



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 10 January 2012

To: Members of the
IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE

Councillor Graham Arthur (Chairman)
Councillor Neil Reddin FCCA (Vice-Chairman)
Councillors Julian Benington, Nicholas Bennett J.P., Eric Bosshard, Stephen Carr,
Judi Ellis, Robert Evans, Russell Jackson and Russell Mellor

A meeting of the Improvement and Efficiency Sub-Committee will be held at Bromley Civic Centre on **WEDNESDAY 18 JANUARY 2012 AT 7.30 PM**

MARK BOWEN
Director of Resources

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 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 12th January 2012.

4 MINUTES OF THE MEETINGS HELD ON 26 OCTOBER AND 2 NOVEMBER 2011
(Pages 3 - 6)

5 MATTERS ARISING FROM PREVIOUS MEETINGS (Pages 7 - 10)

6 CHANNEL SHIFT PROGRAMME (VERBAL UPDATE)

7 CARBON MANAGEMENT FUND: PROGRESS REPORT 2010/11 (Pages 11 - 20)

8 ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE (Pages 21 - 28)

9 LOCAL GOVERNMENT 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 item 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

10 EXEMPT MINUTES OF THE MEETINGS HELD ON 26 OCTOBER AND 2 NOVEMBER 2011
(Pages 29 - 40)

11 ALIGNING POLICY AND BUDGET REVIEWS – UPDATE (Pages 41 - 60)

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.

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IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 26 October 2011

Present:

Councillor Graham Arthur (Chairman)
Councillor Neil Reddin FCCA (Vice-Chairman)
Councillors Julian Benington, Ruth Bennett, Eric Bosshard,
Stephen Carr, Judi Ellis, Robert Evans and Russell Mellor

Also Present:

Councillors Douglas Auld, Peter Fookes, Tom Papworth and
Tim Stevens

10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nicholas Bennett JP, and Councillor Ruth Bennett attended as alternate.

11 DECLARATIONS OF INTEREST

Councillor Julian Benington declared that his daughter worked in a senior management position for Affinity Sutton. Councillor Peter Fookes declared that he was a Trustee of Age Concern Penge and Anerley

12 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

13 MINUTES OF THE MEETING HELD ON 6TH JULY 2011

RESOLVED that the Minutes of the meeting held on 6th July 2011 be agreed.

14 MATTERS ARISING FROM PREVIOUS MEETINGS

Report RES11114

The Committee was informed that work to install photovoltaic panels on North Block, Bromley Civic Centre site was about to commence and would be completed by March 2012, with further schemes being considered for the Central Depot and Adventure Kingdom sites. Progress would be reported to Executive and

Resources PDS Committee. The consultant's report with regard to the proposed Walnuts Boiler Plant upgrade had now been submitted and would be considered by Officers.

RESOLVED that the report be noted.

15 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 listed below as it was 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.

16 ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE

Report CEO1185

The Sub-Committee received a report updating Members on progress made on the projects within the Organisational Improvement Programme.

RESOLVED that the progress made to date on projects led by the Organisational Improvement Programme team be noted.

17 ALIGNING POLICY AND FINANCE REVIEWS

The Sub-Committee considered progress made across a range of services following the Aligning Policy and Finance reviews, which had been commissioned by Cabinet in Spring 2011.

RESOLVED that the Members' comments be noted.

The Meeting ended at 9.17 pm

Chairman

IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE

Minutes of the meeting held at 7.00 pm on 2 November 2011

Present:

Councillor Graham Arthur (Chairman)
Councillor Neil Reddin FCCA (Vice-Chairman)
Councillors Julian Benington, Ruth Bennett, Eric Bosshard,
Stephen Carr, Judi Ellis and Russell Mellor

Also Present:

Councillors Peter Fookes, John Getgood, Peter Morgan and
Tom Papworth

18 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nicholas Bennett JP and Councillor Robert Evans. Councillor Ruth Bennett attended as alternate to Councillor Nicholas Bennett JP. Apologies for lateness were also received from Councillor Russell Mellor.

19 DECLARATIONS OF INTEREST

Councillor Neil Reddin declared he had a daughter placed in an early years setting within the Borough. Councillor Peter Fookes declared that he was a Local Authority Governor at Royston Primary School. Councillor Ruth Bennett declared she was Local Authority Governor at Princes Plain Primary School. Councillor Tom Papworth declared his wife was employed by Locality.

20 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

21 LOCAL GOVERNMENT 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 listed below as it was 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.

22 ALIGNING POLICY AND FINANCE REVIEWS

The Sub-Committee considered progress made across a range of services following the Aligning Policy and Finance reviews, which had been commissioned by Cabinet in Spring 2011.

RESOLVED that the Members' comments be noted.

The Meeting ended at 9.46 pm

Chairman

Agenda Item 5

Report No.
RES12004

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Improvement and Efficiency Sub Committee

Date: 18th January 2012

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

Title: **MATTERS ARISING FROM PREVIOUS MEETINGS**

Contact Officer: Kerry Nicholls, Democratic Services Officer
Tel: 020 8313 4602 E-mail: kerry.nicholls@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

Appendix A updates Members on matters arising from previous meetings.

