combination of uses (i.e option4) would make best use of the building.

Finally, we would like to know whether any funding has been set aside for the redevelopment of this site.

Colin Brand
Renewal and Recreation
Civic Centre
Stockwell Close
Bromley, BR1 3UH

3rd November, 2010



Dear Mr Brand,

Thank you for inviting me to the Priory on Tuesday afternoon, 9th November when there will be further

CONSULTATION ON THE FUTURE OF THE BROMLEY MUSEUM AT THE PRIORY

I would like to think that, for LBB to seriously consider a bid for a large tranche of Heritage Lottery Funds (HLF), it heralds a new dawn in the council's attitude towards promoting heritage in the borough.

This builds on LBB's 'Cultural Strategy 2007-2012', which says 'Culture in Bromley provides an essential ingredient to enrich our lives - it helps define Bromley in terms of its character, history, heritage and breadth of opportunities.' It adds that the Cultural Strategy is part of the drive to Build a Better Bromley and goes on to say on page 8, under the heading History and Heritage, that:

'Bromley has the potential to benefit economically from tourism and it will be important to increase awareness of the Borough's history. In order to achieve this we will work collaboratively with regional and south London partners and local agencies.'

In 2009 LBB commissioned a report entitled 'Bromley Museum Service - Options for the future' which was completed in July 2009. The time scale did not allow for market research e.g. Polling residents across to ask, for example, if they knew of, or had ever visited, the Borough's museum in the Priory in Orpington. However, the report did, within the time available, flag up a good range of options and fundamental issues.

When I visit on November 9th, I would like to know what consultation took place on the report's messages. My own notes on the report are below:

On page 3, para 7, it states that the borough is rich in history Romans, Darwin, Crystal Palace, Biggin Hill.

Page 3, para 10 notes that 55% of the working population commute into London. By association, most Bromley people are drawn to London museums and galleries, which are easy to reach and travel is free using their season tickets. It takes 45 minutes to cross Bromley by car; it takes less time to reach London with its many attractions.

Page 3 para 12 notes that Bromley's percentage of regular arts and museums attendees is 10%. This converts to 29,900. By comparison, visitors to the Priory in 2008/9 were 25,000. This suggests that the Priory must be close to its maximum potential - unless it can attract visitors from outside the borough.

On page 4, para 14, the report scratches the surface with just 24 remarkable people: I have around 100 for Beckenham alone.

On page 4, para 16, the report says: 'There is a strong feeling that all centres of this diverse borough should have a place where they can tell and learn of their history.'

Sadly in page 5, the report reveals in para 17, 18 and 19 that the Priory has not figured in local Orpington town centre developments and forward planning.

Para 21 on page 5, says that the Priory provides a geographical balance with Crystal Palace in the north of the Borough. At present there is a severe imbalance between the south west of the borough and the north west (despite far more LBB residents living in Penge and Beckenham than elsewhere. In the south west, as well as the proposal for the Priory lots of LBB funds seem to be tied up in promoting Darwin's home, a Lubbock Centre and a Battle of Britain museum in Biggin Hill (the last two are also planning to bid for Heritage Funding).

Page 18, para 77. It is a mystery to me why the museum within one of the largest London Borough is run on a shoestring with no financial incentives. I trust that if a garden centre is franchised, then a new museum and art gallery will be allowed to charge admission and, if successful, in attracting more groups, it keeps the funds for future development. I.E. it must be kept independent and allowed to use its own initiative.

Page 19, para 79. This all sounds wonderful. But we must ask why the wonderful annual shows in Norman Park - a much bigger area than the formal priory gardens and park - were terminated by LBB.

Page 21, para 94. What does 'accreditation status' mean?

Page 24, para 115 - this is the most fundamental part of the report and it seems to have been ignored in the current round of consultation. The BBLHS were not consulted before, at the last minute, a LBB official turned up with blueprints for an expanded Orpington Museum and plans for a HLF bid for funds. Over half of BBLHS members were not present. We have not been asked to add our views to what was proposed and the presentation came across as a *fait accompli*.

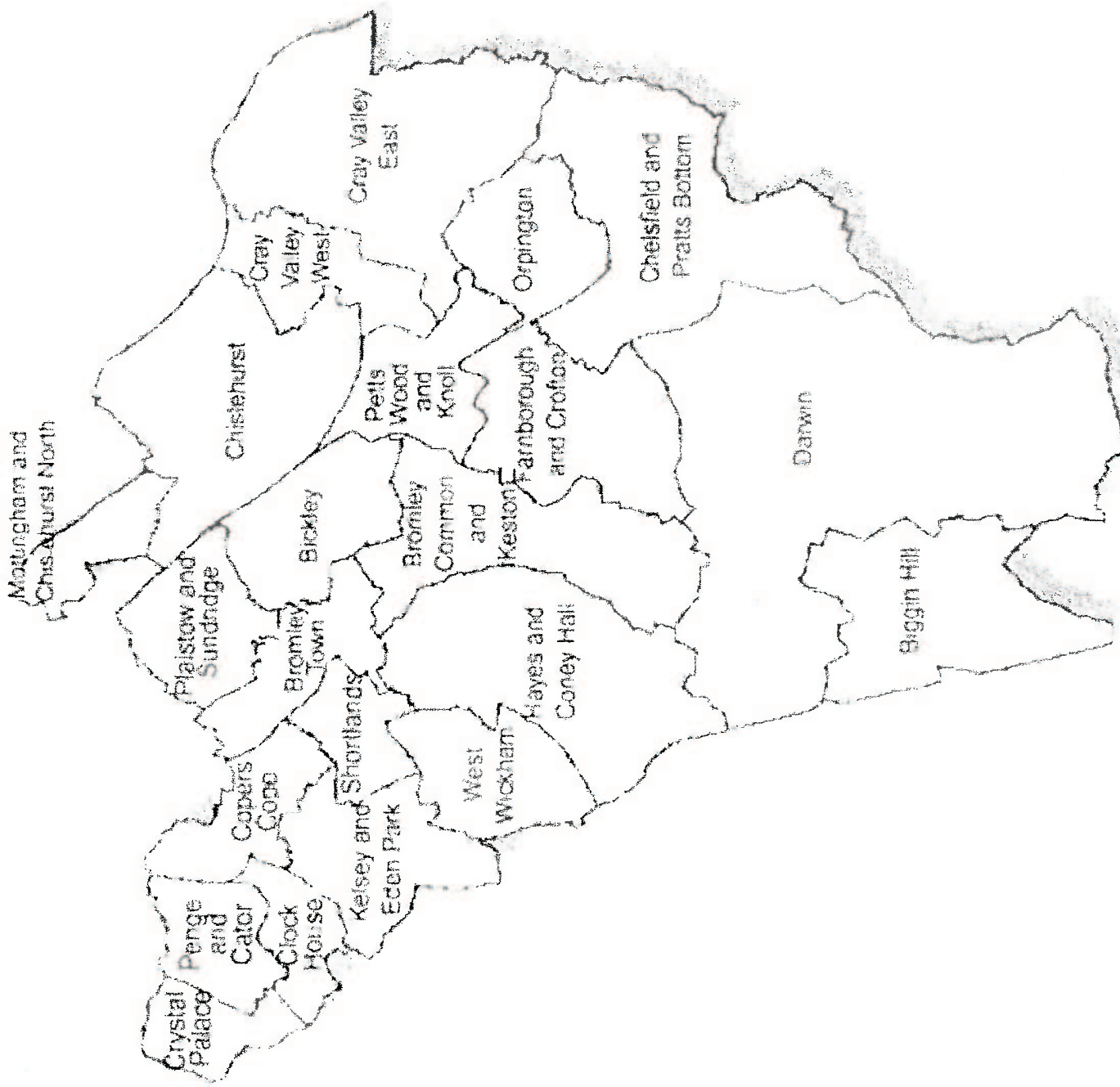
This feeling has been reinforced by the letter of 18th October, announcing the 'drop - in' session on November 9th. The letter states that 'Groups and organisations have already been consulted' As far as I am concerned we have been told what is planned. We have not been consulted.

My personal views on the current proposals for extending the museum into the former library building are:

1. I welcome the expansion of The Priory but wish to see the LBB application covering how its use of funds obtained might also be used to widen awareness of Bromley's heritage as a whole; not just the Orpington side of the Borough.
- 2.1 I suggest widening the Museum's scope to attract more people and tap funds to help with its future development - I refer to becoming recognised by the Art Fund which helps museums and galleries of all sizes. ;
- 2.2 and the need for having a tourist transport route to help interested visitors from elsewhere in the Borough and further afield. e.g. A tourist bus which stops at Orpington Station and the Tesco car park.
3. There should be an assessment of having a much needed new museum/ heritage centre/art gallery located in north west of the borough where there are far more council tax payers living in an area which has, arguably, a far richer heritage from the great number of high achievers who have lived in or been associated with the area. A location - with far greater 'foot fall', better transport links with Bromley South Station and all the bus routes in Bromley High Street, and a new hotel - would be in the 'Bromley South Central' scheme. This scheme, we read in the local paper, will become Bromley's 'cultural heart'. I began this letter with reference to LBB's Cultural strategy and Bromley's potential to benefit from tourism. A brilliantly designed 'hands on' museum and art gallery would add to the Bromley South Centre's attractions.
4. I take the line that LBB has a duty to its taxpayers in the north west of the borough to evaluate investing resources in 'Bromley South Central'. As well as working up the present bid for the Priory, a great deal of expenditure has been spent on the bid to achieve world heritage status for Down, and schemes are in the pipe line to bid for lottery funds for a Lubbock Centre and the Biggin Hill memorial museum, but nothing, say, for Beckenham and Penge.
5. Lastly, as part of a new chapter in the life of the Bromley's heritage, the opportunities for outreach by developing outposts and sharing premises should also be examined. On the border of Beckenham and Penge, the historic Studio building has at last found an owner committed to the local community. And the Crystal Palace site screams out for being a winner. Darwin was a frequent visitor to the Crystal Palace where he did experiments and looked for specimens to help with his research. In the Palace grounds there are already premises used by LBB and the dinosaurs.



C. D. Watkins



ORPINGTON AND DISTRICT ARCHAEOLOGICAL SOCIETY

Colin Brand
Assistant Director, Leisure and Culture
LB Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH



8 November 2010

Dear Colin

CONSULTATION ON THE FUTURE OF THE BROMLEY MUSEUM AT THE PRIORY

Thank you for consulting this society about the future of Bromley Museum, and for making time on 24 September to take myself, Michael Meekums and Alan Hart through the Borough's plans.

ODAS members believe that the Museum is an important asset for Bromley. The Borough has a number of sites of archaeological and historical significance, and the finds from these need appropriate care and display. For example, the Anglo-Saxon settlement in the Orpington/St Mary Cray area is one of the earliest in Greater London and indeed in Britain. Scadbury Manor is an important site with connections to the Tudor court and the playwright Christopher Marlowe. At present, there is only limited space to display the finds and explain their context, and limited access for study of objects in store. ODAS' main concerns in relation to the archaeological heritage of the Borough are that finds are kept locally so they can be studied by local people, that material can be appropriately displayed, and that it is possible for children from the Borough to be able to visit and be given an understanding of their heritage.

This society fully supports the proposal to submit a Heritage Lottery Bid to develop the buildings at the Priory. We understand that the plans would include extending the museum into some of the space used by Orpington library; using the remainder of the space for office tenants to generate income; developing a coffee shop within an indoor space which would also provided exhibition and or meeting space; providing extensions which would house a lift to the first floor, and indoor toilet facilities; using the area beneath the library which is currently a book stack, as a museum store; and reinstate the garden area outside the Priory building, with the main car parking moved to the lower area.

We believe a coffee shop could attract members of the public to the museum and help regenerate this end of the High Street. We also support the installation of the lift to the first floor gallery to enable everybody access to the archaeological gallery. New in door toilets are most welcome.

ORPINGTON AND DISTRICT ARCHAEOLOGICAL SOCIETY

We look forward to there being a modern lecture room capable of seating at least 60 people which local societies can use in the evenings, with coffee making facilities. We understand there will also be improved facilities for school groups.

You explained that the existing store will be closed, and a new store located in the basement of the library building. We understand that there will be an assessment of archaeological material already in store and that some may be disposed of. We consider it important that material from the Bromley area is kept for future reference and any disposal is only carried out after very careful assessment, as it may not always be possible to tell what items will be significant in future when analytical techniques develop. ODAS has material from sites in St Mary Cray and from Scadbury which are still being processed, but will be deposited at the Museum in due course (as the sites are from borough land) and it is important that sufficient space is available to take new material. We would not want to see the existing store decommissioned unless it was clear that space in the Priory building would be sufficient for future needs.

You also explained that any work undertaken in connection with the Lottery bid would take account of the building's history and listed status. We hope it will be possible to repair and conserve this important building. We noted the proposals to re-instate the garden area outside the current Museum entrance and to move the main building entrance. We hope it will be possible to retain some parking spaces close to the building for disabled access and for gaining access with equipment eg for exhibitions/displays.

It may be some time before a new future is settled for the Priory building. In the interim, the curatorial staff could be isolated there particularly when one or more staff members are away from the building. It will be important to maintain adequate site officer or other support to ensure their safety.

When we met, you said that a Steering Group would be set up in connection with the HLF bid, and ODAS would be pleased to be involved in this if possible.

ODAS are very keen to support proposals which will secure the future of the Museum and improve the facilities there. We feel the HLF bid proposals outlined are imaginative and should enable the Museum to develop while offering a better service to visitors and supporting local regeneration.

Yours sincerely,

Janet

Janet Clayton (Miss)

Chairman, Orpington and District Archaeological Society

Colin Brand

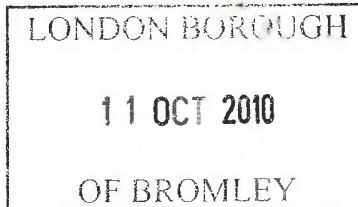
Assistant Director, Renewal & Recreation,

London Borough of Bromley,

Civic Centre,

Stockwell Close,

Bromley BR1 3UH



5th October 2010

Dear Mr Brand,

The re-development of the Library site at the Orpington Priory

The Friends of the Priory and Gardens, is very appreciative of your attending our meeting last evening, and wish to thank you for taking the trouble and making the time for your attendance.

The development, as you very ably explained, is both interesting and exciting and would, should it be carried out, add greatly to the facilities available to the visitors to the Priory.

I am certain that you will appreciate that our focus largely centres upon the existing Priory building, its gardens and its historical place in Orpington. The proposed development whilst exciting and interesting represents an addition to the ancient Priory.

You assured us that the proposed changes to the existing Priory structure were 'details'; however we tend to see them as fundamental to the whole plan of the development. Without the Priory the proposals would simply be a 'new build' park facility. We therefore have to fix the Priory in the centre of our consideration when viewing your proposed development.

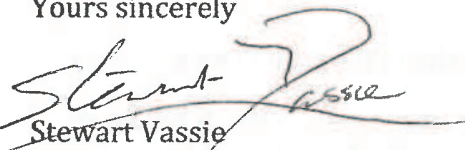
Essentially your proposal comprises changing the old library building to produce a new visitor centre and this being 'tacked' onto the existing Priory building. A difficulty here, for us, is that central to this plan is the mechanics of the aesthetic of this 'joining -on'. We wonder if the process of joining your new facility to a centuries old flint fascia can ever hope to be sympathetic. The Priory for good or ill was built at its period as a sort of manor house, it was then brutalised with the addition of a post-war library that more or less, destroyed the look of the original. It is proposed now to build something very modern – a glass and steel structure that is completely out of keeping with the original flint faced Priory. Whilst this, in itself, is not necessarily a bad thing, it does demote the Priory to the role of an adjunct, visually it would not be The Priory but would be just part of the new facility. Its relationship with the history of Orpington would thus be greatly diminished.

The solution to this possible problem would be to seek to blend the new building with the Priory, incorporating much of the architectural style of the Priory into the facia of the 'new build', producing an harmonious whole. Is this possible?

Naturally there are cost factors involved and no doubt these will act as constraints to the architectural unity of the proposed facility, however we do feel that they should be explored fully so that we are not - once again, left with an obvious and unhappy miss-match between the Priory and the new development.

I would repeat that we were delighted to have the opportunity of meeting you at this early stage of yours and the Council's proposals for the Priory buildings and sincerely hope we will continue to be consulted as the project progresses.

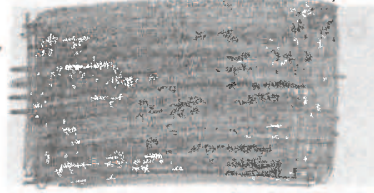
Yours sincerely

A handwritten signature in black ink, appearing to read 'Stewart Vassie', written over a horizontal line. The signature is fluid and cursive.

Stewart Vassie

Chairman of the Friends of the Priory and Gardens

Dr. E.C.Dawson,



26th August, 2010.

Colin Brand, Esq.,
Head of Culture,
The London Borough of Bromley,
Civic Centre,
Stockwell Close,
Bromley. BR1 3UH.

Dear Mr Brand,

Re : The Priory - Church Hill, Orpington.

Thank you for coming to see me, last Monday, to show your plans for the restoration and future use of The Priory.

As you know, I have felt for a long time that something should and could be done to preserve this historic building and to make it suitable for use as the museum.

You have my complete approval of your imaginative and practical ideas, for a building which will combine old and new architecture, with a visually pleasing result, and will also generate income to help with the cost.

I am sure that it will prove to be a great attraction and will be well used, and I wish you every success in your application for funds.

I only hope that I live to see it completed!

Yours sincerely,

Esmond C. Dawson, KStJ., JP., MB., BS.

7 Holbein Place
London SW1W 8NR

Telephone
020 7591 6000
Facsimile
020 7591 6001

Textphone
020 7591 6255
Website
www.hlf.org.uk



8 October 2010

Our Ref: HG-10-03098

Colin Brand
Cultural Division
London Borough of Bromley
B43, Civic Centre
Stockwell Close
Bromley
Kent
BR1 3UH

Dear Mr Brand

The Priory, Orpington

Thank you for the helpful meeting last Friday and for a most enlightening tour of the building. I understand the Priory, the subject of your bid, is a Grade II* listed medieval hall house with surrounding gardens. The building is the oldest in the borough of Bromley, and one of the few pre-reformation rectories surviving. You seek a grant of £1.875 million (75%). At this time, you are unable to clearly identify which elements of the project you are seeking HLF funding, although it is likely that the project will involve HLF contributing to the capital costs of restoring the building, developing a new learning centre, and improving disability access to the building.

Below are a few notes to share with your colleagues. Our principle advice is that the elements you select for HLF to contribute to should show a balance between heritage skills and learning as well as conservation of this important building. Although HLF has in the past invested heavily in similar projects, such as the refurbishment of Hall Place in Bexley and Forty Hall in Enfield, projects must have a clear heritage focus to have a good chance of success. Due to the clear heritage importance of the building and the Bromley Museum collection, and your initial thoughts on audience development and learning, the project appears to be an attractive one which HLF would strongly encourage Bromley Council to pursue.

First Round Bid

As discussed when you submit your First Round Bid we are looking at the overall vision of the project and in particular are looking for evidence that you have looked at:

- What options have been considered and why, and whether you can demonstrate that the chosen option is reasonable.
- Whether you have taken appropriate advice, e.g. from professional organisations, stakeholders etc

You will get a feel for what we are looking for at First Round by examining as a team the First Round application form questions and corresponding help notes. It will be important for you to make suitable progress on the following issues ahead of a Round 1 application:



1. Understanding your long-term vision for the whole site and how the HLF Priory project fits within the conservation plan for the wider compound.
2. The project offers an excellent opportunity to increase the level of the collections on display from 10% to 50%. You should provide more information on:
 - The contents of the collection, including the numbers of items, the percentage of items in the collection that are currently on display and the percentage that the refurbished building will accommodate. You could also mention new capabilities, if any, to accommodate different/special/larger items than was previously possible.
 - Information on the state of the items, including any need for conservation work or cleaning in order to bring the items to display standard.
 - Information on new display techniques/technologies that will broaden access to collection to marginalised groups, such as new audio – visual systems, Braille, podcasts, etc.
 - Whether there will be re-interpretation and an updating of labelling to ensure that the language used is up to date and culturally appropriate.
3. Overall visitor numbers and anticipated change from current estimates.
4. Think about audience development - your project will score even higher if you set out to attract new audiences from specific priority groups that may not be currently accessing the heritage. It would help to know the demographic breakdown of people using the museum. You should then identify any groups that are under-represented as compared to the local and wider London area, and describe how the project will aim to encourage under-represented groups to engage more fully with the building.
5. Have a clear idea of which parts of the wider project you are approaching HLF to fund. During the visit, it was clear that more consideration was required on the level of restoration work that you were considering (for example removing unsympathetic rendering over the original walls in the Avebury Room), how the rooms were going to be used, and where the learning centre would be located. We also discussed your plans for car parking, which may not be a priority for HLF funding.
6. Learning is a key priority for HLF. To be successful with this project, you will need to propose a broad range of learning activities for both volunteers and the wider community. In the pre app you submitted, there are currently no costed activities or start up posts: you need to establish through consultation need and demand for learning at a variety of levels to broaden your vision for activities on site. As we discussed, you hadn't considered training at all so you need to explore training opportunities (e.g. building conservation, guiding, oral history, interpretation, archival research, horticulture etc). The inclusion of training is mandatory for a bid of over £1m. The following guidance on training may be useful, and are available on our website:

http://www.hlf.org.uk/HowToApply/furtherresources/Documents/Thinking_about_Training.pdf

7. Be realistic about fund-raising and think how you would go about raising the match funding required by HLF. Please note that partnership funding for First Round Development funding needs to be in place.
8. You should also consider the green aspects of this development. Will the physical re-development of the galleries offer opportunities for to improve the building's energy efficiency and reduce its carbon footprint?

9. Make sure you have double checked the First Round Check List and read all the various guidance on the website. N.B. You will need a Conservation Statement for the Building at First Round.

Thinking about the Development Grant/Second Round Requirement

This application will be the first major conservation project for the London Borough of Bromley under HLF's new procedures under our 3rd Strategic Plan. Development and delivery grants are considered together at Round 1. The development budget is firm, with no chance for an increase. If the development phase planning identifies significant additional costs, then you could request an increase for the delivery phase budget when you approach us at Round 2. It is up to your Quantity Surveyor to put forward a robust cost plan to ensure that no major changes between the Round 1 bid and the Round 2 application.

I can see that there are risks for such an historic building, in which case you need to cost your development work carefully and comprehensively, including a realistic level of contingency. We accept that changes in costs and content may change during the development stage and you are not being held to your figure (in fact you will be aware that you return to the competitive arena for the Second Round bid including the completion of a new application form).

