



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 11 October 2011

To: Members of the  
**EXECUTIVE**

Councillor Stephen Carr (Chairman)  
Councillors Graham Arthur, Robert Evans, Peter Morgan, Ernest Noad, Colin Smith  
and Tim Stevens

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY 19  
OCTOBER 2011 AT 7.00 PM** \*

**\*PLEASE NOTE STARTING TIME**

MARK BOWEN  
Director of Resources

*Copies of the documents referred to below can be obtained from*  
[www.bromley.gov.uk/meetings](http://www.bromley.gov.uk/meetings)

## A G E N D A

**1 APOLOGIES FOR ABSENCE**

**2 DECLARATIONS OF INTEREST**

**3 CONFIRMATION OF MINUTES (Pages 1 - 16)**

- a) To confirm the Minutes of the meeting held on 7<sup>th</sup> September 2011,  
excluding exempt information;
- b) Matters Arising report

**4 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC  
ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions to this Committee must be received in writing (email is acceptable) 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday, 13<sup>th</sup> October 2011.

**5 BUDGET MONITORING 2011/12 (Pages 17 - 46)**

- 6     **NHS FUNDS FOR SOCIAL CARE 2011/12 AND 2012/13: INVESTMENT PLANS FOR SERVICES FOR PEOPLE WITH PHYSICAL DISABILITIES AND YOUNGER ADULTS WITH LEARNING DISABILITIES** (Pages 47 - 58)
- 7     **TRANSFORMING COMMUNITY EQUIPMENT SERVICES** (Pages 59 - 76)
- 8     **RELEASE OF GOVERNMENT FUNDING TO SUPPORT IMPROVEMENTS IN CHILDREN AND FAMILIES SOCIAL WORK** (Pages 77 - 82)
- 9     **POSSIBLE ARTICLE 4 DIRECTION AT THE CHENIES, PETTS WOOD** (Pages 83 - 92)
- 10    **THE COUNCIL'S FINANCIAL STRATEGY - DELEGATED AUTHORITY FOR PROPERTY ACQUISITIONS** (Pages 93 - 96)
- 11    **PROPOSED GOVERNANCE OF CRYSTAL PALACE PARK** (Pages 97 - 112)  
Please note that this report has been pre-scrutinised by both the Environment and Renewal & Recreation PDS Committees who views will be reported at the meeting.
- 12    **TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY - MID YEAR REVIEW 2011/12** (Pages 113 - 130)
- 13    **ORGANISATIONAL REDESIGN** (Pages 131 - 140)
- 14    **SCHEME OF DELEGATION TO OFFICERS** (Pages 141 - 150)
- 15    **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 16    **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**

- 17    **EXEMPT MINUTES OF THE MEETING HELD ON 7TH SEPTEMBER 2011** (Pages 151 - 152)

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## EXECUTIVE

Minutes of the meeting held on 7 September 2011 starting at 7.00 pm

### Present:

Councillor Stephen Carr (Chairman)  
Councillors Graham Arthur, Robert Evans, Peter Morgan,  
Ernest Noad, Colin Smith and Tim Stevens

### Also Present:

Councillor Nicholas Bennett J.P., Councillor Eric Bosshard,  
Councillor Brian Humphrys, Councillor Russell Mellor and  
Councillor Stephen Wells

## 56 APOLOGIES FOR ABSENCE

All members were present.

## 57 DECLARATIONS OF INTEREST

Councillor Nicholas Bennett JP declared an interest in item 10 – Impact of the Recent Disorder on the Borough's Town Centres – in his capacity as a Magistrate at a Court elsewhere who might hear cases arising from such disorders.