2. **RECOMMENDATION(S)**

The Committee is asked to consider progress on matters arising from previous meetings.

Corporate Policy

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

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: ££344,054
 5. Source of funding: Existing 2011/12 budget.
-

Staff

1. Number of staff (current and additional): There are 10 posts (9.22 fte) in the Democratic Services Team.
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: <please select>
 2. Call-in: Call-in is not applicable. This report does not involve an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for Members of this Committee
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

Non-Applicable Sections:	Policy Implications; Financial Implications; Legal Implications; Personnel Implications
Background Documents: (Access via Contact Officer)	Strategies and plans for each corporate area

MATTERS ARISING FROM PREVIOUS MEETINGS

Minute Number/Title	Decision/ Agreement	Update	Action by	Completion Date
28 Internal Audit and Value for Money Reporting: Report LDCS10180 (from the minutes of I&E Sub Committee on 13 th October 2010)	A Member requested that the outcomes from the new approach to Value for Money reporting be reviewed in due course.	Outcomes from the new approach to Value for Money reporting to be reported to Improvement and Efficiency Sub Committee.	Organisational Improvement Team	April 2012
45 Energy Reduction and Renewable Energy (from the minutes of I&E Sub Committee on 20 th April 2011)	Following consideration of five proposed energy reduction and renewable energy schemes, Members requested additional information be provided on a range of schemes.	Progress regarding the consideration of the proposed schemes by Executive and Resources PDS Committee and the Resources Portfolio Holder to be reported to Improvement and Efficiency Sub Committee on 18 th January 2012.	Strategy Development Team, Environmental Services	January 2012
17/1 Aligning Policy and Finance Reviews (from the minutes of I&E Sub Committee on 26 th October 2011)	Following consideration of aligning policy and finance reviews across a range of services, Members requested progress against the reviews be reported to Improvement and Efficiency Sub Committee.	Progress to be reported to Improvement and Efficiency Sub Committee on 18 th January 2012.	Organisational Improvement Team	January 2012
22/1 Aligning Policy and Finance Reviews (from the minutes of I&E Sub Committee on 2 nd November 2011)	Following consideration of aligning policy and finance reviews across a range of services, Members requested progress against the reviews be reported to Improvement and Efficiency Sub Committee.	Progress to be reported to Improvement and Efficiency Sub Committee on 18 th January 2012.	Organisational Improvement Team	January 2012

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Agenda Item 7

Report No.
ES12006

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: IE&E Sub-Committee

Date: 18 January 2012

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

Title: CARBON MANAGEMENT FUND: PROGRESS REPORT
2010/11

Contact Officer: Alastair Baillie, Environmental Development Manager
Tel: 020 8313 4915 E-mail: alastair.baillie@bromley.gov.uk

Chief Officer: Nigel Davies: Director of Environmental Services
Mark Bowen: Director of Resources

Ward: All

1. Reason for report

- 1.1 In October 2008, the Executive agreed to establish (ED08067 Minute 69) a ring-fenced Carbon Management Fund to invest in energy efficiency projects, with the aim of reducing the Council's carbon emissions by 25% over five years and avoiding unnecessary energy costs.
 - 1.2 The Executive requested that its Improvement, Efficiency & Effectiveness sub-committee (IE&E) receive annual reports to monitor the Fund's operation (ES08185, December 2008; ES09102, December 2009; and ES10198 January 2011).
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2. RECOMMENDATIONS

That IE&E Sub-Committee:

- 2.1 Notes and comments on the progress of completed, current and proposed Carbon Management Fund projects; and
- 2.2 Receives a further annual report in January 2013.

Corporate Policy

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

Financial

1. Cost of proposal: Estimated cost £200k of potential project
 2. Ongoing costs: N/A. Estimated avoided spend p.a.: 2011/12 - £20k; 2012/13 - £69k; 2013/14 - £127k; 2014/15 - £221k; 2015/16 - £319k ; 2016/17 - £436k; 2017/18 - £572k
 3. Budget head/performance centre: Carbon Management Programme within Capital Programme
 4. Total current budget for this head: £320k current uncommitted balance
 5. Source of funding: Capital Programme (£250k) and Carbon Trust / Salix (£250k)
-