You also need to ensure that the Development work can take you up to RIBA Stage D sign off. In costing your development phase please bear in mind that these are the sorts of things you will need to be working towards for the second round bid which we will want to see:

1. Conservation Management Plan for the building
2. Activity Action Plan (including mandatory training)
3. Volunteer Plan
4. Interpretation Plan
5. 10 Year Management and Maintenance Plan
6. Design Specification for all elements to RIBA Stage D
7. Business Plan
8. Project Management Structure and Staffing/Volunteer Structure Post Project including information about the various teams and skills and experience
9. Project Execution Plan inc interface with any other works
10. Project Costs, Cash flow, and Partnership funding inc Fund-raising Strategy
11. Risk Register

The following guidance notes may help you plan for your Development Phase costings, and are available on our website:

http://www.hlf.org.uk/HowToApply/furtherresources/Documents/Planning_activities_in_heritage_projects.pdf

http://www.hlf.org.uk/HowToApply/furtherresources/Documents/Conservation_management_planning.pdf

http://www.hlf.org.uk/HowToApply/furtherresources/Documents/Management_and_maintenance_planning.pdf

http://www.hlf.org.uk/HowToApply/furtherresources/Documents/Thinking_about_volunteering.pdf

I also offered to send you contract details for the William Morris Gallery team that recently was awarded their Round 2 grant by HLF. You should contact Lorna Lee, Head of Libraries, Museum and Gallery at LB Waltham Forest, at lorna.lee@walthamforest.gov.uk for advice on conserving an important heritage building and expanding access to collections.

Your application would go to our Board of Trustees for decision. Application forms and all supporting materials will need to have been received by HLF no later than the following dates:

- 14 December 2010 for the Board meeting on 22 March 2011
- 16 February 2011 for the Board meeting on 24 May 2011
- 11 April 2011 for the Board meeting on 19 July 2011

These are some very initial notes and please feel free to put further questions to me at any time as you move closer to an application. Once you have carried out further work on the bid I suggest we have a meeting prior to submitting your bid please.

I look forward to receiving further information about your project. If you have any questions, please do not hesitate to contact me.

Regards

Michael Murray
Development Manager
Direct Line: 0207 591 6183
Email: michaelm@hlf.org.uk



Sustaining and transforming our heritage

NB* Please note that the Development Team do their best to offer advice and additional information to applicants. The information provided is not exhaustive and there is a large amount of information available from other sources, for example about 'what makes a good application'. Meetings with and help from Development Staff do not guarantee groups a grant from HLF.

While we are happy to assist and give guidance to applicants, we cannot make commitments on behalf of our Board of Trustees. Applications are subject to a full assessment and only statements in writing which express the decision of the Board can be taken as a commitment by HLF.

Decision Maker: **Executive**

Date: **8th December 2010**

Decision Type: Non-Urgent Executive Non-Key

Title: **FINANCIAL MONITORING 2010/11**

Contact Officer: Peter Turner, Deputy Director of Finance
Tel: 020 8313 4668 E-mail: peter.turner@bromley.gov.uk

Chief Officer: Director of Resources

Ward: Borough wide

1. Reason for report

- 1.1 This report provides the fifth budget monitoring position for 2010/11 based on expenditure and activity levels up to October 2010. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
- 1.2 In 2009/10 Final Accounts there was an increase on balances of £974k to reflect savings from specific unspent budget provision. Executive agreed carry forwards of £974k into 2010/11 - this creates an increase on balances in 2009/10 and a corresponding reduction in 2010/11.
- 1.3 There is an underlying net overspend of £896k on services (excluding recession costs), offset by additional income from interest on balances of £180k and a net saving on central items of £665k, resulting in a decrease in balances of £51k. After allowing for the carry forwards of £974k (see 1.2) there is an overall projected decrease in balances for 2010/11 of £1,025k.

2. RECOMMENDATION(S)

Executive are requested to:

- (a) Consider the latest financial position;
- (b) Consider the comments from Chief Officers (ACS and CYP) in section 3.5 and 3.6 respectively, relating to action to address the current overspend;
- (c) Identify any issues that should be referred to individual Portfolio Holders for further action.
- (d) Agree the approach to the utilisation of the budgets for pay award and one off initiatives as outlined in para. 3.11 of this report.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost. Impact in future years detailed in Appendix 6
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £132m (excluding GLA precept)
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
-

Staff

1. Number of staff (current and additional): Total employees – full time equivalent posts – 7,214 (per 2010/11 Budget), which includes 4,556 for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2010/11 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: Council wide

3. BUDGET MONITORING 2010/11

- 3.1 Details of the 2009/10 final accounts were reported to the June meeting of the Executive which identified various underspends across services. The 2010/11 Budget included savings across Portfolios of £7.8m which partly reflected some of the underspends in 2009/10.
- 3.2 This report is based upon actual costs incurred to the end of October 2010 and an estimation of costs for the remainder of the year. A summary of the overall budget and the projected outturn for 2010/11 is shown below with further details provided in Appendix 1 and 2.

	2010/11 Original Budget	2010/11 Latest Approved Budget *	2010/11 Projected Outturn	Variation	Variation Previously Reported
	£'000	£'000	£'000	£'000	£'000
Service Spending (net overspend <u>excluding</u> recession related costs)	213,480	213,480	214,376	+896	+ 1,275
Utilisation of "recession fund"					
- net reduction in income from parking			+ 400	+ 400	+ 375
- net reduction in income from building control			-	-	-
- reduction in income from investment properties	- 4,504	- 4,504	- 3,904	+ 600	+ 600
Less use of monies set aside in 2010/11 Central Contingency Sum for recession related net costs (use £1,000k out of a total of £1,150k at this stage)			- 1,000	- 1,000	- 975
Loss of grant income arising from reduction in revenue grants announced by central Government			+ 1,670	+ 1,670	+ 1,670
Savings within Portfolio Budgets to meet loss of grant funding			- 1,670	- 1,670	- 1,670
Interest on balances (additional income)	- 2,923	- 2,923	- 3,103	- 180	- 120
Central Contingency Sum					
- Reduction in waste tonnage (saving)			- 756	- 756	- 756
- Revenue funding of cost of roll out of waste pilot (Exec, 1 st Sept. '10).			+ 380	+ 380	+ 380
- One off funding of ICT cost relating to outcome of retendering (Exec, 29 th Sept. '10)			+ 374	+ 374	+ 374
- Provision for pay award (NJC) no longer required	605	605	0	-605	
- Other Items	3,191	2,866	2,808	- 58	- 198
Other Central items	3,905	3,905	3,905	-	-
Total (net overspend)	213,754	213,429	213,480	+ 51	+ 955

* Members are requested to refer to Appendix 2 for a breakdown of the budget variations allocated during year.

3.3 The 2010/11 projected outturn shows an overall net reduction in balances of £1,025k (see also Appendix 1). This consists of a reduction in balances to reflect net overspends of £896k (see 3.2), offset by additional income from interest on balances of £180k, a net saving on the central items of £665k and a further reduction in balances to reflect carry forwards (£974k), funded from unspent budget provision in 2009/10 (see Section 4) – any savings from the unspent budget provision in 2009/10 resulted in a corresponding increase in revenue balances in 2009/10. The main variations include net overspends of £0.3m relating to ACS and £0.6m for CYP.

3.4 A summary of the variation in “controllable” budgets by Portfolio is shown below:

Portfolio Budgets	ACS	CYP	Env.	R&R	PPS	Resources	Total Portfolio Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Variation “controllable” budgets	310	646	445	-7	70	-168	1,296
Less costs and savings relating to recession fund *			- 400				- 400
Underlying variation after allowing for impact of recession	310	646	- 45	-7	70	-168	896

See Appendix 3 for comparison of variations with the latest approved budgets

* Excludes investment properties which are identified separately in this report .

3.5 Chief Officer Comments – Director of Adult and Community Services

3.5.1 Whilst there has been an overall improvement in the projected outturn over the months of September and October, there remains some substantial pressures both in year and in relation to the full year effect rolling forward into next year.

3.5.2 However within Assessment & Care Management (both older people and physical disabilities) the impact of re-ablement on the cost of on-going care packages and of robust reviewing of current high cost packages is beginning to deliver some savings. These will be tracked over the coming months and should begin to impact on both in-year but more crucially on future year costs.

3.5.3 Whilst spend on Learning Disabilities remains within or slightly below budget, the projected full year impact of care commitments remains a considerable concern and a number of options are being explored to target activity on high costs placements and on seeking to make efficiencies within supported living packages. At all times a careful balance has to be struck between reducing the costs of packages and risking de-stabilising care arrangements which could result in community based packages breaking down with the resultant additional costs of high cost residential care.

3.5.4 The second way in which the Department has sought to address the underlying budget position has been through identifying areas where in-year savings can be achieved through reducing or freezing areas of activity which are discretionary, or through other efficiency measures. The success of these measures have resulted in reductions in the projected overspend in September by £162,000 and a further £150,000 in October. In total this has resulted in £312,000 savings being achieved, significantly contributing to the improved position of £312,000 projected overspend as at the end of October compared with £598,000 projected at the end of August. There remain some further opportunities for in-year savings during the rest of the year which will be reviewed in future monitoring reports.

Through the two approaches set out, the Department is working to reduce or eliminate the projected overspend in the current year and to minimise the full year impact of current commitments in 2011/12.

3.6 Chief Officer Comments – Director of Children and Young People

3.6.1 The overspend of £646k on CYP mainly relates to the impact of an increase in the number of Looked After Children with subsequent social work support and care costs of £1,373k, additional costs of SEN transport and inclusion of £163k partly offset by utilisation of grants.

3.6.2 In July, the Government reduced Area Based Grant in-year. Bromley's share was £1.67m, with £1.42m attributable to CYP. The July and September meetings approved £1.42m of savings, and budgets have been reduced accordingly. In previous years, grants were used flexibly to address pressures. The reduction diminishes flexibility and limits the scope to address future pressures.

3.6.3 The main pressures remaining relate to social care and the significant increase in referrals resulting in additional looked after children. Members have previously been informed that this has increased costs for both social work and placements. Details of the changes in the number of referrals, children on the "at risk" register and looked after children were reported to the Portfolio Holder for Children and Young People. We continue to monitor this position closely.

3.6.4 The Council must meet its responsibilities to children and young people needing support through residential placements or fostering. The Council, like all others, relies heavily on agency social workers. Social Care has been supported at the expense of education, partly by the alternative use of £400,000 in grant. Without this the overspending would be higher.

3.6.5 The cost pressures would have resulted in a higher level of overspending, but for management action to freeze vacancies, suspend non-essential expenditure, divert grant funding, and exploit the new freedoms from the removal of ring fencing from grants. The Director of CYP will take every opportunity to further offset the overspending, but it is unlikely that it can be completely removed while continuing to meet statutory requirements. Since the last report to Members there have been four serious Children's Social Care cases resulting in high cost placements for children at risk. This increased the forecast overspending. The Director of CYP has instigated management action in Children's Social Care to reduce spending on placements and on staffing, and will provide regular updates to Members.

3.6.6 Academy status is a further pressure. £74k has already been withdrawn from DSG in the current year following the conversion of one school to Academy status. There will be further loss of budget as other schools convert, both to CYP, and to corporate departments. DSG reduces in-year, but not the funding of the non-Schools' Budget. The impact on 2011/12 is not clear.

3.7 Appendix 3 contains a summary of service spending (performance centres) analysed over Portfolios. An analysis of variations over £100k with Chief Officers' comments is provided in Appendix 4. More detailed information is reported separately to individual PDS Committee meetings.

3.8 Potential Impact of the Recession

3.8.1 The Council Tax report to the Executive in February 2010 included an ongoing provision for recession related costs of £1.25m. Although the national economy is no longer in a "recession", there remains the ongoing impact on the Council's finances including losses in

income from car parking, planning, building control and investment properties (Glades). This situation should improve in the longer term. The latest position identifies net costs of £1m relating to the impact of the recession (see 3.2). Any savings from a reduction in waste tonnage which may be partly due to the recession are shown in 3.10.1. The overall financial projections in this report assume, at this early stage, that the sum of £1,150k in the central contingency will be utilised. A sum of £150k has been assumed in the financial projections for any further recession related costs not identified at this stage.

3.9 Interest on balances

3.9.1 The 2010/11 budget for net interest earnings is £2.923m and, at this early stage, a surplus of £180k is forecast. This is mainly due to a reduction in interest payable to schools and other internal funds as a result of the latest base rate expectations (likely to remain at 0.5% for most, if not all, of 2010/11).

3.10 Central Contingency Sum

3.10.1 Refuse disposal tonnages continue to drop which is due to a combination of factors including, for example, the impact of the recession and greater public awareness of the benefits of recycling. There has also been a national reduction in waste going to landfill in the U.K. This report includes savings of £756k. It is not possible to identify which element of these savings relates solely to the impact of the recession. Any savings have been excluded from recession related costs at this stage. Further details are provided in Appendix 4C.

3.10.2 A report "Building Regulations Charging Scheme" to the 1st September meeting of Executive requesting the release of £138,320 from the contingency sum was approved by Members. This sum has been included in the projections detailed in this report.

3.10.3 The "Recycling and Composting for All: Phase 2 Business Case" report to the previous meeting of Executive identified the need for funding of roll out costs (net costs of £920k). At the meeting, Members approved funding of the remaining net costs of £920k. Funding of £380k was identified from the previously reported projected underspend on the central contingency sum with the balance of £540k from the LAA Reward fund.

3.10.4 Executive approved, on 29th September, the one off funding of transition costs totalling £374k relating to the award of the new ICT contract from underspends in the 2010/11 Central Contingency Sum.

3.10.5 There have been some further changes to Area Based Grant allocations announced by the Government on 26th October 2010 totalling £72k which have been included in the central contingency sum (see Appendix 5). In addition a new specific grant 'Homelessness Prevention' of £150k was allocated from the government and a request to release this grant is requested elsewhere on this agenda.

3.11 Severance Costs

3.11.1 Elsewhere on this agenda are items on achieving budget savings which will require upfront severance payments. The 2010/11 Budget includes £1m for key one off initiatives (capital) which was also being set aside to meet any significant inflation pressures before being released for capital purposes. These monies have not been allocated at this stage and could be set aside for severance payments. Members should note that an additional sum of £0.5m has previously been set aside as an earmarked reserve for severance costs relating to CYP staffing.

3.11.2 The 2010/11 Central Contingency sum included a provision for NJC pay awards of 1%. It is unlikely that any pay award will be forthcoming and the Employers Side (Nationally) have

indicated that no pay award will be provided in the current year, to reflect the current national financial position. This report assumes that the monies set aside are no longer required which generates a saving of £605k in the Central Contingency sum. The financial forecast report elsewhere on this agenda includes wider proposals to address severance costs including proposals from the Director of Resources to utilise these monies towards severance costs. Utilisation of the savings of £605k will impact on the financial projections detailed in this report. Any such severance costs have been excluded in the financial projections identified in this report.

3.12 Inflationary Pressures

3.12.1 The 2010/11 Council tax report to Executive in February 2010 identified further inflationary pressures for 2010/11, compared with the provision already included in the 2010/11 Budget. The Director of Resources advised that any provisions for additional inflation increases should be focused on the 6 major strategic contracts and should resources allow the other contracts including residential placements for adults requiring social care. It was reported that contract negotiations may be required in other contract budgets to contain costs within overall cash limits. The Director of Resources advised that the first call for inflation costs exceeding the budget provision will be met from the provision for uncertain items of £0.5m included in the 2010/11 Central Contingency Sum. He also advised that the sum of £1m for key one off initiatives (capital) be initially retained to support any further revenue cost pressures before being released for capital purposes. The provision for uncertain items has been fully utilised in this financial year and this report includes proposals (see 3.11) that the monies for one off initiatives (capital) be utilised to meet severance costs.

3.13 Reduction in Government Grants

3.13.1 The Government implemented reductions in Departmental funding of £6.2 billion nationally for 2010/11 and the recent Comprehensive Spending Review highlighted further reductions for future years. Executive, at its July meeting, were advised of a total loss of funding to Bromley of approximately £4.6m, arising from the announcements in June 2010. This sum includes loss of budgeted income of £1.7m for Area Based Grant. There was also a loss of unbudgeted income of £2.9m consisting of 50% reduction in LAA Reward grant of £2.3m (payable in 2010/11 and 2011/12), loss of Local Authority Business Growth Incentive Scheme (LABGI) monies of £0.5m and loss of Planning Delivery Grant (£0.1m). Of the reduced LAA Reward Grant of £2.3m, the Executive have to date forward funded schemes totalling £1,477k (£937k previously reported to Executive plus funding of £540k towards waste roll out costs [see 3.10.4]). Details of reductions in Government funding for Capital Schemes were reported in the 'Capital Programme Monitoring – 2nd quarter 2010/11' report to Executive at the last meeting.

3.13.2 The July report to Executive identified a loss of budgeted grant income of £1.67m which included various grants for Children and Young People (£1.417m), £0.166m for loss of supporting people admin. grant (Adult and Community Services) and £0.087m for Public Protection and Safety.

3.13.3 Final proposals for addressing the reduction in funding have been agreed by the respective Portfolio Holders.

4. CARRY FORWARD REQUESTS

4.1 Carry forwards from 2009/10 to 2010/11 totalling £511k were within the delegated powers of the Director of Resources and were supported by Executive. This sum related to building maintenance. There were further carry forward requests at the June meeting of £463k which

included a sum of £35k previously approved by Executive. Executive approved the remaining carry forwards totalling £428k supported by Portfolio Holders and this sum has been included in the financial projections in this report.

5. EARLY WARNINGS

5.1 Early warnings are detailed in Appendix 4 of this report. This includes, for example, the potential costs arising from the “Southwark Judgment” (Appendix 4B) and the action to address the overspend for CYP. Details of potential risks relating to future government grants were reported to the July meeting of the Executive.

6. EARMARKED RESERVES

6.1 Details of earmarked reserves are reported with the annual Council Tax report each February and the annual Closing of Accounts report submitted to the Executive each June.

7. GENERAL FUND BALANCES

7.1 The unearmarked General Fund balance is currently projected to decrease by £1,025k to £50,830k at 31st March 2011. Further details are provided below.

7.2 General Fund Balances

	2010/11 Budget	2010/11 Projected Outturn
	£'000	£'000
General Fund Balance at 1 st April 2010	51,855	51,855
- Net projected variation for year	-	- 51
- Carry forwards from 2009/10 (funded from underspends in 2009/10)	-	- 974
Net reduction in Balances	-	- 1,025
General Fund Balance at 31st March 2011	51,855	50,830

8. THE SCHOOLS BUDGET

8.1 Expenditure on schools is funded by Dedicated Schools Grant (DSG) provided by the Department for Children, Schools and Families (DCSF). DSG is ring - fenced and can only be applied to meet expenditure properly included in the Schools’ Budget. The final DSG settlement was confirmed at a total £802k higher than anticipated due to increased pupil numbers. Overspends and underspends must be carried forward to the following year’s Schools’ Budget and have no impact on the Council’s General Fund. There is a projected net underspend on the Schools’ Budget of £132k. Further details are provided below.

	Latest Projection	Previously reported
	£'000	£'000
Underspensing brought forward from previous years due mainly to a delayed contribution to capital programme of £2.1m towards improving 6th form provision.	- 3,165	- 3,165
This is the delayed contribution referred to above being transferred to the capital programme to fund the work.	2,830	2,830

Sub Total 2009/10 deficit to be funded in 2010/11	-335	-335
Forecast overspend on SEN placements costs, and on SLAs	2,029	1,437
Underspending on payments to nursery providers due to reduced pupil numbers		70
Underspendings from vacancies in Learning & Achievement Division	- 100	- 100
Expenditure Freeze in Pupil referral	-170	
Overspending on Jury, Maternity and other cover reimbursed to schools	300	300
Final DSG was higher than anticipated in the budget	- 802	- 802
Reduction to DSG for Academy conversion	74	
Contingency retained unspent	- 900	- 900
Other variations (net overspending)	36	-15
Sub Total - Total projected net Underspending 2010/11	467	- 10
Total projected underspending including 2009/10 deficit	132	325

- 8.2 The central schools' budget contingency contains a provision to offset this forecast overspending. The contingency of £900k will be retained unspent so as to offset the overspending in SEN placements and in reimbursements to schools for maternity and other cover as set out above.
- 8.3 Details of the 2010/11 monitoring for the Schools Budget will be reported to the Children and Young People Portfolio Holder.

9. SECTION 106

- 9.1 An update on balances as at 30 September 2010 are included in Appendix 7. Further details on the arrangements for utilising Section 106 monies were reported to the Executive and Resources PDS on 25th August 2010.

10. FUTURE YEAR FORECASTS

- 10.1 The Update on the Council's Financial Position 2011/12 to 2014/15 is reported elsewhere on this agenda. It remains important to address any overspends in the current year, which in some cases have an ongoing impact on future years' budgets. Failure to address these overspends could result in further financial pressures facing the Council in future years. The impact in future years of significant underspends/overspends detailed in this report are considered further in Appendix 6.

11. POLICY IMPLICATIONS

- 11.1 The Resources Portfolio Plan for 2010/11 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 11.2 "Building a Better Bromley" refers to the Council's intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.

11.3 The Update on the Council's Financial Position 2011/12 to 2014/15 to the July 2010 meeting highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2010/11 to minimise the risk of compounding financial pressures in future years.

11.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements. There is a key outcome for the Council to become a performance led organisation.

11.5 Chief Officer's comments are included within Appendix 4.

12. FINANCIAL IMPLICATIONS

12.1 These are set out in the body of the report with further information provided in the Appendices.

13. LEGAL IMPLICATIONS

13.1 There are none arising directly from this report.

14. PERSONNEL IMPLICATIONS

14.1 The Corporate Trade Union and Departmental Representatives' Forum receives regular updates on the Council's finances and the associated policy implications and challenges. Staff and their trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the budget options. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

15. OTHER FINANCIAL MONITORING REPORTS TO MEMBERS

15.1 Members should note that, in addition to the financial monitoring report, examples of other monitoring reports include:

- (a) Capital Programme Monitoring (Executive 3rd November 2010);
- (b) Treasury Management (Executive and Resources PDS on 27th October 2010);
- (c) Pension Fund (Investment Sub Committee on 8th September 2010);
- (d) Revenues Services, which includes income collection performance (Executive and Resources PDS on 1st December 2010);
- (e) 2009/10 Statement of Accounts (General Purpose and Licensing Committee on 30th June 2010);
- (f) Update on the Council's Financial Position 2011/12 to 2014/15 (Executive 8th December).