## 58 CONFIRMATION OF MINUTES

- a) **Minutes – 20<sup>th</sup> July 2011 and the special meeting on 8<sup>th</sup> August 2011**

**RESOLVED that**

- 1) **the minutes of the meeting held on 20<sup>th</sup> July 2011 be confirmed as a correct record subject to the amendment of Minute 36 – Biggin Hill Airport Olympic Proposals – Verbal Progress Report: fourth paragraph, first sentence 'Councillor Colin Smith requested local *employment* figures'; and**
- 2) **the minutes of the special meeting held on 8<sup>th</sup> August 2011 be confirmed as a correct record.**

- b) **Matters Arising**

**RESOLVED that the report be noted.**

**59 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

Two written questions had been received from a member of the public details of which are set out in the Appendix to these Minutes.

**60 BUDGET MONITORING 2011/12**

Report RES11084

Consideration was given to the second budget monitoring report for 2011/12 based on expenditure and activity levels up to June 2011. The report also highlighted any significant variations which would impact on future years as well as any early warning that could impact on the final year end position. The Finance Director advised that he would give more detailed information on future cost pressures as part of the discussions on the following item.

The Executive noted that overall a projected underspend of £305,000 was forecast based on estimates as at June 2011. However, the main cost pressure in year related to the Children and Young People Portfolio which had a £622,000 overspend. The CYP Portfolio Holder, Councillor Noad, spoke on the serious difficulties faced by the Department in trying to manage the unavoidable cost pressures on children's placements and special needs where the Council was statutorily responsible to provide services for these young people. The matter had been discussed by the CYP PDS Committee at its meeting the previous evening when it had been agreed to request the Executive to approve the setting up of a contingency fund to cater for such cost pressures rather than continuing with the present arrangements.

The Resources Portfolio Holder commenting on the proposal referred to other departments who had had to deal with unforeseen situations arising during the year such as Environment and Adults and Community Services. In principle if this was agreed for one service then it should apply to others. However he had some concerns with the proposal and felt that there were other ways to deal with the situation. The Chairman was of the view that the problem should be looked at overall as to how to pull budgets together in the future and stressed the need for good 'gate keeping' as had been the case in Adult & Community Services. Councillor Smith felt that more information/evidence was needed as to why the cases had not been identified earlier or were they all because families had moved into the borough. The Director of Children and Young People services explained that very rigorous management action had been taken to reduce costs but the situation was different this year to last year. This year the department had less flexibility in redirecting monies as a result of the considerable reduction in government grants yet at the same time the Council still had a duty to provide such services. There were four children's cases in particular which had arisen (one of whom had moved into the Borough), three of the children had severe autism and had to be placed in specialist accommodation outside of the borough. The costs of this ranged from in excess of £125,000 up to £200,000 per placement because of their very specific needs. The Director also

responded to questions on the action taken to reduce the levels of locum staff and the progress that had been made.

Councillor Carr referred to the ongoing work being done to look at possible provision being made in borough and that discussions were taking place with Bexley and Croydon to draw up longer term plans to tackle the situation. Councillor Noad advised that he would be reporting on this matter to the Working Party very shortly.

The Finance Director drew attention to the existing arrangements for requesting draw down from the Contingency fund set up to deal with the recent recession. Any requests had to show that all other alternative options had been fully explored particularly as the effects would not only be felt this year but would have on going implications.

The Executive generally took the view that no changes should be made to the current budget arrangements but that work should be undertaken to look at ways to more accurately reflect the costs of placements in future years. The Chairman asked that Councillors Arthur and Noad take the lead, together with the Finance Director in examining the situation in more detail.

**RESOLVED that**

- 1) the latest financial position be noted including the projected net underspend of £305,000 forecast, based on information as at June 2011, which consists of a £164,000 overspend on services offset by additional grant income of £319,000 and a projected underspend on the Central Contingency provision of £150,000;**
- 2) the comments by the Directors of Children & Young People and Adult & Community Services in respect of cost pressures within their departments be noted; and**
- 3) no action be taken in respect of the request for a special contingency fund for children's placements but the respective Portfolio Holders and the Finance Director consider the matter in more detail and if necessary report back to members with any proposals.**

**61 UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY 2012/13 TO 2015/16**

Report RES11075

The Executive discussed an updating report on the Council's financial strategy which also outlined the issues that would continue to shape the medium and longer term strategy. Particular attention was drawn to the ongoing reductions in funding faced by the Council over the medium and longer term in the light of the current financial state of public finances.