Staff

1. Number of staff (current and additional): 0.4 FTE current
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

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

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

3. COMMENTARY

Background

- 3.1 In 2008, the Council established a ring-fenced Carbon Management Fund (Fund). This £500k facility (£250k LB Bromley / £250k Salix) is used to provide internal loans for investment in proven energy saving technologies to reduce carbon emissions and energy costs.
- 3.2 The capital in the Fund is protected as each loan is repaid, from an agreed adjustment to an energy budget reflecting reduced consumption and costs. Consequently the Fund is continually replenished for re-investment in new projects. Once an individual project has fully paid back into the Fund, the avoided energy spend then permanently benefits the Council.
- 3.3 To be considered for funding, projects should payback in fewer than five years and have a long-lasting effect. This ensures that the Council receives good value-for-money. Investment projects are focussed on Council operational property and street lighting assets.
- 3.4 The Fund is not currently used for tackling carbon emissions from other sectors of the Carbon Management Programme, such as schools' energy efficiency, and cannot be used for transport-related initiatives. However, the Fund may be used for investing in renewable energy technologies, assuming they meet the pay-back criteria. This has not happened to date as, generally speaking, energy efficiency measures are more carbon and cost-efficient.
- 3.5 When all possible invest-to-save opportunities have been exhausted, it is intended that the initial £500k capital investment will be returned to the Council's reserves and Salix.
- 3.6 The term 'avoided spend' is used in this report rather than 'saving' to describe the financial benefit to the Council. This is because price changes and other factors (e.g. weather) may negate the benefit of the installed measures. Nevertheless, these invest-to-save initiatives will always avoid unnecessary energy consumption and spending.
- 3.7 The projects benefit the Council financially irrespective of energy price changes:
- if energy prices rise, then the avoided spend will be even greater than projected
 - If energy prices fall, the avoided spend will be less but energy bills will be lower too, making for even greater energy budget savings
- 3.8 The following terms are used in this report:
- 'Committed' is the date on which a project was formally authorised to start work
 - 'Commissioned' is when a project was completed and began paying back to the Fund
- 3.9 Projects are described as 'completed', 'current' or 'planned'.
- Completed Projects (1): have fully paid-back their capital investment and are now permanently saving energy, money and carbon emissions
 - Current Projects (4): have been commissioned (installed) and are currently repaying the capital investment (back to the Fund). They are already saving carbon emissions.
 - Planned Projects (3): have been committed (i.e. have been quantified) and usually have a projected commissioning date
 - Potential Projects (1): are being assessed prior to being committed
- 3.10 Some planned projects assessed under this programme and previously reported to IE&E (e.g. fitting variable speed drives to pumps and boiler adjustments), have subsequently been funded through Property's Planned Maintenance Programme. This is why fewer projects are reported in this report compared with previous annual reports. These projects have been robustly quantified to Fund standards and because there is no requirement to repay the investment cost, the avoided spend will benefit the Council's energy budgets immediately.

Table 1: Salix Project Summary at-a-glance

Name	Commissioned*	Description
COMPLETED PROJECTS		
Street-signage: conversion from 24hr to dusk-to-dawn switching (Phase 1)	October 2009	Photoelectric cell units are fitted to lit street signs, enabling the lamps to sense when there is sufficient light for them to automatically switch off – rather than being lit 24hrs a day
CURRENT PROJECTS		
Voltage Optimisation: Civic Centre electricity supply	February 2009	Optimising voltage remedies the discrepancy between the actual supply voltage received at the Civic Centre (207 – 253 volts) and the optimum voltage that electrical equipment such as lighting and computing needs (220 volts). The result is that equipment runs at peak efficiency and energy is not wasted
Street-signage: conversion from 24hr to dusk-to-dawn switching, (Phase 2)	December 2010	Phase 2 of the October 2009 completed street signage project but for a different class of road sign
Central Island Columns: conversion from 24hr to dusk-to-dawn switching	February 2011	Photoelectric cell units are fitted to the lit columns on pedestrian road-crossing islands, so that lamps automatically switch off when its light
Street Lighting: Fit electronic gear to MI26 Lanterns	November 2011	MI26 lanterns are used in street lighting for ‘minor roads’. Control gear starts (or ‘ignites’) and runs lamps. The lamps were previously controlled by mechanical gear but electronic control gear allows them to operate more efficiently.
PLANNED PROJECTS		
Crossing Bollards: conversion from 24hr to dusk-to-dawn switching	February 2012 (estimated)	Photoelectric cell units are being fitted to crossing bollards, so that lamps automatically switch off when its light
Server Room: Evaporative Cooling	March 2012 (estimated)	This project will replace the current, energy-intensive air-conditioning system in the Civic Centre server room. Evaporative cooling combines the natural process of water evaporation with an ‘air-moving’ system. In effect, outside air is drawn through moist pads where it is cooled by evaporation and circulated through the server room by a large fan – cooling the servers
North Block: Lighting	May 2012 (estimated)	In addition to the refurbishment of the North Block, this project will install high-efficiency fluorescent luminaires with daylight and motion sensor controls, consuming around half the energy of the old lighting it replaces
POTENTIAL PROJECTS		
Street Lighting: SON Lamp Dimming	TBC	This project, still at the feasibility stage, would fit equipment to many of the borough’s high-pressure sodium (‘SON’) street lights so that they could be dimmed at appropriate times in appropriate locations

* ‘Commissioned’ means when a project has been completed and has started paying back to the Fund

Completed Projects

- 3.11 Table 2 describes the first project to have completed the whole process: that is it has been commissioned, fully paid-back its £43k investment cost, and is now permanently benefitting the Council by avoiding unnecessary energy use and spend. It sets out the investment cost, carbon and energy savings (February 2009 costs and energy prices) as reported to IE&E.