Non-Applicable Sections:	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	Financial Monitoring 2010/11, Executive, September 2010 Update on Council's Financial Position 2011/12 to 2014/15, Executive July 2010 Dependency on External Grant Funding, Executive, July 2010 2010/11 Council Tax, Executive, February '10 Provisional Final Accounts 2009/10, Executive, June 2010 Resources Portfolio Plan 2010/11, Executive and Resources PDS Committee, April 2010 2010/11 Budget Monitoring file within Co-ordination and Control Finance Section

Portfolio	2010/11 Original Budget	Budget Variations allocated in year #	2010/11 Latest Approved Budget	2010/11 Projected Outturn	Variation	Variation previously reported to Exec 03.11.10
	£'000	£'000	£'000	£'000	£'000	£'000
Adult and Community Services	94,738	1,765	96,503	96,813	310	608
Public Protection & Safety	4,699	Cr 155	4,544	4,614	70	70
Children and Young People (incl. Schools' Budget)	40,259	Cr 829	39,430	40,076	646	655
Renewal and Recreation	16,280	286	16,566	16,559	Cr 7	Cr 7
Resources	19,292	Cr 194	19,098	18,930	Cr 168	Cr 70
Environment	38,212	Cr 873	37,339	37,784	445	394
Less recession costs				Cr 400	Cr 400	Cr 375
Total Environment Portfolio (excluding recession costs)	38,212	Cr 873	37,339	37,384	45	19
Total Portfolios (see note 1)	213,480	0	213,480	214,376	896	1,275
Central Items:						
Investment & Non Operational Property Income (see note 2)	Cr 4,504		Cr 4,504	Cr 3,904	600	600
Less potential funding from "recession" fund in central contingency sum (see 3.8 of main report)	0		0	Cr 600	Cr 600	Cr 600
Total Investment & Non Operational Property Income	Cr 4,504	0	Cr 4,504	Cr 4,504	0	0
Interest on General Fund Balances (incl. school lease)	Cr 2,923		Cr 2,923	Cr 3,103	Cr 180	Cr 120
Contingency Provision (see Appendix 5)	3,796	Cr 325	3,471	2,806	Cr 665	Cr 200
Other central items						
Reversal of Net Capital Charges (see note 3)	508		508	508	0	0
Additional funding to sustain capital investment	1,000		1,000	1,000	0	0
Additional contribution to LPFA for residual liabilities	220		220	220	0	0
Levies	2,177		2,177	2,177	0	0
Total other central items	3,905	0	3,905	3,905	0	0
Total All Central Items	274	Cr 325	Cr 51	Cr 896	Cr 845	Cr 320
Bromley's Requirement before balances	213,754	Cr 325	213,429	213,480	51	955
Carry Forwards from 2009/10 (see note 4)	0	Cr 974	Cr 974	0	974	974
Adjustment to Balances	0		13	Cr 1,012	Cr 1,025	Cr 1,929
Formula Grant (Revenue Support Grant / Business Rates)	Cr 65,148	Cr 1,299	Cr 65,148	Cr 65,148	0	0
Area Based Grant	Cr 16,936	1,286	Cr 15,650	Cr 15,650	0	0
Bromley's Requirement	131,670	Cr 13	131,670	131,670	0	0
GLA Precept	41,153		41,153	41,153	0	0
Council Tax Requirement	172,823	Cr 13	172,823	172,823	0	0

# Budget Variations allocated to portfolios in year consists of:	£'000
(Further details may be found in Appendix 2)	
1) Allocations from the central contingency provision (see Appendix 5)	325
2) Less reduction in Area Based Grant funding	Cr 1,286
3) Plus Carry forwards of unspent budget provision from 2009/10 (see note 4)	974
	<u>13</u>

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2010/11 Original Budget	Budget Variations allocated in year #	2010/11 Latest Approved Budget	2010/11 Projected Outturn	Variation	Variation previously reported to Executive
	£'000	£'000	£'000	£'000	£'000	£'000
Adult and Community Services	94,738	1,765	96,503	96,813	310	608
Children and Young People	40,259	Cr 829	39,430	40,076	646	655
Environmental Services	42,911	Cr 1,028	41,883	41,998	115	89
Renewal and Recreation	19,998	412	20,410	20,490	80	98
Corporate Services	15,574	Cr 320	15,254	14,999	Cr 255	Cr 175
	213,480	0	213,480	214,376	896	1,275

2) **Investment & Non Operational Property Income: Dr. £600k**

The latest information received from our management agent of the Glades Shopping Centre, CSC, suggests that there is to be a reduction in rent income of approximately £600k compared to the 2010/11 budget (£2.6m) as a result of the of the on-going economic downturn in the retail sector. The Agents, CSC, have said that they will be undertaking refurbishment of unit 200 which will cost approximately £900k. Bromley's share of this would be £135k. The pattern of spend for this scheme is unclear and is being looked into further. Information is provided by CSC quarterly and this projection will continue to be updated if the position changes.

3) **Reversal of Net Capital Charges**

This is to reflect the accounting requirements contained in CIPFA's new Code of Practice for Local Authority Accounting and has no impact on the Council's General Fund.

4) **Carry Forwards from 2009/10**

Carry forwards from 2009/10 to 2010/11 totalling £546k were approved by Executive and within the delegated powers of the Director of Resources. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2009/10" report. Other carry forward requests from 2009/10 to 2010/11 totalling £428k were approved by Executive on 21st July 2010.

LATEST APPROVED BUDGETS 2010/11

Budget Variations allocated to portfolios in 2010/11	Adult and Community Services £'000	Public Protection & Safety (ACS) £'000	Children and Young People (incl. schools budget) £'000	Environment £'000	Renewal and Recreation £'000	Resources £'000	G. FUND TOTAL £'000
2010/11 Original Budget							
Total For Portfolios	94,738	4,699	40,259	38,212	16,280	19,292	213,480
Budget Variations allocated during the year:							
Carry forwards from 2009/10:- (approved by Executive 16/06/10)							
Repairs and Maintenance						511	511
Domestic Violence Advocacy Project (PPS)		35					35
Single Status (Resources)						49	49
International Financial Reporting Standards (IFRS) (Resources)						40	40
Housing and Planning Delivery Grant (R&R)					127		127
The People into Employment (PIE) project (R&R)					50		50
Events taking place in June 2010 (R&R)					50		50
Prevent Grant (PPS)		67					67
Smoke-Free Initiatives (PPS)		45					45
Housing Overcrowding Pathfinder Grant (ACS)							
- Expenditure	116						116
- Grant Income	Cr 116						Cr 116
Social Care Reform (ACS)							
- Expenditure	416						416
- Grant Income	Cr 416						Cr 416
Stroke Care Grant (ACS)							
- Expenditure	126						126
- Grant Income	Cr 126						Cr 126
LD Revenue Campus Closure Grant (ACS)							
- Expenditure	39						39
- Grant Income	Cr 39						Cr 39
Youth and Office Services - other (CYP)							
- Expenditure			28				28
- Grant Income			Cr 28				Cr 28
Standards & Achievement service (CYP)							
- Expenditure			110				110
- Grant Income			Cr 110				Cr 110
Total Carry forwards	0	147	0	0	227	600	974
General Items in 2010/11 Contingency Sum							
Child Protection Adviser and Consultant Practitioner posts for 2010/11			195				195
Review of Management & Overhead Costs	Cr 350	Cr 207	Cr 299	Cr 222	Cr 198	Cr 1,172	Cr 2,448
Contract price inflation over 2.3%				302		200	502
Learning Disabilities Service	660						660
Physical Disabilities Service	200						200
Learning Disabilities Campus Closure Programme:-							
- grant related expenditure	8,374						8,374
- grant income	Cr 8,374						Cr 8,374
Single Status	1,073	21	200	27	50	79	1,450
Street lighting - reduction in energy unit price				Cr 140			Cr 140
Street lighting - increase in energy unit price				140			140
Building Regulations Charging Scheme					138		138
Savings on Waste Disposal				Cr 756			Cr 756
Roll out of Waste Pilot				Cr 200			Cr 200
Total General Items	1,583	Cr 186	96	Cr 849	Cr 10	Cr 893	Cr 259
Grants included within Central Contingency Sum							
<u>Agreed by Executive on 3rd March 2010:-</u>							
- Child Death Review Process			42				42
- Designated Teacher Funding			15				15
- Positive Activities for Young People			180				180
Family Intervention Programme & Parenting Project Grants							
- grant related expenditure			414				414
- additional specific grant			Cr 414				Cr 414
Targeted Mental Health in Schools							
- grant related expenditure			150				150
- additional specific grant			Cr 150				Cr 150
Integrated Working Grant							
- grant related expenditure			45				45
- additional specific grant			Cr 45				Cr 45
Youth Inspectors Funding							
- grant related expenditure			28				28
- grant related income			Cr 28				Cr 28

LATEST APPROVED BUDGETS 2010/11

Budget Variations allocated to portfolios in 2010/11	Adult and Community Services £'000	Public Protection & Safety (ACS) £'000	Children and Young People (incl. schools budget) £'000	Environment £'000	Renewal and Recreation £'000	Resources £'000	G. FUND TOTAL £'000
Surestart, Early Years & Childcare							
- grant related expenditure			3,102				3,102
- additional specific grant			Cr 3,102				Cr 3,102
Apprenticeships, Skills, Children and learning Act 2009			283				283
National Extension of the Disabled Children's Access to Childcare (DCATCH)							
- grant related expenditure			89				89
- additional specific grant			Cr 89				Cr 89
Foundation Learning at Key Stage 4							
- grant related expenditure			88				88
- additional specific grant			Cr 88				Cr 88
Mental Health Capacity Act	135						135
Young People Substance Misuse		107					107
Additional Carers Grant	77						77
Local Economic Assessment - to be considered by Executive this cycle					40		40
Use of WRAP monies							
- grant related expenditure				500			500
- additional revenue grant				Cr 500			Cr 500
Surestart Aiming High For Disabled Children							
- grant related income			Cr 25				Cr 25
- grant related expenditure			25				25
14-19 Prospectus							
- grant related income			Cr 11				Cr 11
- grant related expenditure			11				11
Fair Play Playbuilder							
- grant related income			Cr 18				Cr 18
- grant related expenditure			18				18
Familiarisation costs of new statutory guidance on social housing allocations	1						1
Climate Change					23		23
In year grant reductions	Cr 196		Cr 1,420				Cr 1,616
Repairing Winter Damage					197		197
- grant related expenditure				Cr 197			Cr 197
- Dept. of Transport grant							
Youth Offending Team - intensive supervision and surveillance							
- grant related income			Cr 81				Cr 81
- grant related expenditure			81				81
Total Grants	17	107	Cr 900	0	63	0	Cr 713
Variations in Recharges							0
Variations in Recharges etc.	0	0	0	0	0	0	0
Communications Analyst post					37	Cr 37	0
Repairs and Maintenance inflation and savings adjustments	Cr 43		Cr 24	Cr 24	Cr 31	Cr 122	0
Structural changes to the Drugs Action Team	331	Cr 331					0
Young People Substance Abuse ???	Cr 107	107					0
Transfer of LD Business Manager's post	Cr 15					15	0
Other minor variations	Cr 1	1	Cr 1			Cr 1	Cr 2
Total Budget Transfers etc.	165	Cr 223	Cr 25	Cr 24	6	Cr 99	Cr 2
Total Variations per Financial Monitoring Report	1,765	Cr 155	Cr 829	Cr 873	286	Cr 194	0
2010/11 Latest Approved Budget	96,503	4,544	39,430	37,339	16,566	19,098	213,480

Portfolio Summary

	2010/11 Original Budget	2010/11 Latest Budget	2010/11 Projected Outturn	2010/11 Projected Variation	Variation Previously Reported	Notes	Full Year Effect
	£'000	£'000	£'000	£'000	£'000		£'000
Adult and Community Services							
(Please refer to Appendix 4A)							
Care Services							
AIDS-HIV Grant	0	0	(45)	(45)	(45)		0
Assessment and Care Management	33,640	33,678	34,394	716	699	1a	766
Direct Services	3,305	4,174	4,335	161	154	1b	0
Learning Disabilities Care Management	1,603	2,031	2,031	0	26		(49)
Learning Disabilities Day Services	2,119	2,118	2,087	(31)	(26)		0
Learning Disabilities Housing & Support	1,244	1,396	1,396	0	0		0
Total Care Services Division	41,911	43,397	44,198	801	808		717
Commissioning & Partnership Division							
Commissioning and Partnerships	2,606	2,730	2,739	9	25		
Drugs and Alcohol	236	338	333	(5)	0		
Learning Disabilities Services	14,734	15,025	14,995	(30)	(27)		657
Mental Health Services	4,839	4,840	4,744	(96)	(46)		(150)
Procurement & Contracts Compliance	5,850	5,623	5,506	(117)	0		
Total Commissioning & Partnership Division	28,265	28,556	28,317	(239)	(48)		507
Housing & Residential Services Division							
Enabling Activities	(17)	(17)	(17)	0	0		
Housing Benefits	(115)	(395)	(395)	0	0		
Housing Needs	909	1,530	1,530	0	0		
Housing Strategy & Development	338	92	92	0	0		
Residential Services	1,406	1,319	1,219	(100)	(50)		
Total Housing & Residential Services Division	2,521	2,529	2,429	(100)	(50)		0
Strategic Support Services Division							
Concessionary Fares	8,597	8,597	8,582	(15)	(15)		
Customer Services	895	871	774	(97)	(47)		
Performance & Information	1,619	1,596	1,546	(50)	(50)		
Quality Assurance	199	198	198	0	0		
Total Strategic Support Services Division	11,310	11,262	11,100	(162)	(112)		0
Total Controllable Budgets	84,007	85,744	86,044	300	598		1,224
Total Non Controllable Budgets	727	684	694	10	10		
Total Excluded Recharges	10,004	10,075	10,075	0	0		
Portfolio Total	94,738	96,503	96,813	310	608		1,224
Children & Young People - Non Schools Budget only							
(Please refer to Appendix 4B)							
Access	1,060	1,133	1,188	55	49		0
Bromley Children & Family Project	958	950	550	(400)	(400)	1	0
SEN & Inclusion	7,364	7,287	7,450	163	80	2	0
Schools Related Budgets Not Delegated	(59)	(59)	(59)	0	0		0
Integrated Youth Service	3,188	2,893	2,893	0	0		0
Standards & Achievement	1,502	463	9	(454)	(354)	3	0
Safeguarding and Social Care:							
- Care and Resources	10,865	11,473	12,689	1,216	1,157		0
- Children in Care Education	648	648	548	(100)	(100)		0
- Safeguarding & Quality Assurance	2,854	1,973	2,083	110	110		0
- Safeguarding & Care Planning	2,890	2,749	2,789	40	70		0
- Referral and Assessment	1,691	2,496	2,666	170	100		0
- Youth Offending Team (YOT)	938	938	875	(63)	(77)		0
Total Safeguarding and Social Care	19,886	20,277	21,650	1,373	1,260	4	0
Information Systems - CYP	203	201	201	0	0		0
Partnerships and Planning	248	194	194	0	0		0
Research and Statistics	368	365	378	13	13		0
Workforce & Business Support	258	255	258	3	12		0
Total Controllable Budgets	34,976	33,959	34,712	753	660		0
Total Non Controllable Budgets	(1,999)	(2,023)	(2,030)	(7)	(5)		
Total Excluded Recharges	7,066	7,035	7,035	0	0		
Moratorium			-100	(100)	0		
Portfolio Total	40,043	38,971	39,617	646	655		0
Children & Young People - Schools Budget							
	216	459	459	0	0		0
Environment (please see Appendix 4C)							
Parking	(5,715)	(5,702)	(5,302)	400	375	1	620
Support Services	1,462	1,674	1,674	0	0		0
Emergency Planning	117	117	117	0	0		0
Area Management & Street Cleansing	5,736	5,849	5,849	0	0		0
Markets	(84)	(39)	(25)	14	14		60
Parks and Green Space	5,725	5,791	5,791	0	0		0
Street Regulation	862	546	546	0	0		0
Waste Services	16,504	15,765	15,699	(66)	(40)	2	(700)
Highways	8,956	9,069	9,121	52	0		0
Highways Planning	206	152	152	0	0		0
London Permit Scheme	(166)	(282)	(282)	0	0		0
Traffic & Road Safety	1,034	857	857	0	0		0
Transport Strategy	229	220	220	0	0		0
Total Controllable Budgets	34,866	34,017	34,417	400	349		-20
Total Non Controllable Budgets	311	287	332	45	45		
Total Excluded Recharges	3,035	3,035	3,035	0	0		
Portfolio Total	38,212	37,339	37,784	445	394		(20)

Portfolio Summary

	2010/11 Original Budget	2010/11 Latest Budget	2010/11 Projected Outturn	2010/11 Projected Variation	Variation Previously Reported	Notes	Full Year Effect
	£'000	£'000	£'000	£'000	£'000		£'000
Renewal & Recreation (please see Appendix 4D)							
Adult Education Centres	(336)	(341)	(341)	0	0		0
Building Control	(167)	(29)	(103)	(74)	(30)	1	0
Land Charges	(299)	(299)	(299)	0	0		0
Planning	1,273	1,356	1,454	98	18	2	0
Renewal	1,193	1,300	1,276	(24)	(18)		0
Culture	3,586	3,310	3,340	30	30		0
Libraries & Museums	5,278	5,305	5,275	(30)	0		0
Town Centre Management & Business Support	183	402	402	0	0		0
Total Controllable Budgets	10,711	11,004	11,004	0	0		0
Total Non Controllable Budgets	2,535	2,505	2,498	(7)	(7)		
Total Excluded Recharges	3,035	3,057	3,057	0	0		
Portfolio Total	16,281	16,566	16,559	(7)	(7)		0
Public Protection & Safety							
Community Safety	627	712	712	0	0		0
Mortuary & Coroners Service	329	329	329	0	0		0
Public Protection	3,011	2,862	2,932	70	70		100
Total Controllable Budgets	3,967	3,903	3,973	70	70		100
Total Non Controllable Budgets	8	8	8	0	0		
Total Excluded Recharges	723	633	633	0	0		
Portfolio Total	4,698	4,544	4,614	70	70		100
Resources (please see Appendix 4E)							
Chief Executive's Department	3,513	3,299	3,248	(51)	(16)		0
Legal, Democratic & Customer Services Department	8,545	8,513	8,446	(67)	(23)		0
Resources Department:							
- Other Services (Finance & Audit, Procurement, and Information Systems)	17,675	17,477	17,465	(12)	(11)		0
R&R Dept. - Property Services	2,337	1,952	1,948	(4)	(33)		
- Past Deficit Contributions (incl. LTCERs)	9,668	9,668	9,543	(125)	(125)	1	0
Sub Total	29,680	29,097	28,956	(141)	(169)		0
Other Rental Income	(701)	(701)	(569)	132	181	2	0
Repairs & Maintenance (All LBB)	4,366	4,877	4,877	0	0		0
Repairs and Maintenance inflation and savings adjustments				0			
Total Controllable Budgets	45,403	45,085	44,958	(127)	(27)		0
Total Non Controllable Budgets	958	1,080	1,080	0	0		
Total Excluded Recharges	(24,785)	(24,783)	(24,783)	0	0		
Less Repairs & Maintenance allocated across other Departments	(2,903)	(2,903)	(2,903)	0	0		
Less Rent Income allocated across other Departments	619	619	578	(41)	(43)		
Portfolio Total	19,292	19,098	18,930	(168)	(70)		0
Total Controllable Budgets for Portfolios	214,146	214,171	215,567	1,396	1,650		1,304
Total Non Controllable Budgets (capital & insurance)	256	257	257	0	0		
Total Non General Fund Recharges	(922)	(948)	(948)	0	0		
Moratorium (CYP)			(100)	(100)	0		
Portfolios Total	213,480	213,480	214,776	1,296	1,650		1,304
Less Cost relating to recession			(400)	(400)	(375)		
Revised Totals	213,480	213,480	214,376	896	1,275		1,304

REASONS FOR VARIATIONS - ADULT AND COMMUNITY SERVICES**1 Assessment & Care Management : Dr £716k**

The variation can be analysed as follows:-

	October £'000	September £'000
(a) Domiciliary care & direct payments for older people	596	553
(b) Residential/Nursing care and respite for older people	(264)	(185)
(c) Domiciliary care & direct payments for clients with physical disabilities	246	271
(d) Residential care and respite for clients with physical disabilities	138	113
	<u>716</u>	<u>752</u>

- (a) Expenditure on domiciliary care is increasing as more older people are maintained in their own homes rather than placed in residential care. The overspend is currently projected to be £696k, including the estimated impact of reablement as the number of new clients referred to the service increases. The service helps clients to do more for themselves, which results in lower individual package costs. Management action around increased use of independent sector providers, the rigorous application of eligibility criteria and regular reviews aimed at reducing long-term reliance on care services will also assist in reducing cost pressures by a further £100k meaning that the net overspend is expected to be £596k.
- (b) A projected net underspend of £264k in the residential, nursing and respite care budgets partially offsets the overspend on domiciliary care. This is based on numbers in placements at the end of October.

Although there are actions to contain the overspend, the pressure on the older people's budget will continue into 2011/12 and a projected overspend of £622k is forecast, based on activity to the end of October. It is anticipated that successful reablement (-£200k) and tighter eligibility criteria (-£150k) will reduce this to £272k.

- (c) Despite additional funding of £200k in the 2010/11 budget, the latest projections for clients with physical disabilities indicate that there will be a projected overspend of £303k in the cost of domiciliary care as a result of an ongoing increase in referrals.

Action is being taken to contain spend through a number of measures. A comprehensive review of all current care packages is being undertaken, including ensuring that contributions from health are received and utilising the benefits of the new re-ablement service with the aim of maximising independence and where appropriate, reducing on-going reliance on paid carers. This work is expected to reduce costs by £57k, leaving a net overspend of £246k.

- (d) The budget for residential and respite care for people with physical disabilities is expected to be overspent by £138k, an increase of £25k since last month, which is due to a new placement.

Although measures are being taken to contain expenditure, the full year effect on the budget for people with physical disabilities is expected to be £591k in 2011/12, although it is anticipated that this will reduce by £200k to £391k as the management action put in place this year becomes established practice.

2 Direct Services : Dr £161k

The In-House Homecare service is charged out on an hourly rate to Assessment & Care Management, based on the number of hours that it provides. Care management hold the budget to pay for the In-House service, so if the number of hours provided is below the budgeted level then fixed overheads are not fully recovered and an overspend will result in the service. The number of hours currently provided continues to be below the budgeted level and an overspend of £130k is projected.