The Finance Director introduced his report and explained the context of the current financial situation which was an international as well as a national problem impacting on public finances which ultimately affected all local authorities. The report included a summary of the latest budget projections for Bromley and the additional savings required to balance the budgets for 2012/13 to 2014/15. Members noted that there was a further budget gap of £3.4m in 2012/13 rising to £28.4m per annum by 2014/15. The key factors contributing to the ongoing budget gap were inflation, the ongoing loss of Government grants and service pressures as already highlighted in the previous budget monitoring item. The Finance Director drew attention to Appendix 2 of the report which showed the crucial changes/proposals that could also impact on the Council's finances. He highlighted among others issues the Local Authority Central Services Education Grant (LACSEG) which showed that the potential further loss of grant to Bromley could be about £5m. This figure had not been reflected in the budget gap at this stage as the situation was still unclear. Against this background consideration had been given to how to bridge the on-going budget gap and one of the various measures included a review of the Council's key assets was currently being undertaken. Arising from this it was proposed to utilise about half (£25m) of the Council's general reserves (totalling £49m) to set up two investment funds with the remaining reserves being the minimum level necessary for financial prudence. The first one would be a Regeneration/Investment Fund which would allow for the acquisition of certain assets creating additional levels of income for the Council and supporting the Council's regeneration ambitions. The second Invest to Save fund would provide for 'loans' to be made for appropriate initiatives with any savings taking into account an element for repaying the fund whilst generating further savings. Details of the stringent criteria for applications to the fund were set out in the report.

The Chairman commented that the proposals, particularly the Regeneration and Investment Fund were intended to make better use of the Council's assets and yield higher returns whilst bringing much needed investment into the Town Centres. Other London Boroughs had already used this approach to advantage rather than leaving funds in reserves which gained poor returns.

In response to some concerns raised by Councillor Evans about the true worth of Invest to Save schemes, the Resources Portfolio Holder accepted that a better system of monitoring such schemes was needed and he would expect monitoring reports, including the measuring of outcomes, to be submitted to the Improvement & Efficiency Sub-Committee and PDS Committee. He also spoke in support of the proposals as a strategy for the future.

Councillor Morgan expressed his support for the actions proposed but felt that Bromley was continually penalised for being efficient and rather should be rewarded. He asked if further representations could be made to the Government on this issue. Councillor Morgan also stressed the need for rigorous testing of schemes submitted for Invest to save funding.

The Leader advised that representations had been made to the Government on a number of occasions and he had had two meetings with Bob Neill, the Parliamentary Under Secretary of State for Communities and Local Government. Currently he was meeting with a number of London Boroughs (cross party members) to put a new round of representations to the government on this issue.

Councillor Noad agreed with what was proposed and said that there were examples of Invest to Save schemes that had proved a success such as Riverside. On the question of paying back into reserves one of the issues was that the number of service users was expanding taking up the profit earned.

Members commended the report for its clarity in setting out the present financial position. The Chairman stressed that this was ongoing work and emphasised the need for robust monitoring of each case before any finances were made available and that it would be carried out in a transparent and open manner.

**RESOLVED that**

- 1) approval be given to continuing the updated “One Bromley” approach to the budget as set out in paragraphs 9.1 – 9.3 of the report;**
- 2) the latest financial forecast for 2012/13 to 2015/16 be noted as well as the continued financial uncertainty;**
- 3) the variable changes that can impact on the Council’s overall financial position as detailed in paragraph 6 (a) – (j) of the report be noted; and**
- 4) the report be referred to individual PDS Committees for their consideration and any comments be reported back to the Executive.**