Table 2: Street-signage conversion from 24hr to dusk-to-dawn switching (Phase 1)

Project Description	Commission Date	Investment Cost (£)	Avoided Spend (£p.a.)	Savings (tCO ₂ p.a.)	Payback (years)
Street-signage conversion	October 2009	43,482	26,862	124	1.62

- 3.12 Energy prices varied over the period that the project was paying back into the Fund (October 2009 – June 2011). Tables 2a, 2b, and 2c show what happened, using actual energy prices. This allows for a comparison to be made between the avoided spend which was projected in 2009 and how much spending was actually avoided over the project period.
- 3.13 The following issues should be noted when considering this analysis:
- electricity prices fell by nearly 3p/kWh between the project start and completion dates
 - electricity prices continued to fluctuate (around this lower figure) during the project's payback period and consequently less spend was avoided than originally projected
 - the positive effect of reduced electricity prices far outweighs this reduced avoided spend
 - having fully paid back, the avoided consumption is permanent and will help protect the energy budget from future price rises
- 3.14 The £43k installation cost should have resulted in an avoided spend of £43k over 1.62 years. However because energy prices fell, the avoided spend was only £31k. The £12k difference, however, was more than compensated for by a fall in energy prices (benefiting the energy budget). Based on current prices, there will be a permanent £18k p.a. avoided spend.

Table 2a: Street-signage conversion: Analysis using Actual Energy Prices

Energy price changes by date	Price p/kWh	Avoided Spend (pro rata)
Price when project Committed	0.1164	N/A
October 2009 to March 2010 (Commissioned: 01/10/2009)	0.0828	£7,959.95 (5 months)
April 2010 to September 2010	0.0629	£7,252.30 (6 months)
October 2010 to March 2011	0.0942	£10,862.31 (6 months)
April 2011	0.0796	£4,590.05 (3 months)

Table 2b: Project timetable

Action dates	Date
Commissioned (<i>Project completed</i>)	01/10/2009
Started paying back (<i>One month lag before savings can be accounted for</i>)	01/11/2009
Project fully paid back	01/06/2011
Avoided spend begins to directly benefit LB energy budget	01/06/2011

Table 2c: Avoided Spend (projected v actual)

	Avoided spend
Projected avoided spend from Commission date to full payback	£43,482.48
Actual avoided spend from Commission date to full payback	£30,664.62
Projected avoided spend per annum (based on 2009 prices)	£26,862.35
Actual avoided spend per annum (based on current prices)	£18,360.20

Current Projects

- 3.15 Table 3 summarises the key data for projects which have been formally commissioned but have yet to fully pay back their loans to the Fund. The Voltage Optimisation project will soon have completed this process and the avoided spend will then permanently benefit the Council.

Table 3: Current Projects

Project Description	Commission Date	Investment Cost (£)	Avoided Spend (£/pa)	Savings (tCO ₂ p.a.)	Payback (years)
Voltage Optimisation: Civic Centre electricity supply	February 2009	89,827	30,703	141	2.93
Street-signage: conversion from 24hr to dusk-to-dawn switching, (Phase 2)	December 2010	49,385	14,434	95	3.42
Central Island Columns: conversion from 24hr to dusk-to-dawn switching	February 2011	17,920	7,197	47	2.49
Street Lighting: Fit electronic gear to MI26 Lanterns	April 2011	93,436	20,784	87	4.5

Planned Projects

- 3.16 Table 4 summarises the key data for projects which have been approved and are being implemented / installed but have yet to be formally commissioned.

Table 4: Planned Projects

Project Description	Commission Date	Investment Cost (£)	Avoided Spend (£/pa)	Savings (tCO ₂ p.a.)	Payback (years)
Crossing Bollards: conversion from 24hr to dusk-to-dawn switching	February 2012 (Estimated)	19,928	11,631	53	1.71
Server Room: Evaporative Cooling	March 2012 (Estimated)	35,000	21,192	142	1.7 / 2.2*
North Block: Lighting	May 2012 (Estimated)	83,920	17,000	77	4.9

* The technical payback is 1.65 years but the loan payback is 2.2 years as it was agreed with the budget holder to only pay back 75% of the savings each year: This slightly extends the payback period but offers the budget holder more protection against energy price rises and/or consumption rising elsewhere on the Civic Centre site.

Potential Projects

- 3.17 There is a street lighting project which is still at the feasibility testing stage. If this project proves to be viable under the Fund's rules, it should avoid significant energy use and spend – potentially around £200k p.a.

Table 5: Potential Projects

Project Description	Commission Date	Investment Cost (£)	Avoided Spend (£/pa)	Savings (tCO ₂ p.a.)	Payback (years)
SON Lamp Dimming	-	-	TBC, potentially £200k	-	-

4. POLICY IMPLICATIONS

- 4.1 The Quality Environment section of the Council's Building a Better Bromley 2020 Vision states that 'we are also determined to work together in reducing energy consumption' and 'reducing energy use' is also identified as an issue to be tackled and how we will judge success. One of the council's Building a Better Bromley priorities for 2012/13 is to "Improve Energy Efficiency in the Borough".
- 4.2 Undertaking energy efficiency activity will place the Council in an improved position with regard to complying with, and reducing liabilities under, the statutory Carbon Reduction Commitment: see Executive report ES12005 (February 2012).