The meals service is projected to overspend by £31k due to a fall in the number of meals being sold. The projection for the remainder of the year is based on current levels.

3 Procurement & Contract Compliance - Cr £117k

Savings of £46k have been achieved as a result of in year changes to some supporting people contracts.

In addition a one-off saving of £71k has been achieved in year due to a reduction in the hours provided at one of the schemes.

4 Residential Services - Cr £100k

It is now anticipated that the review of the allocation of the budget and tight application of eligibility criteria and what works will be covered for private sector renewals, will produce savings of £100k this year, which will help to alleviate some of the pressures on the departmental budget.

Virements approved to date under Director's delegated powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in the monthly financial monitoring report to the Portfolio Holder.

REASONS FOR VARIATIONS IN NON SCHOOLS' AND CHILDREN'S SOCIAL CARE

1 Bromley Children & Family Project - £400k underspending

The Recently unringfenced Think Family grant will be underspent by management action by charging staffing costs to Standards Fund grant and Surestart grant instead.

2 SEN & Inclusion - £163k overspending

1) SEN Transport - £100k overspending

Pupil volumes have risen and so have cases needing individual transport.

- a. Following a complaint to the Director, the increased pupils at Trinity School in Rochester needed two vehicles, at greater expense. They could all be taken in a single larger vehicle, but this would add 30 minutes to the journey.
- b. Several new out- and in-borough placements have high transport costs.
- c. Challenging behaviour requires more costly supervision and/or individual transport for some pupils

2) SEN Management and Consultancy on SEN Tribunals - £63k overspend

- a. Earlier Reports noted overspending of £70,000 due to savings from reorganisation not yet achieved. This overspending will now be met by diverting Area Based Grant (ABG) given for post-16 commissioning. However, the LA's future role in this is unclear, and if government reduce ABG next year, it will not be available to offset the overspending. Nil variance
- b. Tribunals continue at a high level, requiring consultants and compensation payments to parents where there is award against the Council. There is no budget, and an upward trend in costs. £63,000 overspending

3 Standards & Achievement - £454k underspending

- a. A vacancy freeze, pending review of the structure, yields £300k underspending. However, this is earmarked as part of the DfE £1.4m in-year Area Based Grant reduction, so cannot be double counted here. Nil variance
- b. Management will use standards fund to meet further staffing costs and so achieve savings to offset overspends elsewhere in CYP. £400k underspending
- c. CRB checks across CYP have exceeded the budget in the past two years, and it is likely to happen again, although expenditure is not known until the year end. £40k overspending
- d. Alternative funding has been found for the budget for supporting schools in difficulty. £100k underspending

4 Safeguarding and Social Care Division - £1,373k overspending

1) Salaries - £205k overspending

- a. **£265,000** overspending includes short term cover for social worker and manager vacancies. Referrals have increased steeply (3,425 in 2007/08; 7,430 in 2009/10), causing a backlog, and so extra agency social workers above budget were engaged on 3 month rolling assignments. The backlog is now cleared, but they are still needed for the continuing higher volumes.
- b. The £265,000 overspending includes recruitment and retention incentives for permanent social workers, approved by Executive in February 2010, designed to cut dependency on expensive agency staff. £60,000 spent to date on increments, golden hellos, and other incentives will be reclaimed from the corporate sum set aside. £60,000 underspending

2) Care and Resources - £1,191k overspending excluding salaries

The Children's Placement budget £1,614,000 overspending

- a. There were 285 Looked After Children at the end of September, up from 247 in March 2009. There have been several high cost residential placements, some from decisions at the Complex Case Panel, and some for children not previously known to Social Care. Management is reviewing them.
- b. Since the last report, four new high cost placements have had to be made. Even more rigorous

management action will now be taken to drive down placement costs where this is at all possible. £250,000 saving.

- c. A further £250k will be saved by funding placements for 0 - 5 year olds from Sure Start grant.
 - d. There is a £77,000 shortfall in the income target for the charging policy.
- 3) Safeguarding and Quality Assurance - (£40,000 overspending excluding salaries)
 - a. Funding has yet to be fully identified to meet the CYP contribution to the cost of implementing the CareFirst system. £40,000 overspending
 - 4) Referral and Assessment - (£100,000 overspending excluding salaries)
 Costs relating to clients with No Recourse to Public Funds have steadily risen over recent months. These costs relate to accommodation support to families who are not permitted to receive financial support from the state in the form of benefits and who do not have permission to work in the UK due to their legal status. These costs have previously been absorbed within the teams' Section 17 budgets but due to the increase in number of families and size of the costs the overspend is now reported here. £100,000 overspending.
 - 5) Children In Care Education - £100k underspending
 Care Matters Grant - £100k underspending
 This grant supports the Council's corporate parenting responsibilities. Due to recruitment problems, the full allocation will not be spent.
 - 6) Access £55,000 - overspending
 - a. Education Welfare Services - £35,000 overspending
 management action is needed to bring expenditure in line with budget.
 - b. Access & Admissions Management - £20,000 overspending
 The overspending in salaries relates in part to additional overtime incurred in the close down of the student loans section, now transferred to a government agency.
 - 6) Youth Offender Team (£63k underspending)
 This comprises:
 - Savings from vacancy of the Head of Service post £41k underspending
 - Additional grant from the YJB £12k
 - Training and contribution from Probation Service £10k underspending

5 Integrated Youth Service in balance, subject to the management action below.

- 1) Connexions Services: £100,000 overspending
 In the context of CYP's need to make budget reductions of £325,000 at the start of the year followed by further in-year budget reductions, management are reducing expenditure as below.
- 2) Youth Service: £100,000 underspending
 The above overspending in Connexions will be met by reductions in Youth Opportunity Fund projects (the ringfence was removed from YOF grant), and a vacancy freeze.

6 Moratorium on spending and filling vacancies, and further management action £100,000 saving across Children and Young People Department.

In addition to the actions highlighted under individual sections above, CYP Senior Management Team have frozen all discretionary expenditure and posts to yield further savings.

EARLY WARNINGS

1) VOLATILE NUMBERS - DRIVEN SERVICES

CYP Department has several large demand-led budgets where spending varies with the number of children. Of these, SEN Placements, Payments to Private Nurseries and Pupil Referral are in the DSG funded Schools' Budget, and Social Care Placements, SEN transport, and YOT are in the Council Tax funded budget. The Department monitors these budgets closely.

Social Care Placements (non-Schools' Budget) are increasing, driven by LAC volumes and complexity of need, and the obligations to homeless 16 and 17 year olds clarified by the Southwark judgement. If trends continue, the overspending reflected in this Report will be exceeded.

In the Schools' Budget, Payments to Independent Nurseries vary with pupil numbers each term, and the

upward trend in costs during the year may continue once Spring Term enrolments are known.

2) **PROVISION FOR REDUNDANCY**

Members agreed £0.5m from the 2008/09 CYP budget for a redundancy provision. The reductions in public sector funding are likely to increase redundancy costs for CYP beyond this.

3) **TRANSFER OF SCHOOLS TO ACADEMY STATUS**

Schools converting receive that school's own budget, a share of the non-Schools' Budget and of the Schools' Budgets retained at LA level (and also parts of corporate budgets such as Finance, Legal, Property and HR). The potential longer-term impact has previously been reported to Members, but it seems for this financial year only the Schools' Budget will reduce. £74k has already been deducted from DSG for the first school to convert to Academy status. We do not know when other schools will convert, but the deduction of a further £50k in DSG during 2010/11 would not be unexpected.

4) **HOUSING BENEFIT FOR CARE LEAVERS**

CYP is responsible for paying the housing costs of care leavers. Most but not all of this is recoverable as Housing Benefit. Projecting the current shortfall (rental liability less HB) the sum to be written-off at the end of this financial year would be £265k. This is a very rough estimate given that the number of occupants and weeks of occupation may vary, as might individual personal circumstances. This would represent £65k in excess of the £200k provision already made.

5) **MANAGEMENT ACTION IN THIS REPORT**

Containing the controllable CYP overspending to the £653k on the non-Schools' Budget was achieved by:

- a) Attributing £1,150,000 of previously core funded expenditure to grant funding instead. It is not yet confirmed that all of this will be possible within the grants terms of reference.
- b) Reducing placements costs to save £250k is thought to be possible but full achievement will have to be while still meeting statutory requirements.
- c) The general spending moratorium and freezing of vacancies will contribute to the general £100k of savings built into this report.

Containing the Schools' Budget overspending to the £102k includes transferring £200k of SEN Alternative Provision to the Pupil Referral Service. This in turn depends on PRS being able to absorb this without overspending in addition to the £100k of previous out of borough placements they are already committed to absorbing.

Chief Officer's Comments

Nine primary and three Secondary schools had deficits at 31 March 2010. The Schools' Finance Team are working with the schools and senior officers to agree Deficit Recovery Plans for each one.

Virements approved to date under Director's delegated powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in the monthly financial monitoring report to the Portfolio Holder.

REASONS FOR VARIATIONS - ENVIRONMENT**1 Off Street Parking : Dr £510k**

Off street car parking is expected to be at least £510k below budget due to the continuing effects of the economic climate. From April to October there was a shortfall of £276k for the Hill, Westmoreland and Civic Centre car parks compared to budget, but in line with the actual received for the same period last year. If usage continues at this level, it is projected that the full year shortfall for these car parks will be £460k. Income from the other surface car parks is also below budget and a shortfall of £50k is projected for the year. Notable items include car parks within West Wickham £15k and Orpington College £5k.

2 Parking Enforcement : Cr £110k

A surplus in income of £110k is being projected. There continues to be a small increase in tickets issued from the mobile and static CCTV cameras due to more effective utilisation of resources £56k partly offset by a less income (Dr £28k) being received for tickets issued last year. The performance of the parking contractor has improved significantly during the first part of the year and has led to a surplus of £122k being projected again partly offset by £40k less income being received for tickets issued last year

Summary of variations within Parking

Reasons	£'000
Deficit in income from off street parking	510
Surplus income within parking enforcement - PCN numbers	(110)
Total reported variation	400

Virements approved to date under Director's delegated powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in the monthly financial monitoring report to the Portfolio Holder.

REASONS FOR VARIATIONS - RENEWAL & RECREATION**1 Building Control : Cr £74k**

A report was recently submitted to the Executive to drawdown £138k from the central contingency following changes to legislation.

A shortfall of income of £200k is being offset by savings of £200k from management action to reduce costs, including holding 4.45 fte's vacant.

Part of the provision set aside for the costs of the dangerous structures relating to the plane crash site are no longer required as the insurance company has now settled the revised invoice. The balance of £74k has been written back to the building control code and is being used to offset the shortfall of income within planning.

2 Planning : Dr £98k

Income from planning is £223k below budget for the first seven months of the year and £166k below the actual received for April to October 2009. At this stage, it is projected that the year-end shortfall of income will be £374k.

Based on income from major applications to date, £188k less has been received compared to the actual from April to October 2009. Within non-major applications to date, £21k extra has been received compared to the actual received for the same period in 2009.

Management action taken includes holding 3.37 fte posts vacant and reducing spend on running expenses totalling Cr £266k.

Summary of variations within Planning

	£'000
Effect of holding 4.13 FTE's vacant within Planning	(144)
Underspend within transport, supplies & services resulting from management action within Planning	(122)
Shortfall of income from planning fees	374
Other variations	(10)
Total variation	98

Virements approved to date under Director's delegated powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in the monthly financial monitoring report to the Portfolio Holder.

REASONS FOR VARIATIONS - RESOURCES**1 Resources Department: Cr. £142k**

The main variation is set out below:

Management and Other : Cr £125k

Long Term Costs of Early Retirement Cr £65k

Savings of £65K on LTCER are currently forecast for 2010/11. The long-term cost of in-year early retirements has been lower than originally estimated in recent years, which has resulted in a lower estimate in 2008/09, 2009/10 and 2010/11. In addition, most early retirements in 2006/07 were fully "self-funded" by the relevant departments in that year, meaning there will be no ongoing long-term costs. Contributions for 2011/12 and later will depend on actual retirements in 2009/10 and later.

There was an underspend of £60k on Compensation for Loss of Office in 2009/10. It has been assumed for now that these savings are ongoing, however this could be offset by any future benefits granted.

2 Other Rental Income and associated budgets: Dr £132k

Losses of income totalling £132k are anticipated on a number of other Investment & Non-Operational Properties. This mainly relates to the current economic climate. Managers are doing all they can to fill voids. A submission may be made to the Star Chamber for these losses.

General Commentary including impact on future years

Assistant Directors and budget holders are working to ensure that they manage their services within existing budgets.

Recession Item

- Rent Share (The Glades Shopping Centre Dr £600k)

The latest information received from our management agent of the Glades Shopping Centre, CSC, suggests that there is to be a reduction in rent income of approximately £600K compared to the 2010/11 budget (£2.6M) as a result of the on-going economic downturn in the retail sector.

The Agents, CSC, have said that they will be undertaking refurbishment of unit 200 which will cost approximately £900K Bromley's share of this would be £135k. The pattern of spend for this scheme is unclear and is being looked into further.

Information is provided by CSC quarterly and this projection will continue to be updated if the position changes.

Early Warnings for 2010/11 :**1 Legal Costs - Child Care Proceedings**

Significant increase (72%) in care proceedings are being processed by Legal Services. If this trend continues the service will need to recruit another lawyer at a cost of £60k or send work out at a significantly higher cost to the Council.

2 VAT claims (cross departmental)

The Council was successful in recovering from HM Revenue and Customs 6 separate historic VAT claims for different periods from April 1973 to May 1996. These claims related to disputed VAT liabilities on sporting services, sporting tuition, excess parking charges, special domestic waste collections, cultural services and libraries/audio visual charges. There are further claims being pursued which includes claims for compound interest, off street parking and a claim for the period December 1996 to December 2000 in relation to libraries / audio visual charges, special collections of domestic waste and excess charges for off-street parking. It is not certain, at this stage, whether the claims will be successful.

Virements approved to date under Director's delegated powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in the monthly financial monitoring report to the Portfolio Holder.

Allocation of Contingency Provision for 2010/11

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested This Cycle	Items Projected for Remainder of year	Total Allocations/ Projected for year	
	£	£	£	£	£	£
General						
Provision to reflect net additional costs arising from the recession	1,250,000			1,150,000	1,150,000	Cr 100,000
Single Status	1,450,000	1,450,000		0	1,450,000	0
Provision for uncertain items (see note 1)	500,000	502,000		0	502,000	2,000
Provision for NJC 1% pay award (see note 5)	605,000			0	0	Cr 605,000
Release of NNDR credits	Cr 100,000			Cr 100,000	Cr 100,000	0
Council tax credits	Cr 130,000			Cr 130,000	Cr 130,000	0
Further increases in fuel costs	400,000			400,000	400,000	0
Street lighting - reduction in energy unit price	0	Cr 140,000		0	Cr 140,000	Cr 140,000
Street lighting - reduction in energy unit price (see note 2)	0		140,000		140,000	140,000
Review of Management and Overhead Costs	Cr 2,448,000	Cr 2,448,000		0	Cr 2,448,000	0
Post Room and Printing Review	Cr 147,000			Cr 147,000	Cr 147,000	0
One off funding towards cost of roll out of waste pilot (Executive 1st Sept '10)				380,000	380,000	380,000
Other Changes	137,000			137,000	137,000	0
Total General	1,517,000	Cr 636,000	140,000	1,690,000	1,194,000	Cr 323,000
Grants included within Central Contingency Sum :-						
Children and Young People						
- Child Death Review Process	42,000	42,000		0	42,000	0
- Designated Teacher Funding	14,000	15,000		0	15,000	1,000
- Positive Activities for Young People	180,000	180,000		0	180,000	0
Family Intervention Programme & Parenting Project Grants						
- grant related expenditure	414,000	414,000		0	414,000	0
- additional specific grant	Cr 414,000	Cr 414,000		0	Cr 414,000	0
Targeted Mental Health in Schools						
- grant related expenditure	150,000	150,000		0	150,000	0
- additional specific grant	Cr 150,000	Cr 150,000		0	Cr 150,000	0
Integrated Working Grant						
- grant related expenditure	45,000	45,000		0	45,000	0
- additional specific grant	Cr 45,000	Cr 45,000		0	Cr 45,000	0
Youth Inspectors Funding						
- grant related expenditure	28,000	28,000		0	28,000	0
- grant related income	Cr 28,000	Cr 28,000		0	Cr 28,000	0
Surestart, Early Years & Childcare						
- grant related expenditure	3,102,000	3,102,000		0	3,102,000	0
- additional specific grant	Cr 3,102,000	Cr 3,102,000		0	Cr 3,102,000	0
National Extension of the Disabled Children's Access to Childcare (DCATCH)						
- grant related expenditure	89,000	89,000		0	89,000	0
- additional specific grant	Cr 89,000	Cr 89,000		0	Cr 89,000	0
Foundation Learning at Key Stage 4						
- grant related expenditure	88,000	88,000		0	88,000	0
- additional specific grant	Cr 88,000	Cr 88,000		0	Cr 88,000	0
Adult and Community Services						
- Mental Health Capacity Act	135,000	135,000		0	135,000	0
- Young People Substance Abuse (PPS)	107,000	107,000		0	107,000	0
Preventing Violent Extremism (PPS)						
- Grant related expenditure	195,000			138,190	138,190	Cr 56,810
- Reduction in Area Based Grant				56,810	56,810	56,810
- Additional Carers Grant	77,000	77,000		0	77,000	0
Renewal and Recreation						
- Economic Assessment Duty	65,000	40,000		25,000	65,000	0
- Climate Change	23,000	22,500		0	22,500	Cr 500
Corporate Services						
- Public Law Family Fees increase	34,000			34,000	34,000	0
- Community Call for Action	2,000			1,850	1,850	Cr 150
Total Grants	874,000	618,500	0	255,850	874,350	350
Increase in Area Based Grant funding:						
- January Guarantee (DCSF)	0	20,230			20,230	20,230
- Think Family	0			22,000	22,000	22,000
- LSC Staff Transfer Special Purpose Grant (DCSF)						
- grant related income	0	Cr 242,860			Cr 242,860	Cr 242,860
- grant related expenditure	0	283,000			283,000	283,000
Additional ABG Funding (26th Oct'10)						
- Local Authority Tenants' Satisfaction with Landlord Services		1,380			1,380	1,380
- School Improvement Partners				4,400	4,400	4,400
- Local Child Poverty Duties				48,200	48,200	48,200
- Petitions (see note 3)			19,729		19,729	19,729
New Specific Grants						
- Surestart Aiming High For Disabled Children						
- grant related income	0	Cr 25,000			Cr 25,000	Cr 25,000

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested This Cycle	Items Projected for Remainder of year	Total Allocations/ Projected for year	
	£	£	£	£	£	£
- grant related expenditure	0	25,000			25,000	25,000
- 14-19 Prospectus						
- grant related income	0	Cr 11,000			Cr 11,000	Cr 11,000
- grant related expenditure	0	11,000			11,000	11,000
- Fair Play Playbuilder						
- grant related income	0	Cr 18,000			Cr 18,000	Cr 18,000
- grant related expenditure	0	18,000			18,000	18,000
Use of WRAP monies						
- grant related expenditure	0	500,000			500,000	500,000
- additional revenue grant	0	Cr 500,000			Cr 500,000	Cr 500,000
Repairing Winter Damage						
- grant related expenditure	0	197,000			197,000	197,000
- Dept. of Transport grant	0	Cr 197,000			Cr 197,000	Cr 197,000
Youth Offending Team - intensive supervision and surveillance						
- grant related income	0	Cr 81,000			Cr 81,000	Cr 81,000
- grant related expenditure	0	81,000			81,000	81,000
Adult and Community Services						
Learning Disabilities Service	660,000	660,000		0	660,000	0
Learning Disabilities Campus Closure Programme - grant related expenditure	6,800,000	8,374,000			8,374,000	1,574,000
Learning Disabilities Campus Closure Programme - grant income	Cr 6,800,000	Cr 8,374,000			Cr 8,374,000	Cr 1,574,000
Physical Disabilities Service	200,000	200,000		0	200,000	0
Personal Care at Home (Based on national calculations)	700,000			0	0	Cr 700,000
Personal Care at Home alternative savings to be identified	Cr 700,000			0	0	700,000
Environmental Services						
Roll out of Waste Pilot (see note 4)	Cr 200,000		Cr 200,000	0	Cr 200,000	0
Recycling and composting for all roll out costs - revenue contribution to Savings on Waste Disposal (mainly reduction in waste tonnage)	0	Cr 756,000		0	Cr 756,000	Cr 756,000
Renewal & Recreation						
Planning Appeals - change in legislation	150,000			150,000	150,000	0
Potential loss of income re: land charges and building control (changes in regulations)	300,000	138,320		161,680	300,000	0
Resources						
One off funding of transitional costs for new ICT contract	0	0		374,000	374,000	374,000
Children and Young People						
Increase in social workers to reflect increase in case load	195,000	195,000		0	195,000	0
Southwark Judgement increasing cost of social care support for young adults	100,000			100,000	100,000	0
Total Grants	3,796,000	481,570	Cr 40,271	2,806,130	3,247,429	Cr 548,571
Increase in Area Based Grant funding	0	Cr 43,610			Cr 43,610	Cr 43,610
Further increase in Area Based Grant funding	0	Cr 72,329			Cr 72,329	Cr 72,329
GRAND TOTAL	3,796,000	365,631	Cr 40,271	2,806,130	3,131,490	Cr 664,510

Note 1 - Provision for uncertain items

Contract price inflation in excess of the 2.3% allowed for in the budget has been allocated to the following contracts:

	£'000
Waste Disposal	177
Street Cleansing	65
Exchequer Services	135
Information Systems	65
Waste Collection	40
Parking	20
	<u>502</u>

Note 2 - Street lighting - reduction in energy unit price

Members are requested to agree to drawdown £140k

Note 3 - Area Based Grant ~ Petitions

Members are requested to agree to drawdown £19,729k to enable moderngov work to be done upfront over the next year whilst staff resource are identified, this approach is supported by Paul Dale.