**RESOLVED that Council be RECOMMENDED to:**

- 1) approve the creation of a Regeneration/Investment Fund (Earmarked Reserve) with £10m set aside from general reserves as detailed in Paragraph 10.4 of the report; and**
- 2) approve the creation of an Invest to Save Fund (Earmarked Reserve) with £14m set aside from general reserves as detailed in Paragraph 10.5 of the report.**

**62 GATEWAY REVIEW - PROCUREMENT STRATEGY FOR LEARNING DISABILITY SUPPORT SERVICES**

Report ACS11043

In accordance with the requirement for Gateway reviews, the Executive considered a report seeking approval for the recommended procurement strategy for new framework contracts for care and support services for people with learning disabilities. Tendering for the framework would begin in October 2011 with a contract start date in May 2012 and would create a 5 year agreement.

The framework would be tendered using the Due North electronic tendering system. As part of the procurement process, officers would be seeking efficiencies in the delivery of services whilst maintaining quality and reliability. The results of the tender would be reported back to the Executive at the end of the year for approval to the final award of the contract.

**RESOLVED that approval be given to conduct an open tender for a framework for supported living services, live in care and domiciliary care to be let for 5 years from May 2012 with an option to extend for up to 2 years, the option to be exercised by the Director of Adult and Community Services in consultation with the Adult and Community Portfolio Holder.**

**63 NHS FUNDS FOR SOCIAL CARE 2011/12 AND 2012/13: FOR SERVICES FOR PEOPLE WITH DEMENTIA**

Report ACS11042

Members considered a report on the use of the funding allocation to the PCT identified in the NHS Operating Framework for 2011/12 and 2012/13 for social care services which also supported the NHS. Approval was being sought to the investment plan and accompanying business cases and to draw down the necessary NHS funds. The Assistant Director, Commissioning and Partnership (A&CS) advised that total funding, consisted of £3.176m in 2011/12 and £3.042m in 2012/13, which had been transferred to the local authority.

The Executive was being requested to approve the draw down of some of the funding for phase 1 of the dementia programme of £250,000 in 2011/12 and £184,280 in 2012/13. This would result in a net saving of £219,734 to the Council and £111,150 to the PCT in 2012/13. Full details of the four initiatives being proposed were set out in the report. Further investment plans for Physical Disabilities and Learning Disabilities would be submitted to members at the October Executive meeting. Details of Phase 2 of the dementia programme would be submitted later in the year. The Shadow Health and Well-Being Board had endorsed the priority areas for investment and would receive 6 monthly reports on the outcome of the use of these funds. The



Portfolio Holder for Adult and Community Services spoke in support of the proposals.

**RESOLVED that**

- 1) **the focus of the investment plan as identified in paragraph 3.13 of the report be endorsed; and**
- 2) **approval be given to draw down the NHS funds for Social Care from the Council's central contingency of £250,280 in 2011/12 and £184,280 in 2012/13.**

**64 CONTRACTUAL ARRANGEMENTS FOR SERVICES FOR PEOPLE WITH LEARNING DISABILITIES**

Report ACS11044

The Executive considered a report seeking the extension of the care contract with Avenues Trust to provide services for people with a learning disability as part of the PCT Re-provision Programme. The ACS Portfolio Holder had originally approved the award of the contract to Avenues Trust in April 2008 for a 3 year period with an option to extend for a further 2 years.

Members were advised that Avenues Trust were currently providing care and support services at The Elms and Brosse Way to a satisfactory standard. It was proposed to extend the contract for the further two years which would align the end date of this agreement with other supported living contracts awarded under the Re-provision programme.

**RESOLVED that approval be given to extend the care contract with Avenues Trust for services to people with a learning disability at The Elms and Brosse Way for 2 years until 30<sup>th</sup> September 2013 in line with the option in the contract.**

**65 IMPACT OF THE RECENT DISORDER ON THE BOROUGH'S TOWN CENTRES**

Report DRR11/086

The Director of Renewal and Recreation explained that the report covered three areas i) an assessment of the impact of the rioting and public disorder that took place in the Borough on 8<sup>th</sup> August 2011; ii) the financial support being made available by the Government and the Mayor of London; and iii) the Council's Assistance Programme.