5. FINANCIAL IMPLICATIONS

- 5.1 Table 6 shows how much / when the Current and Planned projects payback into the Fund.

Table 6: Current and Planned Projects: Payback into the Fund

PROJECT	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£	£	£	£	£	£	£
Current Projects							
Voltage Optimisation: Civic Centre electricity supply	30,703	24,288	0	0	0	0	0
Street-signage: conversion from 24hr to dusk-to-dawn switching, (Phase 2)	4,811	14,434	14,434	14,434	1,272	0	0
Central Island Columns: conversion from 24hr to dusk-to-dawn switching	1,200	7,197	7,197	2,327	0	0	0
Street Lighting: Fit electronic gear to MI26 Lanterns	0	6,928	20,784	20,784	20,784	20,784	3,372
Planned Projects							
Crossing Bollards: conversion from 24hr to dusk-to-dawn switching	0	969	11,631	7,328	0	0	0
Server Room: Evaporative Cooling	0	0	15,894	15,894	3,212	0	0
North Block: Lighting	0	0	17,000	17,000	17,000	17,000	15,920

- 5.2 Table 7 shows when Completed, Current and Planned Projects stop repaying into the Fund and begin benefitting the Council's energy budgets. Almost £600k of avoided spend is currently being projected by 2017/18.

Table 7: Completed, Current and Planned Projects: Projected Avoided Spend

PROJECT	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£	£	£	£	£	£	£
Completed Projects							
Street-signage: conversion from 24hr to dusk-to-dawn switching (Phase 1) (Actual)	13,770	18,360	18,360	18,360	18,360	18,360	18,360
Current Projects							
Voltage Optimisation: Civic Centre electricity supply	6,415	30,703	30,703	30,703	30,703	30,703	30,703
Street-signage: conversion from 24hr to dusk-to-dawn switching, (Phase 2)	0	0	0	13,162	14,434	14,434	14,434
Central Island Columns: conversion from 24hr to dusk-to-dawn switching	0	0	4,870	7,197	7,197	7,197	7,197
Street Lighting: Fit electronic gear to M126 Lanterns	0	0	0	0	0	17,412	20,784
Planned Projects							
Crossing Bollards: conversion from 24hr to dusk-to-dawn switching	0	0	4,303	11,631	11,631	11,631	11,631
Server Room: Evaporative Cooling	0	0	0	12,682	15,894	15,894	15,894
North Block: Lighting	0	0	0	0	0	1,080	17,000
Total Avoided Spend	20,185	49,063	58,236	93,735	98,219	116,711	136,003
Total Cumulative Avoided Spend	20,185	69,248	127,484	221,219	319,438	436,149	572,152

Completed project savings are based on actual savings and current and planned project figures are based on projected savings.

- 5.3 The Carbon Reduction Commitment (see Executive Report ES10189 January 2011) – effectively a carbon tax – places a significant additional financial liability on avoidable carbon, reinforcing the need for the demand management measures set out in this report.
- 5.4 The projects in this report as well as reducing energy costs will provide another financial benefit because fewer CRC allowances will have to be purchased.
- 5.5 Table 8 demonstrates that the 766t of carbon emissions saved annually from Fund projects will save £12,256 of CRC allowance costs in 2012/13. This benefit will increase as the price of CRC allowances increases (it is expected to rise by £4/t per annum).

5.6 **Table 8: CRC scheme avoided spend: 2012/13**

Project Description	Annual Carbon Savings (tCO₂)	Avoided CRC Costs @ £16/tCO₂
Street-signage conversion from 24hr to dusk-to-dawn switching (Phase 1)	124	£1,984
Voltage Optimisation (Civic Centre)	141	£2,256
Street-signage conversion from 24hr to dusk-to-dawn switching (Phase 2)	95	£1,520
Central Island Column conversion from 24hr to dusk-to-dawn switching	47	£752
Fit electronic gear to MI26 Lanterns	87	£1,392
Crossing Bollards conversion from 24hr to dusk-to-dawn switching	53	£848
Server room evaporative cooling	142	£2,272
North Block Lighting	77	£1,232
TOTAL	766	£12,256

5.7 Table 9 shows a summary of the Fund for financial year 2010/11 and also as at 31.12.11 (the position when writing this report).

Table 9: Carbon Management Fund Financial Summary

Carbon Management Fund	£'000
Funding Received to date as at 31.3.2011	
LBB Capital Programme	250
Four Instalments received from Salix	250
Total funding received to date	<u>500</u>
Less expenditure to 31.03.11	(279)
Add back loan repayments to 31.03.11	110
Balance as at 31.03.11	<u>331</u>
Less actual spend 2011/12 as at 31.12.11	(15)
Less commitments as at 31.12.11	(55)
Add back loan repayments 2011/12	59
Latest uncommitted balance as at 31.12.11	<u><u>320</u></u>

Non-Applicable Sections	<ul style="list-style-type: none"> • Legal Implications & Personnel Implications
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none"> • Executive Report ED08067: Carbon Management Programme • IE&E Report ES08185: Carbon Management Programme: First Tranche Projects • IE&E Report ES09102: Carbon Management Fund: Progress