Note 4 - Recycling and composting for all - roll out costs

Members are requested to agree to drawdown £200k

Note 5 - Provision for NIC 1% pay award

See page 6 ~ item 3.11.2

Description	2010/11 Latest Approved Budget £'000	Variation To 2010/11 Budget £'000	Potential Impact in 2011/12
Residential and Domiciliary care - Older people	23,361	332	The full year of the net overspend in domiciliary and residential care is forecast to be £622k. However as the reablement service grows it is anticipated that lower planned hours for new clients will contribute around £200k towards partially offsetting these costs, which along with reduced costs from tighter eligibility criteria of £150k will reduce the full year overspend to £272k.
Domiciliary & Residential Care - Physical Disabilities	3,408	384	Pressure is continuing for PD services and the full year effect of the current overspend is anticipated to be £591k. Management action is in place to review packages, increase referrals to the re-ablement team and maximize income contributions from health and this is expected to produce savings of £200k and reduce the net overspend to £391k.
Residential & Domiciliary Care - Learning Disabilities	16,802	(30)	There is a small underspend anticipated in 2010/11, but based on clients placed during the year, a full year overspend of £618k will arise in 2011/12. This does not take account of new clients coming through transition next year which is included in a growth bid to the Star Chamber. This is partially offset by an anticipated underspend of £20k on the budget for domiciliary care for people with learning disabilities based on current numbers.
Residential Care - Mental Health	2,766	(46)	The full year effect of the 2010/11 underspend will produce a saving of £150k to contribute towards pressures in the older peoples services.
SEN & Inclusion	7,287	100	SEN Transport is currently projected to be £100k overspent. - This is due to the growing number of exceptionally high cost pupils, a trend that is likely to increase the £100k overspending this year, and likely to increase in future years.
Children's Placement Projections	8,181	1,614	The current overspend is likely to have implications beyond the current year. The Southwark judgement (please see Early Warning in Appendix 4B) is adding significantly to placement costs. This is being continuously assessed and monitored. Any overspending in 2011/12 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.
Safeguarding & Social Care Division	20,277	205 (salaries element)	The factors behind this overspending are detailed in Appendix 4B and are likely to continue for the foreseeable future into future years. Any overspending in 2011/12 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.
Parking (net controllable)	(5,702)	400	Income from the Hill, Westmoreland & Civic Centre car parks are £276k below budget for April to Oct but in line with the actual income received for the same seven months last year. If usage continues at this level it is projected that the shortfall of income for these car parks will be £460k. Income from other surface car parks is also projected to be £50k down at the year end. These projected figures include the effect of the VAT increase which will increase the deficit by £22k in 2010/11 and £88k in 2011/12. A surplus of £110k is projected for PCN income due to more effective use of resources relating to mobile & static CCTV cameras and improved performance of the parking contractor.
Waste Management (net controllable)	15,765	(55)	Disposal tonnage is 7,700 tonnes below the budgeted amount for April to Oct resulting in an underspend of £565k. At this stage it is projected that the year end variation will be 11,500 tonnes with a potential full year underspend of £840k as a direct result of the recession. Other variances total Dr £18k. Total variation of £Cr 822k reduced to Cr £66k after transferring £756k to central contingency.
Planning & Renewal (net controllable)	2,616	74	Income from planning applications has reduced due to the economic climate and a shortfall of £374k is projected for 2010/11. This level of shortfall may continue into 2011/12 if the recession continues however there are indications that activity is increasing. To reduce the shortfall, 4.13fte posts are being held vacant and running expenses have been cut (Cr £300k). If activity increases then posts will be filled using agency staff to give flexibility if application numbers dip.
Building Control income	(1,118)	170	Income from building control is expected to be £200k below budget due to the economic climate. Activity has picked up compared to the first seven months in 2009/10. 4.48fte posts are being held vacant to partly offset the deficit. A sum of £138k has been drawn down from contingency to account for the effect of legislation changes for building control. New guidance from CIPFA means that charges will have to be set to recover chargeable costs. £74k provision no longer needed has been written back to revenue.
Running expenses	1,056	(244)	
Glades rent income	(2,585)	600	The latest information received from the management company (CSC) for the Glades Shopping Centre indicates that a reduction in rent income of £600k is likely for 2010/11 as a result of a fall in trading due to the economic downturn in the retail sector. This situation is unlikely to improve until 2012/13 and then only marginally. Information is provided by CSC quarterly and this projection will continue to be updated if the position changes, given the current economic climate this is likely.
Other budgets	144,727	(2,276)	
Total	213,480	896	

SECTION 106 RECEIPTS

Section 106 receipts are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission (e.g. provision of affordable housing, healthcare facilities & secondary school places). The sums are restricted to being spent only in accordance with the agreement concluded with the developer. The major balances of Section 106 receipts held by the Council were as follows:

31 March 2010 £'000	Service	Income £'000	Expenditure £'000	Transfers to / from Capital £'000	30 Sept 2010 £'000
Revenue					
489	Highway Improvement works	2	-	-	491
5	CCTV	-	-	-	5
30	Road safety schemes	-	-	-	30
45	Local economy & Town Centres	-	-	-	45
67	Parking	-	-	-	67
40	Community facilities (to be transferred to capital)	-	-	-	40
-	Education	47	-	(47)	-
-	Housing	725	-	(725)	-
216	Healthcare Services	42	-	-	258
35	Landscaping	-	-	-	35
10	Other	-	-	-	10
<u>937</u>		<u>816</u>	<u>-</u>	<u>(772)</u>	<u>981</u>
Capital					
582	Local Economy & Town Centres #	-	260	-	322
904	Education	-	-	47	951
1,680	Housing	-	85	725	2,320
860	Community facilities	-	-	-	860
<u>4,026</u>		<u>-</u>	<u>345</u>	<u>772</u>	<u>4,453</u>
<u><u>4,963</u></u>		<u><u>816</u></u>	<u><u>345</u></u>	<u><u>-</u></u>	<u><u>5,434</u></u>

Local Economy & Town CentresOrpington Library

On 15th December 2009, the Council agreed the relocation of Orpington Library, to be funded in part by S106 receipts. This will be reflected in the table as funding is drawn down during the course of the Orpington Library relocation scheme.

In addition to the sums above, £19k is being held as a bond and £10k of £15k has been received to be held for a period of 5 years for maintenance of roadways if required.

This page is left intentionally blank

Report No.
DR 10107

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

<Please select>

Decision Maker: **Executive**

Date: **8th December 2010**

Decision Type: Non-Urgent Executive Non-Key

TITLE: BASE BUDGET LEVEL 2011/12 AND UPDATE ON COUNCIL'S FINANCIAL POSITION 2011/12 TO 2014/15

Contact Officer: Paul Dale, Director of Resources
Tel: 020 8313 4338 E-mail: paul.dale@bromley.gov.uk

Chief Officer: Director of Resources

Ward: Borough wide

1. Reason for report

- 1.1 The prime purpose of this report is to seek approval of the initial level of the 2011/12 Budget as a basis for proceeding to the setting of the Council Tax. The report follows on from the update on the Council's financial position put to the July meeting of the Executive. The report also considers outstanding issues and further action required and areas of uncertainty. More details of these will be reported to the January meeting of the Executive.
- 1.2 This paper provides the latest position on the overall budget over the next 4 years and identifies a series of issues and actions that need to be undertaken to finalise the budget. The report also provides an update on the outcome of the Comprehensive Spending Review.

2. **RECOMMENDATIONS**

Executive are requested to:

- a) **Agree the draft level of the 2011/12 budget, including those savings included, as per Appendix 1 a basis for setting the 2011/12 Budget and**
- b) **Note the outstanding issues that will require resolution in setting the 2011/12 Budget.**
- c) **Note the outcome of the Comprehensive Spending Review and that a more detailed update will be provided at the meeting should the provisional announcement of the Local Government Financial Settlement be available.**
- d) **To consider the issues around remaining Area Based Grant and those Grants into Formula Grant.**
- e) **To consider the approach to the 4 major growth items remaining in the budget forecast.**

- f) **Note the need to make significant provision for severance costs in setting the budget.**

Corporate Policy

Existing policy:

Financial

1. N/A
 2. Recurring cost
 3. Budget head All Council Budgets (Revenue)
 4. Total budget for this head £132m (2010/11 Budget excluding GLA precept)
-

Staff

1. Number of staff (current and additional) – 2,658 fte plus 4,556fte delegated to schools (per 2010/11 Budget)
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Statutory requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000 and the Local Government Act 2002.
 2. Call-in is applicable
-

Customer Impact

Estimated number of users/beneficiaries (current and projected) - The Council's budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.

Ward Councillors Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: Council wide

3.1 COMMENTARY

3.2 The Executive in July agreed a budget strategy split into 3 components:

- 2010/11. The crucial issue was delivering the savings built into the budget with no carry forward into future years, ensuring that new commitments against Specific and Area Based Grants were minimised and steps taken to balance the budget in year.
- 2011/12 would likely to need to be balanced as a specific year given the level of uncertainty on funding but retaining the link to strong 4 year medium term financial planning. This needed the building of a savings plan to balance the base position plus the identification of options for future years but with a degree of flexibility.
- 2012/13 to 2015/16 the council would move as close as possible to setting a multi-year budget, as was done in 2008/9, 2009/10 and 2010/11. This would allow longer term decisions and integrate these with policy choices.

It was agreed that options to contain grant loss and service growth within the service were to be modelled as a starting point as in previous years along with the potential for re diverting any un-ring fenced grants.

4. Grant position

4.1 The Comprehensive Spending Review (CSR) was announced on 20th October. There has subsequently been substantial work undertaken with London Councils to obtain greater certainty but it has proven very problematic to produce robust estimates of potential grant losses.

- Approximately £791,000 currently received by London Councils as a Specific Grant towards Concessionary Fares will be transferred into Bromley's base Formula Grant. Approximately £14.08m of Bromley's grants are being added to the £65m Formula Grant that the Council receives. This has impact on the budget strategy (see below) and could add £4m to the grant losses over the 4-year planning period. The inclusion of un-ring fenced Specific Grants in Formula Grant rather than Area Based Grant and the move of ABG here is unhelpful as it means that these will be cut in addition to the loss of Formula Grant.
- In the summer there was a consultation paper issued on the underlying Formula Grant model. Much will depend upon the effect of any changes adopted and the re-running of the national settlement following this. This could have the effect of moving significant resources out of London on a long term basis and could see the loss of the Service Grants transferred into Formula Grant. The main issue is what level of funding will be left for the grant floor once the model is re-run.
- The issue of the floor level remains crucial but there has been no indication to date of the likely level. Some extreme scenarios have been suggested involving the elimination or virtual elimination of the floor over the CSR period. This would be potentially extremely damaging with a further £10 -15m of reductions to those discussed below.

4.2 Appendix 4 contains details of the CSR. Key issues that impact on the funding projections are shown below:

- a. There remains a significant amount of grants which have not been mentioned in the Spending Review. The distribution and level of cuts of these has not been announced but is very important and could give the council major additional problems.
- b. The Council remains at the Formula Grant "grant floor" with a gap of £19.5m although this may change once the grant is set for 2011/12.

- c. The arrangement for the Council tax freeze has been confirmed - £700m has been set aside for Councils to set a zero Council tax increase for 2011/12 only, and the funding for this single first year freeze will be built into grants across the four year settlement period. This appears as secure as any grant can be in the current climate.
- d. New social care funding of £530m in 2011/12 rising to £1bn in 2013/14 was announced. The position on this has been unclear but it seems that this has been included in the overall totals for Formula Grant below the grant Floor. A further £1bn of additional funding through the NHS budget has been announced to support joint working between the NHS and councils

4.3 The best estimates of grant losses are currently:

	2011-12	2012-13	2013-14	2014-15
	£'m	£'m	£'m	£'m
1. Assume New Formula Grant is favourably treated	-9.0	-13.4	-13.3	-16.9
2. Assume New Formula Grant is equally treated and Grant Floor nil	-10.0	-15.0	-15.1	-18.9
3. Assume 2 and -1.5% grant floor	-11.2	-17.2	-18.3	-23.1
4. Assume 2 and -3% grant floor	-12.4	-19.6	-22.0	-27.9

The outcome depends on how major grants are treated at a national level and the model above does not include any re-running of the national formula. Scenario 2 shows the Grants taken into Formula Grant and existing Formula Grant being reduced by 23% over the 4 year period. What is apparent and worrying is how heavily the loss is potentially front loaded. It is unclear at this stage whether the extent of front loading will be reviewed.

4.4 The CSR highlights that the Council faces significant reductions in Government funding. The final amount will be dependent on the following key factors:

- How Specific Grants are actually moved into the Formula. What will their initial level be and how will they be rolled into the overall grant model, which could reduce grants further?
- Will there be an accelerated programme to eliminate the protection of “floors and ceilings” within Formula Grant?
- There was consultation of further changes in the distribution of Formula Grant – what impact will the final outcome have on Bromley?
- How will the grants that have yet to be mentioned be treated? There is a risk of significant loss of specific and residual Area Based Grant that will require spending reductions above those discussed below.

5 Budget Gap

5.1 The initial base budget for 2010/11 which is proposed as the starting point for finalisation of the 2010/11 and Council Tax is shown in Appendix 1. This also projects the position forward for 2012/13 to 2014/15. For modelling purposes this assumes a 0% Council Tax rise in 2011/12 (funded by additional government grant) and a 2.5% increase in future years. The Council tax level is, of course, a decision for Members that will be taken annually. The projection adds in the estimated grant transfer in relation to Concessionary fares but excludes any loss of government grants. The proposed base budget includes several savings that can be taken as a result of

actions and decisions in the in the year which have not yet formally been taken as budget reductions. The revised forecast is discussed in section 6. The base gap is:

To achieve a 0% Council tax rise in 2011/12 with government grant and 2.5% in future years	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Cumulative savings	411	5,070	8,693	13,865
Annual Savings	411	4,659	3,623	5,172

- 5.2 As highlighted above there are many factors which remain uncertain around grants in particular. The outcome of this may be known by the time of the meeting. At this stage, the modelling assumption (based on limited information currently available) is that the reduction in Formula Grant will be as per option 2 above; this would be a relatively positive outcome and would assume that London had won its arguments about a minimal grant floor reduction. In addition the impacts of 2 options around the grant floor are shown below. There have been some radical suggestions about moves to eliminate the grant floor in the short term that could add £10m to option 4 above.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Cumulative Budget Gap, excluding reduction in government grants	411	5,070	8,693	13,865
Estimated loss of Government Grant (assume say.)	10,000	15,000	15,000	20,000
Revised budget gap after allowing for loss of Government Grant	10,411	20,070	23,693	33,865
Revised budget gap if assume -1.5% grant floor	11,611	22,270	26,893	38,065
Revised budget gap if assume -3% grant floor	12,811	24,670	30,593	42,865

- 5.3 The final outcome will only be available following the Local Government Financial Settlement due in early December. If this is announced before the meeting an update will be provided.

6 Budget and Forecast update

- 6.1 The attachment at Appendix 1, 2 and 3 update the forecast in detail from the position reported in July. There have been a variety of significant changes since then.
- The position on pay has become clearer. A pay freeze has been built into the budget for 2010/11 and 2011/12. Any incremental growth will be required to be funded from within Departmental base budgets.
 - Interest on balances projections have worsened in early years of the period because of the delay in interest rates recovering. The projection for 2014/15 is however higher than that produced in July. Options to gain increased interest are being reviewed, but there is little suitable activity in the market.
 - Several savings have been agreed by the Executive since July. Decisions have not yet formally been taken to reduce the budget for these but they have been built into the forecast to give a clearer statement of the budget gap and to provide a basis for setting a draft base budget.
- 6.2 The growth included in the forecast has been subject to corporate officer review. In broad terms there is an increase of £500,000 in the costs from those reported in July, primarily from further projected increases in the costs of Children's Placements. There are 4 major elements of growth in the forecast.

	2011/12	2014/15
	£m	£m
Learning Disabilities	0.8	2.4
Children's Services	1.0	1.5
Energy/Carbon Tax	0.6	1.4
Waste	0.6	1.2
Total	3.0	6.5

There are substantial measures in place to minimise the increased cost of waste, given the scale of the budget gap discussed above it is important to review the options for reducing these other growth pressures. This may require, for example, investment in energy conservation measures.

7. Savings Position

- 7.1 The Budget Strategy report considered by the Executive in July reviewed the need to make significant savings and Officers have been reviewing options to deliver savings of up to 25% over the 4 year period (c£40m.) This process is drawing towards a conclusion and options will be available for consideration alongside a firmer budget gap following the announcement of clearer grant data.
- 7.2 A significant issue in modelling savings and managing the budget is the overlap of savings options with service based grant income. The treatment by Central Government of grants relating to these services in the CSR is extremely important. The position on the future Area Based and Specific Grants for CYP and ACS is very different. The vast majority of Specific and ABG for ACS has been rolled into Formula Grant. For CYP only a small proportion has been treated in this way.

	Rolled into FG	Remaining ABG	Remaining Special Grant	Total Dept Residual Grant Budget
	£,000	£,000	£,000	£,000
Children & Young People	1019	4005	47641	51646
Adults and Community Services	13053	518	280	798
Renewal & Recreation	9	0	2889	2889
Total	14081	4523	50810	55333

- 7.3 Of the CYP grants £36.6 million is ring-fenced Central Education Grant leaving c £11m of Special Grants. The main element of this is £8.8m of Sure Start that remains ring fenced. The detail of this is still being analysed.
- 7.4 This means that grants are being used to fund a small element of ACS expenditure but significant, CYP services are still vulnerable to reduction by the awarding government department. Reductions in these grants have not been factored into the models above. Any reductions in these will increase the budget gap and need additional reductions to those already being modelled. The agreed starting point is that where targeted grants are reduced the corresponding spending is reduced.
- 7.5 The important change for ACS is that that Preserved Rights, Supporting People and Carers Grant along with several other significant areas have been moved into Formula Grant. Although these face a significant cut over the next 4 years there had been fears that they could have faced large immediate reductions.
- 7.6 Once the Formula grant and other grants are announced it may be appropriate to zero base activity to be funded from remaining Specific and Area Based Grant.

8. Outstanding major Issues

8.1 Concessionary Fares

For Concessionary Fares the position is very complex. Next year is the final year of the arbitration agreement whereby charges move from a flat rate per pass to usage, but there remains a small element for which usage data is not available. In addition, Central Government Specific Grant to London Councils is being transferred to the Boroughs through Formula Grant. At the same time Central Government is moving responsibility in the Shires from District to County requiring a complete re-running of the national funding model. London Councils have recalculated the likely changes to reflect the loss of Formula Grant, changes in usage and the decision by Transport for London to increase the charges for the bus service. There are outstanding issues about the charges for services with limited usage data and the final settlement with TfL. The final cost of the transfer of Specific Grant to London Councils into Formula Grant remains unclear. The forecast includes the best estimate currently available but a final figure will not be known until later in December.

8.2 London Boroughs Grant Scheme/London Councils

Bromley currently pays c. £1.046 million into the London Boroughs Grants Scheme. This is subject to a review on the appropriate balance between a London wide scheme and local spending. This could lead to a reduction in the level of subscription required to the scheme which may generate resources for re-investment. It is anticipated that the position will become clearer in December. At this stage no financial assumptions about the outcome are included in the forecast. Discussions are underway about reducing the scale of the contribution to London Councils and an estimated reduction in contribution of £30,000 has been built into the forecast but this is yet to be finalised.

8.3 Pay Awards

As is discussed above a pay freeze for 2010/11 and 2011/12 has been built into the draft base budget. For future years pay awards are assumed at 3%. This is an area where it is very difficult to be precise as it will depend upon the outcome of negotiations and the state of the overall economy.

8.4 Inflation

Bromley is a heavily outsourced organisation and the level of inflation is critical to determining the budget gap. Most contracts are indexed at RPIX which is currently running higher than other definitions of inflation. It has proven difficult to find an appropriate alternative index, as taxation needs to be excluded. There are now however, alternative options for indexing future contracts that are being explored but these might lead to higher up front costs. Options to negotiate lower prices with existing contractors will be explored. A provision of 3% for inflation has been included in the draft budget. This is below current inflation levels and is likely to require a degree of cash limiting of but there is a top up for the 6 core contracts of the Council included in the base budget.

8.5 Severance payments

The budget monitoring report elsewhere on this agenda identifies initial budgets for severance payments made in 2010/11. As part of modelling budget reductions potential severance costs will be identified. Once the scale of reductions required is clear following the grant announcement then these costs will be factored into the budget and resources will need to be identified, either from within the overall budget balancing exercise or from the utilisation of the Councils unallocated reserves. There are provisions to seek capitalisation directives from the Department for Communities and Local Government but previous experience suggests that it is unlikely that a borough such as Bromley with significant reserves will receive such consent and this could not be relied upon in setting the budget.

8.6 Pension Fund

- 8.6.1 The pension fund is due for its triennial revaluation for implementation from 1st April 2011. The actuary has completed initial work in the last week, although this will not be finalised until later in the year.
- 8.6.2. There were concerns that deteriorating economic circumstances and increased longevity of members could lead to the increase in the employers' rate of contribution for future service of active members but it seem likely that this will remain essentially unchanged. Following from Lord Hutton's initial review the CSR indicated that they expected that the overall employees charge would rise by 3% p.a. over the next 4 years. This will require regulation changes and will be complex, and it is increasingly unlikely that there will be any such changes in time for the 2011/12. A full implementation of a 3% increase could save Bromley c. £2m pa. if the employers contribution were similarly reduced.
- 8.6.3 Bromley's Pension fund was the best performing English Local Authority and over the last 5 years. It earned 7.1% income p.a. compared to the average of 1.7%.p.a. over the triennial valuation period. This has meant that there has been an overall increase in funding to an estimated 84%. Many Council's are facing sharp upward increases in Pensions costs and at the very best holding contributions stable. It is important to recognise that it is unlikely that anything that the Hutton Commission recommends will deal with deficits.
- 8.6.4 The good performance means that estimated growth of £0.6m in 2011/12 rising to £2.7m in 2014/15 has already been removed from the budget projections.
- 8.6.5 The position around schools is complex, particularly with the impact of academies. Further work has been commissioned from the actuary to be available before the Grant announcement to deliver a sustainable position on schools liabilities. This work is needed before final figures are available. Bromley does not currently charge schools for a share of the deficit. This will be amended from 2011/2.
- 8.6.6 Pensions are managed via the Non Executive arm of the Council and the decision on deficit recovery legally rests with the actuary who has a prime duty is to hold the level of contribution stable The council has a 15 year deficit recovery plan agreed in 2005 which has a further 9 years to run. In the current fiancial context a modest extension of this recovery plan would be appropriate. It should be noted that the deficit recovery plan is equivalent to a mortgage: both principal and interest are paid .As with a mortgage the longer the recovery period the greater the amount of interest and overall sum paid. Combined with charging of schools revising the plan would save the general fund a minimum of £3.2m. of a budget of £8.6mThis figure has not been built into the base budget and forecast discussed above and is subject to finalisation The final year of the forecast period falls after the next revaluation and should economic conditions in the intervening period be adverse this could put significant upward pressure on the contribution required in that and future years

9 STRATEGIC PLANNING.

- 9.1 It is important that as soon as clearer indications of grant funding are available that a medium term budget plan is developed, this is needed to provide a framework to allow a response to the rapidly changing external environment, in particular health and education.
- 9.3 Working with health to generate service improvements and efficiencies will be increasingly important. This is going to be a major piece of work that will require sensitive handling
- 9.4 Shared Services will need to be explored. Bromley has made a useful start on this agenda the work currently being undertaken with Lewisham over shared IT contracting being a particular success. . More intensive discussions are underway with Baxley and the possibilities of options across SE London are under exploration. It is likely that shared services will need small/medium starter projects to

demonstrate the viability and build confirmed need. The extent of existing outsourcing at Bromley somewhat limits the scale of the proposals that we can explore.