Members were advised that the impact on local businesses in the affected areas had ranged from low level damage to frontages up to serious loss of stock and equipment due to looting. The Director updated the Executive and advised that a total of 58 businesses had been effected in some way by the rioting and 85% of these had been visited by officers to reassure that the

Council was working closely with the Police and to provide information on sources of help and advice as well as assessing the loss and disruption they experienced. It was estimated that two thirds of the companies were small businesses and the majority had insurance cover. Estimates of the costs arising from the losses incurred ranged from about £900 up to £300,000 and only a few had had to close for up to 2 to 3 days with 1 business still closed and boarded awaiting a refit. To date it was estimated that about 9 small businesses were likely to apply for assistance under the scheme being proposed. It was suggested that the level of individual grants on offer be limited to £2,500 per application and that authority to approve these requests be delegated. The report proposed setting aside £142,500 for the fund but in view of the current level of possible take up it was suggested this be reduced to £50,000.

Details of the funding schemes announced by the Government and the London Mayor were set out in the report. Whilst the Council could not claim under all these it was expected the Council would be 100% reimbursed through the Government High Street support Scheme. The Mayor of London had also announced additional funding to help make longer term improvements to the capital's town centres and High Streets damaged by the recent disturbances full details of which were still awaited.

The Portfolio Holder for Public Protection and Safety reported to the Executive on the events that had occurred on 8<sup>th</sup> August 2011 and the response by the Police and Council in keeping the situation under control. He praised the work of all those involved in maintaining law and order at the time and afterwards in the clearing up operation which showed the excellent partnership working. The CCTV footage had proved very useful in helping the Police identify those involved. A full report would be made to the Public Protection and Safety PDS Committee meeting on 20<sup>th</sup> September 2011 and all members would be invited to attend.

**RESOLVED that**

- 1) the impact of the recent disorder in the Borough's Town Centres and the arrangements put in place by the Government and locally to assist the recovery be noted;**
- 2) in view of the need to act quickly delegated authority be given to the Director of Renewal and Recreation, in agreement with the Leader of the Council and the Portfolio Holders for Resources and Renewal and Recreation to decide on the final form of the Council's package of support for local businesses affected by the disorder; and**
- 3) a sum of £50,000 be set aside in the Central Contingency to fund these potential costs, on the basis they will be refunded from the Department for Communities and Local Government.**

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

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

**67            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 that 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**

**68            EXEMPT MINUTES OF THE MEETING HELD ON 20TH JULY  
2011**

The exempt minutes of the meeting held on 20<sup>th</sup> July 2011 were confirmed.

**69            FORMER BROMLEY TOWN HALL AND SOUTH STREET CAR  
PARK, BROMLEY (OPPORTUNITY SITE C)**

The Executive noted the arrangements proposed by the selected development partner to progress the acquisition and development of the Town Hall. Member authority would be required before the Council was committed to enter into a development agreement and the agreement for the lease.

**70            CORPORATE MANAGEMENT**

The Executive agreed to discuss this report on the grounds of urgency and approved the recommendations.

Chairman

The Meeting ended at 8.40 pm

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**Decision Maker:** EXECUTIVE

**Date:** 19<sup>th</sup> October 2011

**Decision Type:**

**Title:** MATTERS ARISING FROM PREVIOUS MEETINGS

**Contact Officer:** Lynn Hill, Democratic Services Officer  
Tel: 020 8462 7700 E-mail: lynn.hill@bromley.gov.uk

**Chief Officer:** Director of Resources

**Ward:** N/A

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1. Reason for report

The Executive has adopted a similar style to the PDS Committees of having a report on matters arising on the minutes from previous meetings.

Appendix 1 updates members on matters arising from previous meetings.