	<p>Report 2009</p> <ul style="list-style-type: none">• IE&E Report ES10198: Carbon Management Fund: Progress Report 2010• Executive Report ES12007: Carbon Management Programme Progress Report 2010/11• Executive Report ES12005: Carbon Reduction Commitment Scheme 2010/11 Annual Report
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Agenda Item 8

Report No.
CEO1189

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Improvement and Efficiency Sub-Committee

Date: 18th January 2012

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

Title: **ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE**

Contact Officer: Chris Spellman, Assistant Director, Organisational Improvement
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Chief Officer: Doug Patterson, Chief Executive

Ward: Borough-wide

1. Reason for report

To update Members on the progress of the Organisational Improvement Programme.

2. **RECOMMENDATION(S)**

- Note the progress made to date on projects led by the Organisational Improvement Team and the new work projects that members of the team are currently supporting.

Corporate Policy

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

Financial

1. Cost of proposal: N/A No additional costs at this stage
 2. Ongoing costs: N/A. Opportunity cost of Organisational Improvement Team. No additional ongoing costs at this stage. Any business cases for future projects will include ongoing costs.
 3. Budget head/performance centre: Organisational Improvement Team
 4. Total current budget for this head: £328k
 5. Source of funding: Existing revenue budgets
-

Staff

1. Number of staff (current and additional): 5 FTE
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Dependent on Member Decision Making. Potentially all customers
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Ward Councillor Views

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

3. COMMENTARY

- 3.1 Since the last I&E Sub-Committee, a corporate decision has been made to use the Organisational Improvement Team in a slightly different way.
- 3.2 Members of the team are now working on time-limited projects within a service area, where dedicated corporate support is required either on a full time or part-time basis.
- 3.2 There remain a number of cross-cutting corporate projects that continue to be led on by the Organisational Improvement Team. These projects all contribute to the wider savings targets.
- 3.3 Details of the work being supported by the team and progress on the cross-cutting projects are provided for Members below.

Joint commissioning (New department)

- 3.4 The Programme Manager, Organisational Improvement is supporting the Assistant Director of Commissioning and Partnerships (ACS) on a full time basis on the creation of a central commissioning unit for the new department.
- 3.5 The workstream will start to draw together a structure for commissioning in the new department which will be presented to the Chief Executive leading ultimately to a formal staff consultation process.
- 3.6 The new model will focus on bringing together the activities of commissioning, procuring, gate keeping and brokerage.
- 3.7 Discussions with Heads of Service in CYP and ACS are ongoing to identify how individual services will fit the model.
- 3.8 Proposals around a new model for commissioning are also being shared with the Public Health team with the aim of further integrating social care and community health budgets and providing commissioning support to Bromley's new Clinical Commissioning Group (CCG).
- 3.9 The proposals for better integration of commissioning with Public Health are being presented to the Shadow Health & Wellbeing Board on 19 January 2012.

Public Health

- 3.10 The Project Manager, Organisational Improvement has been seconded for two days a week to the Public Health Transition team at NHS London supporting the transfer of Public Health from PCTs to Local Government.
- 3.11 The work will be carried out predominantly with the 6 South East London Boroughs, supporting the design process of setting up a model for Public Health which is fit for purpose for that local authority, or cluster of local authorities.
- 3.12 The first workshop is being run in January with local authority leads from Greenwich, Lambeth, Lewisham and Southwark who are proposing a 4 borough model.

Customer Service Improvement (CCC)

3.13 The Project Officer, Organisational Improvement has been seconded to the Customer Contact Centre (CCC) to focus on supporting and delivering customer service improvement projects, some of which were already being led on from the Organisational Improvement Team.

Voice recognition

3.14 Phase 3 of the Voice Recognition project is looking at high volume service requests, with missed bins in the first instance. The project is now in the development testing stage with go-live to the public planned for mid-January once UAT is complete. Further opportunities for using VR functionality are currently being identified within the Environment Services Department (ESD).

Service migrations

3.15 Landscapes calls are successfully being handled through the CCC. Options are being explored by the project team regarding integrating the Confirm system used by the Landscapes team into CRM (used by CCC) or using CRM instead of Confirm.

3.16 Service migration of the remaining calls that were not transferred during phase 1 of the Streets migration into the CCC are now being considered as well.

3.17 Phase 1 of the migration of Registrars calls to the CCC is now complete. This includes calls to book an appointment (with the exception of ceremony bookings), as well as requests for certificates. Phase 2 will involve monitoring calls for the Nationality Checking Service (NCS) over a period of 6 months to obtain call volumes and assess the need to transfer calls into the CCC.

New Technology Working Group recommendations

3.18 Recommendations from the New Technology Working Group are being progressed including developing a social media strategy for the Council to better utilise channels such as Facebook, Twitter and YouTube to engage with customers.

3.19 New e-forms, as identified by the Customer Focus sub- group are being developed to increase web transactions and minimise back office administration.