- 9.5 Bromley is a heavily outsourced organisation. There is some potential for further outsourcing but this will not be on the scale of the benefits taken in the late 1990s and early 2000's. The Exchequer and revenues contract that has recently been let contains options to extend the services into related areas and this could be explored as a starting point over the next 2 to 3 years. However, the public sector pay freeze in comparison to the indexation requirements of external contracts may make further externalization more problematic without more challenging contracts proving acceptable to the private sector. It is noticeable that in many core service areas large scale competitive activity has yet to develop.
- 9.6 Future income and Council tax levels are crucial to the medium term positions and this will need further analysis and option appraisal early in the life of the new Council.
- 9.6.1 The sort of options that the council faces will require a significant amount of project and programme management plus formal change management.

10 CONCLUSION

The report sets out the base budget as a starting point for setting the 2001//12 budget. It also updates the forecast for future years. The scale of savings likely to be required is modeled. It is probable that the late announcement of grant changes will create a volatile situation requiring rapid change in our detailed approach but the framework should be one of tight financial forecasts and control linked to a clear strategic service direction.

Background Documents:	The financial implications are contained within the overall report. No implications arising directly from this report
Financial Considerations	
Legal and Personnel Considerations	

FINANCIAL FORECAST 2011/12 TO 2014/15

	2010/11 £'000	2011/12 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Bromley's Budget Requirement in 2010/11 (before funding from Formula and Area Based Grants)	213,754	213,754	213,754	213,754	213,754	213,754
Increased costs (general inflation 3%, pay freeze for 2011/12)		5,563	4,697	12,174	19,496	27,020
Full effect of 2010/11 Contingency (assumes no pay award in 2010/11)			-764	-764	-764	-764
Formula Grant (assume cash freeze from 2011/12)	-65,148	-65,148	-65,148	-65,148	-65,148	-65,148
Area Based Grant	-16,936	-16,936	-16,936	-16,936	-16,936	-16,936
Draft "standstill" Budget	131,670	137,233	135,603	143,080	150,402	157,926
Variations in interest earnings/capital financing		-500	238	-388	-1,725	-2,729
Increase in Area Based Grant (April 2010)			-311	-311	-311	-311
Increase in grant related expenditure (April 2010)			311	311	311	311
Reduction in Area Based Grant following Government's June announcement			1,670	1,670	1,670	1,670
Corresponding reduction in grant related expenditure/alternative savings			-1,670	-1,670	-1,670	-1,670
Increase in Area Based Grant (October 2010)			72	72	72	72
Increase in grant related expenditure (October 2010)			-72	-72	-72	-72
Increase in Formula Grant to reflect funding towards Freedom Passes allocated to local authorities			-792	-792	-792	-792
Increase in direct funding of Freedom Passes (offset by a corresponding increase in Formula Grant)			792	792	792	792
			0	0	0	0
Real Changes and other Variations						
Adults and Community Services		1,092	784	1,018	1,579	2,469
Environment		695	695	542	1,066	1,590
Renewal and Recreation		17	17	48	80	113
Children and Young People		600	1,000	1,500	1,500	1,500
Other (mainly council wide)		1,103	659	1,200	1,325	2,175
Sub total - real changes and variations		3,507	3,155	4,308	5,550	7,847
Sub total		140,240	138,996	147,000	154,227	163,044
Savings approved by Executive February 2010						
Adults and Community Services		-28	-28	-28	-28	-28
Environment		-122	-122	-122	-122	-122
Renewal and Recreation		0	-174	-174	-174	-174
Children and Young People		-537	-537	-537	-537	-537
Corporate Services		-545	-371	-371	-371	-371
Sub total - savings		-1,232	-1,232	-1,232	-1,232	-1,232
Savings approved by Executive during 2010/11						
Savings in Exchequer and IT contracts reported to Executive in Sept '10			-1,366	-1,416	-1,466	-1,466
Savings from retendering of Churchill Theatre			-160	-210	-210	-210
Roll out of waste pilot (exceeding savings of £200k included in 2010/11 Budget)			-165	-36	-132	-232
			-1,691	-1,662	-1,808	-1,908
Other savings not yet reported to Executive						
Reduction in waste tonnage			-700	-700	-700	-700
			-700	-700	-700	-700
Total savings		-1,232	-3,623	-3,594	-3,740	-3,840
Remaining Sum to be met from Council Tax/Budget Options	131,670	139,008	135,373	143,406	150,487	159,204
Base Council Tax Rise (Cumulative)		5.6	2.8	8.9	14.3	20.9
Annual Council Tax Rise Annual		5.6	2.8	5.9	4.9	5.8
To achieve a 2.5% annual increase would require further savings of (£'000):						
Cumulative		-4,046	-411	-5,070	-8,693	-13,865
Annual		-4,046	-411	-4,659	-3,623	-5,172

SUMMARY OF REAL CHANGES

	2010/11 Budget	2011/12 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
		Previously reported Executive				
ADULT AND COMMUNITY SERVICES						
- Adults with learning difficulties						
Learning Disabilities - new placements	13,926	848	855	1,531	2,534	3424
FYE of 2009/10 overspend on Physical Disabilities, Mental Health and Older People residential, nursing and domiciliary care		500	0	0	0	0
Management action to contain above costs		-250	0	0	0	0
Impact of attrition ILF		60	0	0	0	0
Reduction in housing benefit grant for bed and breakfast (homeless)		5	0	0	0	0
Savings from Extra Care Housing	-106	-71	-71	-513	-955	-955
Total real changes ACS		1,092	784	1,018	1,579	2,469
ENVIRONMENT						
Absorption of inflation increases for PCNs	-3,717	93	93	188	286	386
		93	93	188	286	386
Other cost pressures/ growth						
- Waste						
Landfill tax increases	3,070	570	570	-794	-375	42
Increase in waste contract prices and contract disposal targets		0	0	1,084	1,059	1034
Increase in refuse/recycling collection to reflect additional units and leap year addt costs	5,952	32	32	64	96	128
Sub total (waste)		602	602	354	780	1,204
Total real changes (E)		695	695	542	1,066	1,590
Renewal and Recreation						
Recreation						
2% Efficiency savings - Bromley Mytime	679	-13	-13	-13	-13	-13
Planning						
Absorption of inflation on statutory planning fees	-1,160	30	30	61	93	126
Total real changes (R&R)		17	17	48	80	113
Children and Young People (CYP)						
SEN Transport - volume increase	3,636	100	0	0	0	0
Children's Placements/additional referrals	9,445	500	1,000	1,500	1,500	1,500
Total real changes (CYP)		600	1,000	1,500	1,500	1,500
OTHER VARIATIONS (MAINLY COUNCIL WIDE)						
Other net cost pressures/ growth						
Additional allowance for increased fuel costs	2,265	300	300	600	900	1200
Local elections		-500	-500	-500	-500	100
Net loss of income from proposed sale of car park sites	-589	593	297	593	593	593
Impact of increase in referrals (family law/child protections) - legal costs		60	0	0	0	0
Freedom passes						
- additional cost of reissue of Freedom passes every five years	32	0	0	0	110	
- savings arising from redistribution of costs across London for freedom passes		-1,300	-838	-838	-838	-838
Pension costs (dependent on final outcome of triennial actuarial valuation)		700	0	0	0	0
Increase in housing benefit caseload		1,000	480	480	480	480
Provision for uncertain items			500	500	500	500
Carbon Reduction Commitment (CRC)		100	400	400	500	600
Less savings in fuel use to partly offset impact of CRC			-100	-200	-300	-400
Reduction in funding of operational costs (Bromley Mytime)		0	0	-95	-520	-580
Housing and council tax benefit - real reduction in admin subsidy	-2,056	150	150	290	430	550
Reduction in Council's contribution towards London Councils			-30	-30	-30	-30
Total real changes (mainly council wide)		1,103	659	1,200	1,325	2,175
TOTAL OF REAL CHANGES		3,507	3,155	4,308	5,550	7,847
Recession Fund	1250					
Glades	-2585		600	600	600	600
Car parking etc.			530	530	530	530

SAVINGS PREVIOUSLY APPROVED BY EXECUTIVE

	Budget 2010/11 £'000'	Year 2011/12 £'000	Year 2012/13 £'000'	Year 2013/14 £'000	Year 2014/15 £'000
Adult & Community Services					
Staff savings - grant team		-28	-28	-28	-28
TOTAL ADULT & COMMUNITY SERVICES		-28	-28	-28	-28
Renewal & Recreation					
<u>Property</u>					
Reduction in Staffing	2,619	-30	-30	-30	-30
Clawing back building maintenance budgets on the sale of buildings		-99	-99	-99	-99
Generation of new income streams and raising of fees and charges	-914	-45	-45	-45	-45
TOTAL RENEWAL & RECREATION		-174	-174	-174	-174
Children & Young People					
<u>Children's Care Services</u>					
Savings as per Clannad report	273	-37	-37	-37	-37
Reduction in Staffing	1,319	-40	-40	-40	-40
Reduced res care as a result of Extended Schools support	375	-50	-50	-50	-50
		-127	-127	-127	-127
<u>Referral and Safeguarding East and West</u>					
Reduced use of Locums	186	-25	-25	-25	-25
Increase threshold/use of DSG		-50	-50	-50	-50
		-75	-75	-75	-75
<u>Youth Service</u>					
Realign duties to expand PAYP, grant funded	1,662	-36	-36	-36	-36
<u>Quality Assurance</u>					
Reduction in Staffing	807	-9	-9	-9	-9
Reduction in provision for care packages	99	-25	-25	-25	-25
		-34	-34	-34	-34
<u>School Improvement and Development</u>					
Reduction in Staffing	2,084	0	0	0	0
Cash freeze - Music Service (BYMT)	596	-20	-20	-20	-20
Reduced Recruitment and Retention costs	23	-10	-10	-10	-10
Further reduction in staffing - reducing universal support to schools	2,084	-10	-10	-10	-10
		-40	-40	-40	-40
<u>SEN</u>					
Reduction in staffing	685	-25	-25	-25	-25
SEN transport		-200	-200	-200	-200
		-225	-225	-225	-225
TOTAL CHILDREN & YOUNG PEOPLE		-537	-537	-537	-537
Corporate Services					
	Budget 2010/11 £'000'	Year 2011/12 £'000	Year 2012/13 £'000'	Year 2013/14 £'000	Year 2014/15 £'000
RESOURCES					
<u>Adult and Technical</u>					
Reduction in Staffing	809	-18	-18	-18	-18
Income (charging schools and income from penalties (fraud))	-102	-14	-14	-14	-14
		-32	-32	-32	-32
<u>Exchequer</u>					
Retain admin subsidy (subject to negotiation with contractor)	96	-100	-100	-100	-100
		-100	-100	-100	-100
<u>Financial Management</u>					
Reduction in Staffing (impacts on staff locations/functions and service)	2,341	-20	-20	-20	-20
		-20	-20	-20	-20
<u>Information Systems</u>					
Reduction in Staffing	1,496	-120	-120	-120	-120
Reduction in spend on external consultants and support on change & minor proj	228	-50	-50	-50	-50

	Budget 2010/11 £'000'	Year 2011/12 £'000	Year 2012/13 £'000'	Year 2013/14 £'000	Year 2014/15 £'000
Variety of schemes (IT infrastructure) e.g. archiving, virtualisation, sun gold mtce		-23	-23	-23	-23
		-193	-193	-193	-193
<u>Procurement</u>					
Reduction in Staffing	285	-9	-9	-9	-9
Total Resources		-354	-354	-354	-354
LEGAL, DEMOCRATIC AND CUSTOMER SERVICES					
<u>Democratic, Consultation & Contact Centre</u>					
Reduction in Staffing	2,372	-17	-17	-17	-17
Total Legal, Democratic and Customer Services		-17	-17	-17	-17
TOTAL CORPORATE SERVICES		-371	-371	-371	-371
Environmental Services					
<u>Street Services</u>					
Public toilet closure - reduction in cleansing	420	-10	-10	-10	-10
		-10	-10	-10	-10
<u>Environmental Health & Trading Standards</u>					
Staff savings - EHTS (community services and commercial services)	2,383	-112	-112	-112	-112
		-112	-112	-112	-112
TOTAL ENVIRONMENTAL SERVICES		-122	-122	-122	-122
Summary of Savings					
Adult and Community Services		-28	-28	-28	-28
Renewal and Recreation		-174	-174	-174	-174
Children and Young people		-537	-537	-537	-537
Resources		-354	-354	-354	-354
Legal, Democratic and Customer Services		-17	-17	-17	-17
Environmental Services		-122	-122	-122	-122
Total		-1,232	-1,232	-1,232	-1,232

Appendix 4 Comprehensive Spending Review CSR – Overview

Introduction

This report provides an update on the impact of the CSR in particular to the local government announcements. The full details of the grant settlement for Local Government will not be known until December 2010.

Big Picture

On 20 October 2010, the Chancellor George Osborne set out the Government's spending plans for the next four years.

The general shape of the CSR had been well-trailed in advance with schools and hospitals being protected although the protection for schools is minimal at 0.1% in real terms. Defence also received relative protection (8% cuts in real terms). Other smaller budgets also received protection.

However the Chancellor was also able to announce that the average reduction in Departmental Expenditure Levels (DEL) was much less than expected and also less than the average reduction proposed by the previous government. Many had expected unprotected DELs to be reduced by an average of 25% but the CSR has reduced this down to 19%.

The Chancellor has managed this by putting tremendous pressure on Annually Managed Expenditure (AME) and, in particular, welfare budgets. There is clearly some risk here because these budgets are based on forecasts and assumptions which can unravel over time. Failure to deliver on planned AME would result in the Chancellor either coming back for extra savings from DEL (and potentially from local government) or accepting that the structural deficit will not be eliminated over the Parliament.

Formula Grant

The overall cuts in Formula Grant were broadly in line with expectations. It had been expected that Formula Grant would be cut by around 25% – that is, by the average cut in unprotected budgets. In fact, Formula Grant has been cut by 22% in cash terms – better than expectations but worse than the actual average cut in DEL (19%).

Issues outstanding

As a more detailed understanding of the impact of these cuts will not be known until the grant settlement. Looking forward to 2011-12 and beyond, the impact of the cuts will depend on a:

- The criteria used to distribute funding for the remaining core grants (into which the majority of existing Specific and Area Based Grants will be merged)
- The methodology used to roll Specific and Area Based grants into Formula Grant (e.g. the new formula to be used and any baseline adjustments)
- Other changes to the model used to allocate Formula Grant. These include, the level at which funding floors will be set in 2011-12 and beyond, the possible introduction of options included in recent Formula Grant distribution consultation, the results of which are expected in late November or early December 2010. Most significant for London Councils is likely to be any changes to Area Cost Adjustment methodology, which could see around £100m of grant move out of London.
- The impact of using new data (e.g. population projections) in 2011-12 and beyond.

Headlines commentary impacting on Local Government generally include;

- Cuts in real terms of 7.25% for each of the next four years (a total of 26% in cash terms) to funding streams for English councils. This means that authorities' budgets will shrink by an average of 14% once Council Tax is taken into account.
- There will also be a reduction in the number of specific grants from over 90 to less than 10, leaving just public health, schools, fire, policing and a handful of others. More details of how these changes will apply are set to be announced in December's Localism Bill and local government finance settlement, but it is expected that they will have a non uniform impact across the country, since some councils (particularly metropolitan authorities) rely on specific grants much more than others.
- £650m in annual funding has been awarded to cover a four-year Council Tax freeze from 2011/12. CLG will give those authorities that agree to freeze or reduce Council Tax in 2011-12 a grant equivalent to a 2.5% increase in its 2010-11 basic amount of council tax, multiplied by the authority's tax base for 2011-12. In the three subsequent years, the Government will provide supplementary funding via specific section 31 grants to compensate them for the council tax income that they would forego.

generally, they are likely to increase poverty levels across the country, which could result in extra demands being placed on other public services.

- “Staggered and progressive” changes to public sector employees’ pension contributions will be implemented, so that the Government saves an additional £1.8 billion by 2014-15. These reforms will prove difficult to achieve unless contribution increases are factored in a long way down the pay-scale, and may even result in lower paid workers opting out of the scheme. Lord Hutton has recognised the risks inherent in this approach, since these people would no longer be paying any contributions to the scheme.
- Budgets for non-education children’s services will be reduced by 12%, including cutting back on education maintenance allowance payments and a 60% drop in capital spending (largely as a result of scrapping the Building Schools for the Future programme). There may also be cuts to education support services such as school transport or truancy units.
- A new ‘fairness premium’ will allocate £7.2 billion over the spending review period to support the education of children from low-income homes. £2.5bn of this is for a ‘pupil premium’, which will mean that there will be a real terms 0.1% increase in education budgets for 5-16 year-olds (although the 16 -19 budget is being cut). Sure Start is also being protected in cash terms, although the Government wants to see new providers enter this market and the funding will no longer be ring-fenced.
- The Chancellor hopes to raise £7 billion by cracking down on tax fraud, evasion and avoidance. There is little doubt that the Government is not collecting all of the revenue that it is due, and the Chancellor has allocated an additional £900m to address this gap over the spending review period. However, previous attempts to clamp down on these activities have had mixed results, as individuals and companies have been able to exploit other tax loopholes, or move their money elsewhere.
- £470m has been set aside to support capacity-building in the third sector and help the Government implement its vision of a Big Society. This includes funding for the National Citizen Service and a Transition Fund of £100m to provide short term support for voluntary sector organisations providing public services.
- Revenue raised from the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme will be used to support the public finances (including spending on the environment), rather than recycled to participants. This unexpected announcement means that there will be no carbon trading through the scheme; instead the levy of £12 per tonne will effectively act as a tax on carbon emissions that will raise up to £1 billion a year by 2014-15.

This page is left intentionally blank

Report No.
DCYP10154

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Children and Young People Portfolio Holder**
Date: **For Pre-Decision Scrutiny by the Children and Young People PDS Committee on 30 November 2010**
Decision Maker: **Executive**
Date: **8 December 2010**
Decision Type: Non-Urgent Executive Non-Key
TITLE: SAFEGUARDING AND SOCIAL CARE: RELEASE OF SOCIAL WORK IMPROVEMENT FUND GRANT
Contact Officer: Kay Weiss, Assistant Director, Children and Young People Services
Tel 020 83134464 E-mail: kay.weiss@bromley.gov.uk
Chief Officer: Gillian Pearson, Director of Children and Young People Services
Ward: Boroughwide

1. Reason for report

- 1.1 This report requests the Executive agree the release of £72,000 of grant money from the Children's Work Force Development Council (made up of £62,000 from the Social Work Improvement fund and £10,000 from the Newly Qualified Social Worker programme) from contingency for 2010/11 only.
-

2. **RECOMMENDATION(S)**

- 2.1 **The Children and Young People Portfolio Holder is recommended to request the Executive approve the release of £72,000 of money from the Children's Workforce Development Council from contingency to support the improvement in the recruitment and retention of frontline children's social workers.**
- 2.2 **Further, the Children and Young People Portfolio Holder is recommended to request that the remaining sum of £98,000 which will be paid into the council over the next 5 months from the Children's Workforce Development Council, be released on receipt to support the improvement in the recruitment and retention of frontline children's social workers.**

Corporate Policy

1. Policy Status: Existing policy:
 2. BBB Priority:
-

Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Children's Social Care
 4. Total current budget for this head: £72,000 if approved
 5. Source of funding: Children's Workforce Development Council
-

Staff

1. Number of staff (current and additional) - Nil
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Legal Requirement: Statutory requirement:
 2. Call in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected) -
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 As part of the 2009/10 budget setting process, Members agreed that any new grant funding or increases above inflation for existing grant funding be held in the central contingency budget and not included in departmental service budgets. This process continues into 2010/11.
- 3.2 This report requests the release of a grant from the Children's Workforce Development Council that will be used to offset existing expenditure.
- 3.3 The recent national concern about the quality of front line social work practice in child protection has led to the Government establishing the Social Work Reform Board and commissioning Professor Eileen Munro to undertake a comprehensive review of child protection social work. In line with the recommendations of the Social Work Task Force, the precursor of the Social Work Reform Board, the Department for Education (DfE) announced a £23m Social Work Improvement Fund (SWIF) for 2010-11. Allocations to individual authorities have been determined by DfE according to the Relative Needs Formula which is used when allocating other funding to local authorities. The Children's Workforce Development Council (CWDC) has been tasked with distributing these funds and supporting employers to use the funding to reduce pressure on front line social workers and build capacity for reform and improvement in social work with children and families.
- 3.4 The CWDC is distributing this money together with other grants for which the authority is eligible in raising the standards of front line child protection practice. In Bromley this includes money for supporting newly qualified social workers.

Social Work Improvement Fund

- 3.5 The SWIF allocation for Bromley is £130,000.
- 3.6 The Social Work Task Reform Board has emphasised the importance of skilled and confident front line managers as essential to safe child protection work and to ensure effective management of workload, effective supervision and reflective practice. They also highlight the need for better access to training and development in professional supervision. In line with these requirements Bromley has developed a training package with the Tavistock clinic which is being rolled out to all front line child protection managers over the next 3 months. It is proposed that this programme is extended to key senior practitioners in order to develop the next generation of front line managers. These have proved the most difficult posts to recruit to in front line teams.
- 3.7 As well as training for front line managers, front line child protection practitioners need enhanced skills in risk assessment. Following the disaggregation of the training grant by the Department of Health between adult and children's social care workforce, over the last 2 years children's social care have been underfunded for the training package that was in place in 2008/09 and which is felt essential to the effective development of front line child protection staff. It is proposed that some of the social work improvement fund is used to enhance the training package for front line workers focusing on the assessment and analysis of risk, areas where there have been identified shortcomings in Bromley as evidenced in recent serious case reviews.
- 3.8 The interim report of the Munro Review has criticised the unnecessary bureaucracy created for child protection social workers by the Integrated Children's System (CareFirst in Bromley). Some work has already been undertaken in Bromley which will make significant time saving for front line social workers and front line managers. However, there are still correctable weaknesses to the system. It is therefore proposed that some of the social work improvement fund is used to enhance the changes being made by providing time limited floor walkers to assist front line social workers to manage the changes.