3.20 Looking at the potential to centrally manage the various web portals across the organisation (e.g. MyLife, Planning Portal etc) as well as opportunities to support these portals on the corporate web platform. Site utilisation is being monitored as well as the information management requirements for each site.

Stopford appointment booking system

3.21 The Stopford appointment booking system is now being used successfully by the Registrar service. Business cases are being developed for Bulky Waste, Housing needs and Council Tax benefit / Housing benefit to interlink with Qmatic queuing system for the new reception. Currently the project is in its initial stages, working with the service areas and Stopford with regard to service specification and requirements. In addition, future opportunities are being explored within ESD to use the system for booking Road Safety courses and BEECHE room bookings.

Blue Badge improvement scheme

3.22 The CCC has worked in conjunction with DfT to implement changes to the Blue Badge scheme. Blue badges are now issued nationally in an attempt to reduce fraud, with staff in the CCC updating a database to ensure accuracy of information.

Tell Us Once

3.23 Tell Us Once (TUO) has been available to customers registering a death in Bromley since October 2011 allowing them to inform several Council and Government departments at once. Initial feedback suggests that take-up of the service at the front-end in Registrars is high. Potential savings in back-office areas as a result of TUO will be monitored to measure the financial benefits of the service. A follow-up meeting between Registrars and DWP, who run the scheme at a central level, is scheduled for 10 January.

Other customer service workstreams

3.24 A review of the current functionality and utilisation of the CRM system in the Customer Contact Centre is being carried out to determine future requirements and opportunities for using the system.

Shared Services

3.25 The Shared Services Board, comprised of the Chief Executives and one other Chief Officer from Bromley, Bexley and Croydon, continue to meet on a 6 weekly basis to agree and explore areas which could benefit from taking a shared service approach. The three Leaders and Chief Executives meet on a quarterly basis.

3.26 The areas with significant momentum are:

- **Libraries** back-office and managerial savings are in the process of being realised as the shared service went live on 1 January 2012. There is potential for further savings through a Libraries' Trust (Bexley & Bromley) and this is currently being investigated further.
- **Legal** Bromley providing a property lawyer to Bexley for 2 days/week
- **Children's services** – 3 Directors meeting regularly to progress workstreams around sold services to schools and reducing cost of SEN out-of-borough placements through a possible in borough invest-to-save model.
- **Property** – mapping spend across service areas in three boroughs to agree business case and potential target saving figure
- **Procurement** – risk and reward consultants, People Too, carrying out preliminary work to determine levels of service across each borough for transport (inc. children's SEN, adults' social care and fleet management) in order to deliver more efficient transport jointly across boroughs.
- **Regulatory services** (see below)

3.27 After the success of the shared services conference in October 2011, a further conference or workshop is proposed to be held in spring 2012 in order to maintain momentum and ensure that projects are progressing.

Regulatory Services

3.28 Exploring alternative models for Regulatory Services is one of the shared services board workstreams that is being progressed by the Organisational Improvement Team on behalf of Bexley, Bromley and Croydon.

3.29 The Chief Executives have requested that the services within scope of the review (mainly those in the Public Protection Division at Bromley) be packaged together into a separate shared 'provider unit' offering better value to the three organisations.

- 3.30 The Assistant Director, Organisational Improvement will be leading this work along with the Assistant Director, Public Protection, Heads of Service and relevant officers from Bexley and Croydon.
- 3.31 Currently the structure and constitution of the shared provider is being considered and tested along with how any transition or change to services deliver could be most effectively achieved, minimising as far as possible any impact on staff and disruption to services.

Civic centre accommodation

- 3.33 As Members will have observed, works on the Civic Centre site are well underway and due to complete sometime around end of March 2012. The decant of around 250 staff from North Block to other areas across the Civic Centre campus was completed at the end of July 2011. The basement areas in Exchequer House and the Old Town Hall, which were used for storage, have been completely cleared in preparation for vacating the buildings once the accommodation works are completed.
- 3.34 Property Division and Organisational Improvement are working with Chief Officers to determine the future allocation of space to fit in with and support the corporate restructure taking place with effect from April 2012. Once those decisions are finalised work will begin on both future design/layout requirements, addressing any storage issues as well as 'softer' issues such as helping teams to prepare for adjustment to new working environments involving less than 1:1 desk provision, use of different technology, etc.
- 3.35 Once all staff, including partners' staff, are relocated then the three buildings planned to be vacated (Old Town Hall/Exchequer House, Joseph Lancaster and Ann Springman) will be available.
- 3.36 Consistent with the findings of the accommodation policy/budget review, all Chief Officers have agreed to aim for departmental teams to be co-located and to the average 70% desk/FTE ratio - to the extent this is possible given the limitations of some of our existing buildings and without incurring any cost beyond the approved budget limit.
- 3.37 Further developments, for example, consideration of whether further buildings can be released are dependent on higher level strategic decisions, for example whether the Council will remain on this site or move to a different site as part of the overall town centre developments.

Organisational Design

- 3.38 The Chief Executive has presented his plans for an organisational restructure to Members and Officers with the aim of addressing the key challenges facing the Council over the next three to four years as well as contributing to the significant budget savings during this period.
- 3.39 Under the new structure there will be four departments. In addition to these, the Chief Executive will continue to have responsibility for HR, Audit, Performance Management and Corporate Communications. The departments will be as follows:

A new department bringing together adults' social care, children's social care, education and commissioning together with the operational aspects of housing

Environment

Resources

Strategic Regeneration and Development, including the strategic elements of housing and leisure

- 3.40 A strategic group has been set up comprising all existing Assistant Directors from CYP and ACS, the Director CYP, Assistant Chief Executive HR, Chief Executive and Executive Assistant. The purpose of the group is to direct and oversee the transition from two departments to one, including arrangements to realign budgets, teams and staff and administrative policies and procedures.
- 3.41 Members are invited to the strategic group as necessary although there is a proposal to create a separate strategic Member group.
- 3.42 A job advert has been put together with recruitment consultants to recruit a director for the new department. It is noted that the Assistant Director for Education is on an interim contract until April 2012 and therefore the permanent recruitment to this post must be considered too.

Centralisation/Rationalisation of Support Services

- 3.43 With the establishment of the expanded Resources department and the recent strategic decision to merge elements of ACS and CYP (above) the opportunity now exists to implement a new more efficient support services model.
- 3.44 The new model will deliver the £350k of support efficiencies identified in the budget in the first phase and potentially more over time as the new arrangements are bedded down and senior officers responsible are able to drive down cost further.
- 3.45 The decision to move further towards centralisation and rationalisation of support services complements our Corporate Operating Principles and will facilitate the forthcoming Market Testing agenda which is likely to see some or many of these functions reduced to a client role.
- 3.46 A project, led by the Director of Resources and Organisational Improvement is reviewing the distribution of support services across all departments with a view to delivering £350K savings. It is anticipated that these savings will be achieved through reducing the spread of managers involved in running these services/functions and also through consolidated procurement of all general spend items.
- 3.47 Generally the principle adopted has been to move towards a structure whereby any service which is applicable to the entire organisation should be managed through only one (central) line of management rather than, as is currently the case, through all or most departments separately.
- 3.48 Generally this means that the Director of Resources (in the main) and Chief Executive to a lesser extent will deliver the full range of generic services to the whole organisation, for example, all general administration and business support, customer services, public information and systems, all operational property and facilities management, all ICT systems and support, procurement and contract management of general matters, e.g. furniture & equipment, stationery, storage, etc.
- 3.49 It is the intention that all related general budgets will also be consolidated so that further economies can be achieved through economies of scale, corporate prioritisation and by utilising the skills of the central procurement team on those areas.
- 3.50 There will be some exceptions due to the specialist nature or scale of work, for example commissioning and procurement covering children's and adults' services will remain in the new service directorate, as will the performance and quality management arrangements supporting care services, both of which are specialist and interrelated functions. Nevertheless both these areas will be 'centralised' within the new department to the same ends.

- 3.51 A Working group, with representatives from all departments, has had input to discussions on how each support service/function would best be located and Chief Officers are to consider the proposals mid January, following which draft proposals and a formal consultation process will be taken forward.

Market Testing

- 3.52 The Chief Executive has presented to Extended Cabinet/COE details of a number of areas which could be wholly or partly outsourced over time in order generate savings and transition further towards our target operating model as a commissioning organisation.
- 3.53 This work will be progressed from a 'corporate' perspective and supported by the Chief Executive. Working with Members and the services in question the process will test and evaluate what represents the best deal for Bromley.
- 3.54 This process will also be used to explore the potential for some existing elements of direct service provision to be delivered via staff based social enterprises or 'floated off' provider units.

Invest to Save for Special Educational Needs Provision

- 3.55 The CYP department have engaged an external specialist consultant to lead a project on the development of an invest to save business case to enhance local provision for secondary aged children with autism to help to address projected increased demand and provide additional (local) placements at a far lower unit cost..
- 3.56 As this is closely aligned to the policy /finance review of SEN & Disability, carried out by Organisational Improvement, the team member is included in the invest to save project team. The business case is due to be considered by the Member Officer Working Party for Special Educational Needs (MOWGSEN) in January 2012.

4 POLICY IMPLICATIONS

- 4.1 Many of the workstreams that propose a shared service across boroughs or integration of services across Council departments within Bromley are likely to lead to changes in existing policies.

3 FINANCIAL IMPLICATIONS

- 5.1 All of the workstreams referred to in this report are being progressed as components of the organisation's Financial Strategy to deliver the substantial savings necessary following the Comprehensive Spending Review. Some of the cross-cutting workstreams address smaller efficiency savings which are still of note.

4 LEGAL IMPLICATIONS

- 6.1 Many of the areas of work highlighted in this report may risk legal challenge due to proposed changes in organisational structure and/or policy. In others, such as market testing, shared services and Public Health, issues including TUPE will be relevant.

7 PERSONNEL IMPLICATIONS

- 7.1 All the projects mentioned above will have personnel implications as we continue to move towards a well skilled but smaller workforce.

Agenda Item 10

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Agenda Item 11

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