- 3.9 In order to keep experienced practitioners in front line teams many authorities are developing or exploring enhanced training packages which will result in an advanced practitioner status. These training packages aim to ensure that advanced practitioners develop the ability to manage complex cases with knowledge, skill and sensitivity, lead and mentor colleagues in reaching appropriate decisions, overcoming difficulties and resolving dilemmas and offer effective leadership. It is hoped this will persuade front line staff to remain in those teams rather than move to alternative workplaces or other boroughs. Two neighbouring boroughs are already operating advanced practitioner courses and the intention is that Bromley will commission places on those courses.
- 3.10 In order to continue to recruit the best newly qualified social workers Bromley is working closely with Goldsmiths College, a producer of high quality social work masters graduates, to develop a bursary scheme for students in their final year, who would then need to contract themselves to work for Bromley for a defined period (usually 2 years).
- 3.11 It is therefore proposed that the social work improvement fund be used as follows:
- £20,000 on a training package to develop in house first line managers
 - £40,000 to enhance the training programme for front line child protection social workers
 - £20,000 on additional support to the improvements to the CareFirst system
 - £20,000 to release 5 experienced front line practitioners to develop advanced social work status.
 - £30,000 to secure 3 final year social work masters students as employees of Bromley.

Newly Qualified Social Workers

- 3.12 For the past 2 years CWDC's has run a Newly Qualified Social Worker (NQSW) programme, enabling employers to offer a consistent, high quality, 12 month support package to those in their first year of employment as a social worker. Bromley, along with 134 other local authorities, is currently using the programme to help achieve recruitment and retention objectives for front line social workers.
- 3.13 £4000 of funding is made available for every NQSW registered on the scheme and the authority is granted another £15,000 for a programme coordinator to provide independent evaluation at the end of the NQSWs first year.
- 3.14 In accessing this funding the authority commits to provide the following for NQSWs:
- Regular supervision
 - A protected caseload
 - A training and development plan
 - 10% of their time ring fenced for training and development activity.
- 3.15 The NQSW funding for Bromley for 2010/11 is £39,000, based on the 6 NQSW who have been registered with CWDC. Support for these registered NQSWs has already commenced.

4. POLICY IMPLICATIONS

- 4.1 The grant concerned would contribute to the delivery of priorities for children's services as set out in the Children and Young People's Plan, under the Every Child Matters outcomes framework.

5. FINANCIAL IMPLICATIONS

- 5.1 Details on the use of this funding from the Children’s Development Workforce Council are in paragraph 3.9.
- 5.2 This report requests Members to agree to the release of this funding for 2010/11 only to offset existing expenditure. Any funding in future years will be built into the Council’s budget development process.

Non-Applicable Sections:	Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	

This page is left intentionally blank

Report No.
ACS10071

London Borough of Bromley

Agenda
Item No. **XX**

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **8th December 2010**

Decision Type: Non-Urgent Executive Key

TITLE: Homelessness Prevention Grant

Contact Officer: David Gibson, Assistant Director (Housing & Residential Services) Tel 0208 313 4794 email david.gibson@bromley.gov.uk;
Sara Bowrey, Head of Housing Needs
Tel: 020 8313 4013 E-mail: sara.bowrey@bromley.gov.uk

Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: BOROUGHWIDE

1. Reason for report

The Council has received notification of an additional £150k Homelessness Grant from the distribution of an additional £10m to London local authorities to support their plans to mitigate the impact on households that may be affected by the proposed Housing Benefit reforms to Local Housing Allowance. This report is to request the allocation of this additional funding to the ACS Portfolio budget.

2. RECOMMENDATIONS

2.1 The Executive are asked to agree :-

- a) the allocation of the additional grant to the ACS Portfolio Budget for the purposes detailed in the report,
- b) that the outcomes from and use of the grant be included in the 6 monthly performance reports to the ACS PDS Committee

Corporate Policy

Existing policy: The service has a number of initiatives to advise, support and assist households to prevent homelessness and the use of these funds will build on this.

Financial

1. Estimated cost £150k to be funded from additional government grant
 2. Non-recurring cost
 3. Budget head Housing Needs - Homelessness Grant & New Housing Initiatives
 4. Total budget for this head £170k net controllable budget
-

Staff

1. Number of staff (current and additional) –
 2. If from existing staff resources, number of staff hours –
-

Legal

1. Statutory requirement: The work of the Housing Needs Service is governed by a strict legislative framework in relation to homelessness and allocations (The Housing Act 1996 & Homelessness Act 2002) which sets out the key duties of the Local Housing Authority. This is accompanied by a Statutory Code of Guidance to which all Authorities must have regard in discharging their functions.
 2. Call-in is applicable
-

Customer Impact

Estimated number of users/beneficiaries (current and projected) - 4000+ households per year approach Housing Options & Assessment service of whom 1900 face imminent homelessness.

1. COMMENTARY

- 1.1 The Council has a statutory responsibility to offer advice & assistance to prevent homelessness, or assist in securing alternative accommodation wherever possible.
- 1.2 Changes to the amount of Housing Benefit payable were announced in the June Emergency Budget and the Comprehensive Spending Review. Due to the specific impact on London, as part of this change the Government – through the Housing Minister Grant Shapps – announced the distribution of an additional £10m to London local authorities to help manage the effects of the Housing Benefit/Local Housing Allowance changes. Through this the Council has received an additional £150k.
- 1.3 The covering letter states the grant is to support London local authorities to support their plans to mitigate the impact on households that may be affected by the proposed Housing Benefit reforms to Local Housing Allowances (LHA). This includes proactive early intervention and prevention of homelessness and unnecessary financial hardship for those most affected by the changes. The letter further states that “Although the grant is not ring fenced, it is being paid to support the actions that London local authorities are developing to keep as many households affected by the LHA proposals in their homes and to provide practical support to those that may have to move.”
- 1.4 There are a number of changes to the Housing Benefit system over the next couple of years. These and the numbers affected are as follows :-

April 2011 new maximum caps on HB per property size.	Only 13 households affected who have their HB reduced by up to £2.74 per week
April 2011 increasing the Non Dependant Deductions – which have been static for 10 years.	Affects social housing as well as private sector tenants. Considerable numbers affected and includes Rent Allowance cases as well
April 2011 cessation of the excess payment – where a household can keep up to the first £15 of the amount they can rent a property for below the LHA caps.	Currently there are 76 households in receipt of the Excess payment
October 2011 reducing the caps to the 30 th percentile of claims (currently at 50 th percentile).	There are currently 2,822 households who will receive less HB with reductions being up to c£34.52 pw with one being £54.79. For the vast majority the reduction will be up to £11.51pw.
April 2012 for a single person aged 25 to 34 reducing the HB maximum to that of the reduced single room rate (currently only for those under age 25)	There are 407 currently in single rooms whose HB will reduce by up to £9.87pw. There are a further 210 aged 25-34 in 1 bed accom who will have their HB reduced by up to £95 pw

Above numbers are based on caseload as at 4th November 2010 = 3,459 LHA cases
 Note – there are c 1,700 Rent Allowance cases who are not affected by the LHA changes UNLESS they have a change in circumstances or in tenancy when they become LHA cases – of which quite a number will (since the change in April 2008 when all were RA cases there are now only c 1,700 left but there are now 3,459 LHA cases). The old RA cases can be on higher rents so stand to lose more £pw.

In addition there will be newly emerging cases between now and when the caps go live. Each year the service assists over 700 households to access or sustain PRS accommodation and increasingly the ones newly accessing require rental deposits – because of changing HB the service is already seeing an increased reluctance to take bonds etc and cash deposits upfront is fast becoming one of the only ways to secure accommodation.

- 1.5 For households with non dependants there will be a combination of changes where their HB reduces and their non dependent deduction to their amount of HB increases.
- 1.6 Like all London Boroughs, Bromley continues to experience high and increasing levels of housing need, with significant increases being experienced as a result of the recession.

- 1.7 Despite the proactive work being undertaken with private landlords, Bromley, like most London Boroughs is now starting to see a marked slowing up of supply as landlords are increasingly reluctant to let to prospective tenants dependant upon Housing Benefit to pay their rent. This is mainly due to their uncertainty and concerns relating to the changes in LHA/HB. To date this year the supply of private rented housing made available to the Council is down 30% on last year and of those expressing an interest in the private rented sector the service is currently only able to assist 1 in 4 households obtain it – and this decrease is reflected across the whole of SE London.
- 1.8 Recent London Councils research on the impact of the new LHA subsidy levels has shown that some 60% of London landlords say they cannot afford to lower rents, with 42% currently letting to LHA recipients advising they intend to scale back their operations.
- 1.9 Meanwhile, general increases in homelessness across London have seen increasing competition amongst local authorities for accommodation. This has resulted in some authorities entering in to block booking arrangements and increasing the rates they will pay. Some landlords have responded by pushing up rents. Whilst the new LHA/HB changes will initially have the most significant impact within central London, the risk is that those boroughs will seek to procure accommodation in outer London – something we are already starting to see – thus reducing an already scarce supply of accommodation locally and impacting upon the Council’s ability to meet its statutory duties. We need to be able act quickly to work with Bromley landlords and seeing what will keep them working with the Council and Bromley residents rather than being attracted by large cash payments, etc being offered by some Boroughs.
- 1.10 In order to prevent people becoming homeless a lot of work is needed, for example to reassure landlords and tenants, seek to renegotiate rents, provide advice and help to tenants with budgeting, offer support to landlords to retain tenants and in certain cases to step in and provide financial assistance as a transition to either lower rents, improved financial situation of the household or to buy time to rehouse the household.
- 1.11 Work is also needed with landlords to encourage them to continue to work with the Council and to focus on housing Bromley residents rather than enter in to arrangements with inner London Boroughs to house their households. In this respect the Council also needs to ascertain what more it could offer by way of support, HB service, etc., to build and maintain the relationship with landlords.
- 1.12 In terms of those aged 25 to 34 there will be quite a number who are vulnerable singles who might also be clients of Adult & community Services and other partner agencies. They will have a range of problems including mental health, learning disabilities, drug, alcohol, ex offenders. Whilst any reduction in HB will be difficult for them to manage there are some whom will see a significant reduction. These client groups can have a propensity to be less able to cope with such changes and this can trigger repeat episodes of their problems. Work needs to be done in particular with this group to identify them and work with them and their landlords on how their situation can be addressed and, if necessary, seek to help them move and to buy time whilst attempts are made to find alternative accommodation for them.

Proposed use of funding:

- 1.13 There are a range of initiatives that Officers can pursue through utilisation of these funds. It is proposed to utilise the grant across the following initiatives :-
 - £15K – Maintaining and extending the money & debt advice surgeries with the Council’s contracted Money Advice specialist which is already oversubscribed and for which currently no funding is available from next year. This will assist in money management to assist households to negate the potential impact of small shortfalls in LHA/HB payments to avoid rent arrears. Outcome – secure one additional weekly surgery dedicated to this client group – would increase capacity for 104 additional households, plus production of self help advice guidance.
 - £10K – Inspections of properties and working with owners where changing their property to Houses in Multiple Occupation – research shows more of this is happening and it needs careful regulation and advice due to the serious risks associated if conversion does not comply with regulations. Outcome – 10 more HMOs which will help the Council to house the single vulnerable

under 35's affected by HB changes and 10 more inspected and regulated and prepared to accept referrals from the Council.

- £40K tenancy Sustainment/negotiator: to enter in to more flexible negotiations with private landlords to attract them to work with the council to place those in receipt of benefits within the new LHA/HB caps and to assist with those needing to be rehoused and also to work through negotiating rents down to sustain existing tenancies. The work would identify those at risk under the new regulations and prioritise against potential shortfalls and level of vulnerability to offer early intervention and solutions prior to shortfalls and potential eviction occurring. The work would also include liaison with housing benefit for payment direct, fast track assessment and timely payment of claims, short term targeted support to prevent homelessness or help to find alternative accommodation in areas of lower rents for those at risk or newly emerging demand and working with landlords to develop a range of initiatives which continue to attract them to letting to this client group in the future. Outcome assisting in preventing homelessness for at least 100 cases and accessing a further 250 lettings for the year to help the Council meet its statutory duties.
- £40K - The provision of incentives/deposits to landlords rather than bonds to both attract more landlords to assist the Council meeting its needs and duties as well as prevent them being attracted by similar offers from other Councils. Research with Bromley landlords shows that this will attract more and retain existing. However, the existing funds are barely sufficient for current cases let alone additional expected from the LHA changes. Outcome to assist in achieving above target on preventions and access to accommodation where a cash payment is required in at least 75 of these cases.
- £45K – Introduce incentive schemes such as attracting bulk/cheaper insurance and safety certificates, etc., also negotiating temporary top ups as Officers work to negotiate reductions in rent or move on the less expensive areas and underwriting temporary delays. Outcome - 100 households prevented from homelessness/assisted to access accommodation.

NB the 2 bottom figures could be moved between schemes dependant upon demand and success rates.

2. FINANCIAL IMPLICATIONS

2.1 The 2010/11 budget for the homelessness grant and new housing initiatives is £305k partly funded by £135k specific grant from the Department for Communities and Local Government. This additional funding represents additional Homelessness Grant and is paid under Section 31 of the Local Government Act 2003. Although the grant is not ring fenced, it is a specific grant allocated to support the actions that London local authorities are developing to keep as many households affected by the LHA proposals in their homes and to provide practical support to those that may have to move.

2.2 A summary of the proposals detailed in this report is shown in the table below:

<i>Expenditure Proposals:</i>	£'000
Maintenance and Extension of Money & Debt Advice Surgeries	15
Houses in Multiple Occupation - Inspection & Regulation	10
Tenancy Sustainment/Negotiator	40
Incentives and Deposits to Landlords	40
Introduction/Development of Incentive Schemes	45
	150
<i>Funded by:</i>	
Specific Grant Income	150
Net Cost	0

- 2.3 The additional funding is a one-off payment and, as such, there are no ongoing commitments arising from these expenditure proposals. However, if the grant is not fully utilised in the current financial year, underspends can be carried forward into 2011/12.
- 2.4 Utilisation of any new or additional government grant requires the approval of the Executive. The Executive are requested to approve the allocation of £150k additional homelessness grant to the Adult & Community Services Portfolio budgets for the purposes detailed in this report.
- 2.5 Progress on the outcomes from the initiatives and use of the grant will be included as part of the 6 monthly service performance report to the Adult & Community Services PDS Committee.

3. POLICY IMPLICATIONS

- 3.1 The Adult & Community Portfolio Plan contains statements of Council policies and objectives in relation to housing and associated matters along with progress that members expect to make during the financial year and beyond. These are compliant with the statutory framework, within which the service must operate.
- 3.2 The proposals in this report assist in achieving targets in Building a Better Bromley as well as the achievement of other corporate priorities and targets e.g. budgetary control and efficiencies.

4. LEGAL IMPLICATIONS

- 4.1 The Council has a number of statutory obligations in relation to housing as listed on page 2 of this report.
- 4.2 These include the provision of housing advice and assistance to prevent homelessness or divert from homelessness, assessment of homeless applications, to make temporary and permanent housing provision for those applicants to whom the Council has a statutory rehousing duty and supporting such households to sustain accommodation.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	Homelessness Strategy – Sara Bowrey. Housing & Residential Services Division Half Year Performance report to November 2010 ACS PDS Committee – Committee Services.

Report No.
ACS10072

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **8th December 2010**

Decision Type: Urgent Executive Key

TITLE: PROPOSED PRIVATE SECTOR LEASING SCHEME

Contact Officer: David Gibson, Assistant Director (Housing & Residential Services) Tel 0208 313 4794 email david.gibson@bromley.gov.uk;
Sara Bowrey, Head of Housing Needs
Tel: 020 8313 4013 E-mail: sara.bowrey@bromley.gov.uk

Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: BOROUGHWIDE

1. Reason for report

This report proposes entering into a contract with Orchard & Shipman to operate as the Council's management agent for leasehold properties for households to whom the local authority would owe a statutory duty to secure accommodation under the provisions of the homelessness legislation, in the light of the withdrawal from leasing by the Council's existing RSL leasing agents.

2. RECOMMENDATIONS

2.1 The Executive are asked to agree :-

- i) to contract with Orchard & Shipman through the Mid-Lothian procurement agreement for the procurement and management of leasehold properties sufficient to enable the Council, to discharge its statutory housing obligations
- ii) Performance against this arrangement should be overseen by the Adult & Community Services PDS Committee as part of the existing 6 monthly performance monitoring reports.

Corporate Policy

Existing policy: It is already policy to work with Housing Associations to lease properties for the Council's use to meet its housing needs and statutory duties. This report seeks authority to extend the partners used and also commission through a different mechanism.

Financial

1. No cost All proposals detailed in this report can be contained within existing Budgets and will either reduce expenditure or upward pressure on existing budgets
 2. N/A
 3. Budget head Housing Needs - Bed & Breakfast
 4. Total budget for this head £328k (net of Housing Benefit Subsidy)
-

Staff

1. Number of staff (current and additional) – only the time of around six staff working as part of their normal duties and workload is involved with the proposals in this report
 2. If from existing staff resources, number of staff hours –
-

Legal

1. Statutory requirement: The work of the Housing Needs Service is governed by a strict legislative framework in relation to homelessness and allocations (The Housing Act 1996 & Homelessness Act 2002) which sets out the key duties of the Local Housing Authority. This is accompanied by a Statutory Code of Guidance to which all Authorities must have regard in discharging their functions.
 2. Call-in is applicable
-

Customer Impact

Estimated number of users/beneficiaries (current and projected) - 4,000+ households per year approach Housing Advice & Options service of whom 1900 face imminent homelessness.

1. COMMENTARY

1.1 The Council has a statutory responsibility to offer advice & assistance to prevent homelessness, or assist in securing alternative accommodation wherever possible. Where prevention is not possible the Council has a statutory rehousing responsibility to a number of prescribed groups of households including the provision of interim accommodation until long term settled accommodation can be secured. The Council currently discharges these statutory duties in a number of ways including:

- Advice & assistance to prevent the impending homelessness e.g.: negotiations with landlords, arrears reduction packages etc.
- Assistance to secure alternative accommodation either to prevent homeless acceptance or in discharge of the homelessness rehousing duty e.g.: deposit guarantees, finder's fees, housing association leasing (HAL) schemes & temp to settled (T2S) etc.
- Discharge of interim (temporary accommodation) rehousing duty via e.g.: hostels, nightly paid accommodation and HAL schemes,
- Permanent/settled rehousing through the housing register.

Why the need to commission a Private Sector Leasing provider?

- 1.2 A significant part of the way in which the Council has successfully managed the provision of temporary accommodation to both prevent homelessness and to discharge the Council's statutory duties in cases of actual homelessness, has been through the procurement of and use of leasehold properties.
- 1.3 Since the 1980's a portfolio of up to 500 properties (more regularly 300 to 350 in recent years) have been leased for this purpose, ranging from 3 to 5 years. Leases have been mainly held by two Housing Associations acting as the Council's agent.
- 1.4 However, recent changes to Housing Benefit subsidy rules have resulted in the housing association leasing schemes (HALS) ceasing to be financially viable for RSLs and already one of the Council's main partners has decided to pull out of the market. A second has indicated that they face a substantial financial risk if they continue. Whilst work is currently being undertaken to mitigate this financial pressure, this has impacted upon the level of procurement during the year which risks reducing the available supply of properties.
- 1.5 The impact of these changes would result in either significant increased costs to the Council for securing leased properties as RSL's would need to be compensated for the financial risks incurred, or a loss of leasehold properties could result in the Council having to find more expensive nightly booked (B&B type) accommodation to meet statutory need.
- 1.6 It is therefore proposed to procure a Private Sector Leasing solution aimed at securing a supply of leasehold properties available to the Council within the Housing Benefit cap rates.
- 1.7 The proposed PSL scheme offers the ability to quickly procure at competitive rates to meet needs and duties, thus reducing the volatility of temporary and emergency accommodation costs. As O&S already operate in a number of other and neighbouring boroughs, commissioning would also reduce the risk of procurement from other authorities within our

borough and also increase our presence in the market, thus attracting and maintaining relations with larger property portfolio holders.

Why Orchard & Shipman?

- 1.8 A benchmarking exercise has been undertaken with a number of other local authorities and officers also looked at what providers are currently in the market place. With the need to be prepared for LHA/HB subsidy changes which start to come into affect from April next year and, in particular, the current rising number and cost of bed & breakfast placements, it is imperative that a swift solution is found to the potential loss of leasehold properties. A provider able to implement a scheme in the borough quickly has been a major consideration. Further, there are a reduced number of housing associations operating HAL schemes and no others offering long term leasing (which can be used as discharge of duty) currently operating in the area other than the ones the Council already uses.
- 1.9 O&S are a national property services group with over 35 years experience, specialising in housing management solutions both in the private and public sector. They are accredited by the Homes & Community Agency and Tenants Services Authority (the sector regulator and inspector). During the last 7 years they have become one of the largest private sector managing agents of private sector leased accommodation on behalf of local authorities, as well as owning & developing a significant private residential portfolio across London, the South East & Scotland.
- 1.10 O&S have a track record with a number of boroughs of being able to procure and provide a quality service on a cost neutral basis to the local authority. One key benefit echoed across authorities using O&S has been the fact that they are able to attract large portfolio landlords at very competitive rents.
- 1.11 When Mid-Lothian commissioned a PSL scheme, their contract was set up as a framework agreement. The tender process and subsequent contract included the provision for any other local authority to participate in the agreement and use the approved contractor for the purpose of procuring and managing a PSL scheme by contracting either Mid-Lothian or the appointed contractor, namely Orchard & Shipman. A number of other Councils have already contracted with O&S under this agreement – e.g. Westminster; Croydon, Hillingdon, Brighton, Southwark, South Gloucestershire.
- 1.12 Properties will be procured by O&S who directly hold the lease with the Landlord and O&S then offer a sub-lease to LBB. No properties are procured at levels above the LHA subsidy cap. O&S take all tenancy and property management and maintenance responsibility on behalf of the LA.
- 1.13 The initial term proposed would be for 5 years with standard break clauses for non-performance, changes in need, etc.

2. Financial Implications:

- 2.1 The current budget for bed & breakfast is £328k net of housing benefit subsidy received from the Department for Work & Pensions.
- 2.2 This proposal forms one of the key elements to mitigating the potential financial pressures arising from increased demand and LHA subsidy and Housing Benefit changes.

- 2.3 Taking the initial procurement of 50 properties, the alternative net cost to the Council of placement into nightly paid accommodation (amount not met by HB subsidy) would equate to approx £3k per week (£156k per annum) as at Nov 2010.
- 2.4 The scheme operates on a cash neutral basis for the local authority. However, any costs which may subsequently arise can be contained within the overall budget.
- 2.5 The only financial risk to the authority is a penalty clause to underwrite the rental amount in the event that the authority fails to successfully nominate a tenant within the agreed timescale of 10 working days. In this event, the Council would have to pay the rental charge between when the property is ready to let and when the property is actually let. The current HAL scheme agreement has a target of 5 days and this target has always been achieved.
- 2.6 There are some internal procedure matters to be considered, including the processes for maintaining the relevant records to ensure that housing benefit is appropriately recorded and claimed. Final details have yet to be finalised and there may be some minor resource implications which will need to be met from within the overall temporary accommodation budgets. No properties will be procured through this agreement until the relevant procedures have been agreed and implemented and resource implications identified.

3. POLICY IMPLICATIONS

- 3.1 The Adult & Community Portfolio Plan contains statements of Council policies and objectives in relation to housing and associated matters along with progress that members expect to make during the financial year and beyond. These are compliant with the statutory framework, within which the service must operate.
- 3.2 The proposals in this report assist in achieving targets in Building a Better Bromley as well as the achievement of other corporate priorities and targets e.g. budgetary control and efficiencies.

4. LEGAL IMPLICATIONS

- 4.1 The Council has a number of statutory obligations in relation to housing as listed on page 2 of this report.
- 4.2 These include the provision of housing advice and assistance to prevent homelessness or divert from homelessness, assessment of homeless applications, to make temporary and permanent housing provision for those applicants to whom the Council has a statutory rehousing duty and supporting such households to sustain accommodation.
- 4.3 The occupiers of the properties would not have secure tenancies with the Council.
- 4.4 The Head of Procurement is making final checks on the Council's use of the Midlothian procurement agreement in order that the Council can enter in to a contract with Orchard & Shipman. Their tendering and contract award process complied with all necessary EU procurement requirements but no contract will be entered in to if any concerns arise from the final checks.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	Homelessness Strategy – Sara Bowrey. Housing & Residential Services Division Half Year Performance report to November 2010 ACS PDS Committee – Committee

	Services.
--	-----------

Report No.
ACS10075

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

Date: 8th December 2010

Decision Type: Non-Urgent Non-Executive Non-Key

Title: PERSONAL BUDGETS AND CONTRIBUTIONS

Contact Officer: Lesley Moore, Executive Assistant
David Roberts, Assistant Director Care Services
Tel: 020 8313 E-mail: @bromley.gov.uk

Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: BOROUGHWIDE

1. Reason for report

To outline the proposed Personal Budget and personal contributions policy for Adult Social Care and to approve consultation on changes to fees and charges for Adult Social Care services from 2011 onwards.

2. **RECOMMENDATIONS**

1. That consultation with service users, their families and carers and with stakeholders on a revised Personal Budget and Contributions policy be approved
2. That the variations listed in the appendix in charges for adult care services and personal contributions rates towards Personal Budgets be approved for consultation.
3. That consultation includes the introduction of a charge for day care which would be included within the personal budget for eligible service users and levied directly of the attendee for non eligible users.
4. That consultation includes the introduction of full cost recovery from the non-eligible recipient of social care/support services and that such charges are collected by the service provider.
5. That consultation on future contributions rates includes the replacement of the current variable level of Disability Related Expenditure disregard with standard rates set between £5 and £15 per week.
6. That the results of the consultation be considered by the Adult & Community Portfolio Holder and AC PDS prior to the introduction of a revised Personal Budget and contributions policy by April 2011.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Supporting Independence.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Care Services
 4. Total current budget for this head: £(total budget for non-residential care charges)
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 2000?
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Social Care services are provided to vulnerable adults within the community who meet the Council's eligibility criteria and following an assessment of need. Traditionally following that assessment the Council arranged for services to be provided – often through the provision of a home care service – either directly delivered or from a contracted provider.
- 3.2 In addition some services have been provided free of charge to social care service users whether or not they formally meet the Council's eligibility criteria. Such services include a place at a day centre, or domestic support or help with shopping provided via a voluntary sector organisations.
- 3.3 Recent developments in adult social care means that in future people will have a personal/individual budget to support their care needs, some of which can be taken as a Direct Payment.

Personal Budgets

- 3.4 A personal budget is an upfront allocation of social care resources to a person who is eligible for support. Following an assessment of their need for non-residential social services (“needs assessment”), a person who the council consider eligible for support will be allocated an amount of money necessary to meet their needs. A Personal Budget is, in effect, the monetary value of the care purchased by ACS from its contractors to meet the assessed eligible care needs of an individual.
- 3.5 Whereas in the past an older person assessed as having critical or substantial personal care needs would be assessed as requiring perhaps 3 home care visits a day, a Care Link alarm service and two afternoon sessions at a day centre, today the equivalent cost of delivering that package of care or services would be allocated as a Personal Budget.
- 3.6 Whilst all care packages or support plans will have a monetary value – i.e. will be described as a Personal Budget, not everyone will want to assume full responsibility for managing that budget directly. A service user may elect to ask the Council to continue to manage their care arrangements much as has traditionally happened, or may elect to take full control and take their Personal Budget as a direct payment. Some may chose a combination of the two.

3.7 Options for Service Users

Managed Services

- 3.7.1 Many people will elect to have the Council arrange the service in the same way as previously with the user receiving services in lieu of their personal budget. In such circumstances a care manager will design a support plan with the service user and purchase a range of services from contractors to meet the service user's needs.
- 3.7.2 The service user's income will be assessed in accordance with the Fairer Charging criteria and a charge or contribution levied from the service user to offset a proportion of the costs of the care package.

Direct Payment

- 3.7.3 However it is anticipated that increasingly people will elect to exercise more choice and control, opting to make their own care arrangements by purchasing care themselves using their personal budget which they receive as a Direct Payment.

- 3.7.4 In such circumstances the service user will receive their Direct Payment into a bespoke bank account, in many instances utilising a pre-loaded Payment card. This will be used by the service user to purchase services to meet their assessed need. The Direct Payment will be paid net of the assessed charge or contribution due from the service user following an assessment of their income in accordance with the Fairer Charging criteria.

Part Managed/Part Direct Payment

- 3.7.5 It will also be possible to mix managed services for part of the Personal Budget with a Direct Payment for others.
- 3.7.6 An example of this may be that same person deciding to take their personal care hours as a Direct Payment and to arrange a Personal Assistant to provide that care, whilst opting to receive the day care and alarm service as part of a managed service – i.e. continuing to receive the services from the Council or from a council funded provider in a traditional manner.
- 3.7.7 In such instances a single financial assessment is undertaken and the Direct Payment element will be paid net of the charge or contribution due.

3.8 How a Personal Budget is calculated

- 3.8.1 The Personal Budget entitlement is calculated following an assessment of needs. A potential service user must qualify for Council funded support because they fall within the Council's eligibility criteria – i.e. they have been assessed as having critical and/or substantial personal social care need.
- 3.8.2 That assessment which is undertaken by a professional member of ACS staff together with the service user (and their carer/family) will determine the amount of care inputs that will be required to meet those care needs. The value of those care inputs (e.g. domiciliary care visits, day centre placements, "telecare" equipment) will form the basis of the personal budget.
- 3.8.3 It is proposed that the calculation of a Personal Budget will be based on a number of factors:
- The number of standard episodes of personal care required to meet personal care needs (based on an episode being a half hour from an approved/contracted care provider)
 - The number of non-standard episodes of personal care required to meet personal care needs (where due to more complex care requirements an hour of care is required rather than a half hour)
 - The number of episodes of care where two carers are required to safely deliver care (e.g. where a service user is confined to a bed and can only be moved with two care workers)
 - A supplement to cover the additional costs where episodes of care are required at high cost times (evening/weekends/bank holidays)
 - The actual cost of a commissioned "supported living service"
 - The number of day care sessions required to meet assessed needs at one of a range of standard rates.
 - The number of episodes of non-residential respite care required at a range of standard rates.
 - The actual cost of other standard services required to meet assessed – e.g. Community Alarms.

- The cost of any additional bespoke services required as alternatives or to supplement those listed above.

3.8.4 These measures will simplify care planning so that service users and carers will be able to see the connection between the social care needs and the service purchased to meet them. Increased transparency will support choice and control by the user, lead to better information and advice to prospective users and promote consistency and equity.

3.8.5 However in circumstances where a service user elects to exercise choice and control and to purchase alternative service models that result in lower costs, the Personal Budget will be calculated to reflect the actual costs of providing that care. The increasingly common example of this is where a Personal Assistant is employed rather than contractor care hours. In these circumstances the Personal Budget requirement will be reduced significantly.

3.8.6 Appendix 2 provides a number of examples of what will be given to service users in their personal budget.

3.9 Subsidised services

3.9.1 Until now service users, including those who do not meet the criteria for substantial or critical need, have been able to access laundry services partly subsidised by the Council and shopping services and holiday breaks wholly subsidised by the Council. It is proposed that these subsidies be removed and that service users will be signposted to providers who will recover the full cost of the service from the user. The current subsidy for laundry services is £3.95 and £5.40 for shopping. A similar approach is proposed for users of day services who do not meet the Council's eligibility criteria for supported social care. This is set out in paragraphs 4.4.5 – 4.4.6 below.

4. CURRENT CHARGING POLICY

4.1 In 2003, the Government issued guidance for setting charges for non-residential social care services. That guidance sought to ensure that people who use services are treated fairly and are not asked to make a contribution towards their care that will leave them in financial difficulty or hardship.

4.2 A number of principles were established by that guidance including:-

- § *Service users must be left with enough disposable income to allow them a 'reasonable' standard of living allowance, no less than 25% above the basic level of income support (£65.45 per week) or equivalent. This means that service users must be left with £81.81 per week after any charges have been levied.*
- § *Charges for individual services that make up a package of care need to be considered together and not in isolation.*
- § *Flat rate charges for some single services are acceptable but only where the charge is 'small' and the service is considered as a substitute for ordinary living costs (e.g. home meals services or transport) rather than a care service.*

4.3 The Governments 'Putting People First' programme for the Transformation of Adult Social Care requires changes to our existing Charging policy because in the future, people receiving adult social care will have a personal/individual budget to support their needs.

Assessing a service user's charge or contribution

4.4. Charges are calculated in line with the Fairer Charging guidance issued by the Department of Health in 2003 and modified by the guidance on Contributions Policy issued in 2009.

4.5 In assessing the charge or contribution that a service user makes towards the cost of their care, there is a calculation based on the numbers of home care hours delivered and a standard rate applied. This was then assessed against the income of the service user and their ability to pay.

4.6 Proposed Changes to our Charging Policy

4.6.1 Following the needs assessment and calculation of how much the personal budget might be (the indicative amount) the council will undertake an assessment of the person's financial circumstances in accordance with the guidance on Fairer Charging Policies to work out what the person's maximum contribution will be in accordance with the Fairer Contributions guidance. If the financial assessment shows that the person has enough income or savings to contribute to their personal budget, the council will tell them what the actual contribution will be. The Contribution Policy differs from our current Charging policy as we will no longer apply a standard charge for home care, the key factor will be the number of episodes of personal care provided together with the value of other service elements within the personal budget.

4.6.2 The 2003 Fairer Charging guidance left Council's able to provide some services free of charge. With the advent of personal budgets and the right of service users to exercise choice and control over where they purchase their care, those free services need to be costed so that the monetary value is able to be included within the Personal Budget calculation and taken as a Direct Payment where requested. An example of this within Bromley has been Day Care where service users have not until now been charged for attendance at a day centre.

4.6.3 It is now proposed that a personal budget component will be included to cover day care and that this sum should be included within the calculation for the individual's personal financial contribution. However it is currently the case that day centres that are contracted for by the Council provide places for people with critical and substantial needs (eligible service users) and others. It is proposed that for non eligible service users, a charge should be levied by the day care provider for that service and that there is an equivalent sum deducted from the contract price for that centre corresponding to the numbers of non-eligible service users attending that centre.

4.6.4 The charge for the non-eligible service user will need to reflect that a less intensive service is being delivered within a day centre than for those with critical and substantial need and therefore the charge will be proportionately less than that included within a Personal Budget. In the case of older people day care it is proposed to consult on a £10 fee being levied by providers for attendance of a non-eligible service user.

5. DISABILITY RELATED EXPENDITURE

5.1 In addition to the various allowances that are taken into account in assessing a service user's charge, people with specific expenses in excess of 'standard' living costs may receive a further reduction in their charge for 'disability related expenses'. (These may include incontinence laundry costs or costs to address a sensory impairment, for example). Provision for this kind of expense is included in the government guidance.

5.2 The DRE has been calculated on a case by case basis in Bromley, whilst in other authorities a standard rate is applied. Currently the average DRE allowed amounts to £20/week but varies significantly. It is proposed to introduce standard rates of DRE disregards and it is proposed that these be set at between £5 and £15 per week.

- 5.3 It is estimated that 1,065 people currently benefit from a DRE disregard, and of these 450 will be affected by between £0.08 and £99 per week.

6. CONSULTATION

- 6.1 It is proposed to consult on these changes in line with the consultation standards set out in the Bromley Compact. The consultation commences with the publication of this report to the Executive which outlines the main areas for change.
- 6.2 A full outline of the proposed policy framework and how it is intended to operate will be sent to all stakeholders in December.
- 6.3 Current service users, their families and carers will be consulted through a questionnaire which will be sent out in early January.
- 6.4 In addition other stakeholders, including partner agencies, voluntary sector organisations and “XbyX” (Experts by Experience group) will be consulted with specific meetings for affected groups arranged as appropriate.
- 6.5 The proposals will also be subject to scrutiny by the Adult & Community PDS Committee at its meeting at the end of January 2011 prior to the Portfolio Holder coming to a final decision at the end of the consultation period in early March.
- 6.6 It is anticipated that, subject to any changes being made as a result of the consultation, the new policy will be implemented for the commencement of the 2011/12 financial year.

7. POLICY IMPLICATIONS

- 7.1 Personal budgets are central to the Supporting Independence in Bromley programme which is a key priority within the Adult & Community Portfolio Plan and central to the Building a Better Bromley priority of Promoting Independence.

8. FINANCIAL IMPLICATIONS

- 8.1 These changes both address the need to provide an actual cost against all service elements contained within Personal Budgets and also seek to increase, where feasible the contributions levied through charges from service users towards the costs of their care services.
- 8.2 The contributions policy is aimed at ensuring that regardless of how a service user decides to purchase their care, either through a managed service or via a direct payment, there is not a disincentive to service users accessing personal budgets by having a more favourable regime for one or other. This means that we will need to realign our direct payments and domiciliary care charges so that our half hourly and hourly rates are set at the same level as set out in Appendix 1.

8.3 The table below provides the financial implications of the proposals outlined in this report:-

	Budget 2011/12 Full Yr £'000
<u>Additional Income</u>	
Reducing Direct Payment rate for Personal Assistants (£11.00 ph)	-130
Charging for Double Handed Care (16.20 1/2 hour, £26.00 ph)	-150
Supplement for evenings (£1 and £2)	-65
Charging for Day Care & Transport	-50
Flat rate DRE of £15	-140
Community Alarm Service (£5 pw monitoring, £7.50 pw full response)	-45
	<u>-580</u>
<u>Loss of Income</u>	
Increasing Direct Payment half hour rate to £8.10	265
Reducing charging for domiciliary care (£16.20 hr to £14 hr)	100
	<u>365</u>
Net Additional Income (estimated)	<u><u>-215</u></u>
<u>Full Cost Recovery</u>	
Estimated Savings from full cost recovery (shopping/laundry etc.)	-100
Day care charge for non eligible users	-50
	<u>-150</u>
TOTAL ESTIMATED SAVINGS	<u><u>-365</u></u>

- 8.4 At present recipients of a Direct Payment are allocated £14.10 per hour to cover the cost of purchasing domiciliary care. This does not take into account variations in the cost of care delivered in units of less than an hour, additional costs of care at evenings or weekends, or the reduced costs of care being purchased through employing Personal Assistants. The revised rates proposed in this report provide for these variables.
- 8.5 The table above shows that the financial implications of increasing the amount within a Direct Payment for a half hour of care from £7.04 to £8.10 is £265,000 p.a. offset £100,000 p.a. by reducing the amount allowed for an hour of domiciliary care from £16.20 to £14.00 an hour and a further £130,000 p.a. by reducing the amount allowed for Personal Assistants from £14.10 to £11.00 per hour.
- 8.6 The current charge for domiciliary care for non-Direct Payment users is £16.20 per hour and has been based on the average cost of an hour of care taking account of all contracted providers, including the in-house service's unit cost, and allowing for the variations on the cost of evenings and weekends. Analysis of current prices charged by the Council's contracted providers, together with the impact of a reduction in the volume of care provided by the in-house service has resulted in a need to adjust the rates charged and the sums allowed for within Direct Payments for domiciliary care.
- 8.7 The proposals within this report align the charges made with the sums allowed for within Personal Budgets consistent with that allocated within a Direct Payment. This has the effect of maintaining the same charge for a half hour of domiciliary care as present (£8.10/half hour) whilst reducing the rate for care delivered in full hours from £16.20 to £14.00. As with Direct Payments, an increase in the charge for care delivered at evenings or weekends will be applied or at £1 per half hour and £2 per full hour of care.

- 8.8 Also included in the table above are the anticipated savings arising from the introduction of charges or full cost recovery of services provided to non-eligible service users, including day centres, shopping and housework services, as described in paragraphs 3.9 and 4.6.4. above.
- 8.9 Any additional income that will be generated from telecare is included within the Community Alarm figures in the table above.
- 8.10 The proposed rates for charging in 2011/12 are based on current prices and therefore an annual increase for inflation will need to be added to all the figures in Appendix 1.
- 8.11 Appendix 2 gives some examples of how service users will be affected by the proposed changes to our existing Charging Policy.

9. LEGAL IMPLICATIONS

- 9.1 Fairer Charging Contributions Guidance is issued under Section 7 of the Local Authority Social Services Act 1970.
- 9.2 This document provides guidance on how both the chargeable amount of a personal budget, and the actual contribution made by the personal budget holder, might be calculated. The chargeable amount is the maximum possible contribution a person can be asked to make to their personal budget, subject to their available income and savings. The calculation of the actual amount to be paid begins with a means test which determines the income and savings available to make a contribution. This part of the process is covered in the original Fairer Charging guidance and remains unchanged. Thus this guidance does not introduce any changes to the way councils undertake financial assessments, or how they treat the income or savings of personal budget holders.
- 9.3 The Department of Health’s latest guidance on Direct Payments states that:-

 “the direct payments legislation provides that it must be equivalent to the council’s estimate of the reasonable cost of securing the provision of the service concerned, subject to any contribution from the recipient”

 Thus the system for determining the amount of service required to meet social care needs should not be different for Direct Payments to that used for Personal Budgets.”
- 9.4 Councils should consult as necessary on any proposed changes to their existing charging policy in accordance with the Fairer Charging guidance. Councils might wish to allocate a member of staff to be responsible for consultation to meet local user and carer groups and to seek their views.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

Specific Personal Budget/Charging rates

Current Charge			Proposed Personal Budget Rate		
Home Care (hourly charge)		£16.20	Personal care episode (1/2 hour)		£8.10
			Personal care episode (1 hour)		£14.00
Home care (double handed)		£16.20	Personal care episode (double handed)		£16.20 (1/2 hr) £26.00 (1 hr)
Home care evenings/weekends			Personal care episode (evening/weekend supplement)		£1.00 (1/2 hr) £2.00 (1hr)
Direct Payment /Personal Assistant		£14.08	Personal Care episode (Personal Assistant)		£11.00/hr
Day Care		NIL	Day care – general (frail OP) incl. Transport		£18.00
			Day care – specialist (dementia/LD) Transport		£40.00
			Specialist Day placements LD/PD/MH		Actual contracted cost
Supported Living package		Full cost	Supported Living package		Full cost
Care link – monitoring		£3.72	Care link – monitoring		£5/wk
Care link – full response		£7.18	Care link – full response		£7.50/wk
Telecare/Assisted Technology monitoring		£1.91	Telecare/Assisted Technology monitoring		£2.50/wk

Appendix 2

How a Personal Budget and contribution is calculated:

Example 1

Mr A is 85 lives alone and needs assistance in getting up washing and dressing and in getting to bed at night. He also requires oversight during the day and help with preparing food.

His daughter provides daily midday support at weekends and 3 days a week.

Current cost of services calculated as follows:

2 x ½ hour personal care daily @ £8.10/½ hr	113.40
2 x day centre sessions @ £18 each	0.00
Care Link monitoring	<u>3.72</u>
	<u>117.12</u>

His personal budget is calculated as follows:

2 x ½ hour personal care daily @ £8.10/½ hr	113.40
4 x weekend supplements @ £1	4.00
2 x day centre sessions @ £18 each	36.00
Care Link monitoring	<u>5.00</u>
	<u>158.40</u>

Charging calculation under the current Fairer Charging Policy:

State Retirement Pension	132.60
Attendance Allowance	<u>47.80</u>
Total Income	180.40

Deduct Income Support Threshold	165.75
Deduct Disability Related Expenditure	<u>5.46</u>
Income available for charging	<u>9.19</u>

Previous Assessed maximum charge £9.19

Contribution calculation under the proposed Fairer Contributions Policy:

State Retirement Pension	132.60
Attendance Allowance	<u>47.80</u>
Total Income	180.40

Deduct Income Support Threshold	165.75
Deduct Disability Related Expenditure	<u>5.00</u>
Income available for contribution	<u>9.65</u>

Revised Assessed maximum contribution £9.65

Example 3

Mrs C is 80 lives alone and receives 14 1 hour visits of care a week double handed and has the carelink full response service. Mrs C has over £23,250 in savings.

Current cost of services calculated as follows:

14 x 1 hour personal care (double handed)	226.80
Care Link monitoring and response	<u>7.18</u>
	233.98

Her personal budget is calculated as follows:

14 x 1 hour personal care (double handed)	364.00
4 x weekend supplements @ £2 each	8.00
Care Link monitoring and response	<u>7.50</u>
	379.58

Charge under the current Fairer Charging Policy £233.98

Revised Personal Budget contribution £379.18

(Full cost payer as service user has above capital limit)

This page is left intentionally blank

Agenda Item 18

Document is Restricted

This page is left intentionally blank

Agenda Item 19

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank

Agenda Item 20

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

Document is Restricted

This page is left intentionally blank

Agenda Item 21

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

Document is Restricted

This page is left intentionally blank