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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

<b><u>Minute Number/Title</u></b>	<b><u>Executive Decision</u></b>	<b><u>Update</u></b>	<b><u>Action by</u></b>	<b><u>Completion Date</u></b>
<b>16<sup>th</sup> June 2010</b>				
<b>40 Review of Service Proposals and procurement strategy – Transportation, Highways &amp; Engineering Consultancy Services Contract</b>	Agreed recs 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
<b>8th December 2010</b>				
<b>123 Bromley Museum at The Priory Orpington</b>	Agreed 1 <sup>st</sup> stage application to the Heritage Lottery Fund – further report on outcome.		Colin Brand, Asst. Director Leisure & Culture	
<b>12<sup>th</sup> January 2011</b>				
<b>142 Carbon Management Programme – Progress report</b>	Agreed recommendations including those of the Env PDS Cttee.		Director of Environmental Services	Annual Progress Report 2011/12 Jan 2012
<b>143 Carbon Reduction Commitment</b>	Agreed recs including those of the Env PDS Committee. Reps to be made to Government re responsibility for Academy Schools.	The Leader wrote to the Secretary's of State for Education and for Energy and Climate Change. Response received from Secretary of State, Dept of Energy & Climate Change.	Director of Environmental Services	Annual report January 2012
<b>14<sup>th</sup> February 2011</b>				
<b>178 Consultation on Mayoral Community Infrastructure Levy – Draft Charging Schedule</b>	Agreed the Council's formal response strongly objecting to the levy.	The Leader, together with the Chairman of the Development Control Committee wrote to the Mayor as requested. The Development Control Committee on 30/06/11 was advised that the Mayor's second stage consultation on the Charging Schedule had been published with comments to be received by 8/7/11. It was agreed to continue to make objections to the proposals.	Chief Planner	

<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>															
<b>25<sup>th</sup> May 2011</b>																			
<b>8 Core Strategy Issues Document – Consultation Draft</b>	Subject to taking into consideration the amendments discussed, approval was given for the document to be released for consultation. Members to be kept informed of any significant issues.		Chief Planner	Consultation period ends 30 <sup>th</sup> September 2011															
<b>22<sup>nd</sup> June 2011</b>																			
<b>22 Report of the New Technology Working Group</b>	Working Party recommendations endorsed. Update report to the E& R PDS Committee in Autumn 2011		Chief Executive/ Cllr William Harmer	12 <sup>th</sup> October 2011															
<b>30/1 Former Leasons Centre, Chipperfield Road, St Paul's Cray</b>	Agree to market the property on a dual basis for housing redevelopment or for extra care housing for older people.		Director of Renewal and Recreation																
<b>20<sup>th</sup> July 2011</b>																			
<b>37 Budget Monitoring 2011/2012</b>	Recommendations agreed. Members requested real figures behind the percentages for temporary accommodation and B&B placements.	<table border="1"> <thead> <tr> <th></th> <th>Temporary Accommodation</th> <th>Bed &amp; Breakfast</th> </tr> </thead> <tbody> <tr> <td>Dec '10</td> <td>281</td> <td>105</td> </tr> <tr> <td>May '11</td> <td>325</td> <td>135</td> </tr> <tr> <td><b>Increase</b></td> <td><b>44</b></td> <td><b>30</b></td> </tr> <tr> <td></td> <td>16%</td> <td>29%</td> </tr> </tbody> </table> <p>The above figures have been provided.</p>		Temporary Accommodation	Bed & Breakfast	Dec '10	281	105	May '11	325	135	<b>Increase</b>	<b>44</b>	<b>30</b>		16%	29%	Finance Director	
	Temporary Accommodation	Bed & Breakfast																	
Dec '10	281	105																	
May '11	325	135																	
<b>Increase</b>	<b>44</b>	<b>30</b>																	
	16%	29%																	



<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
<b>20<sup>th</sup> July 2011</b>				
<b>42 Libraries – Shared Services</b>	Approval given to enter into shared service arrangements with LB Bexley; further work to be done on the development of a Library Trust; and the R&R PH to examine services provided at each library and report back with further proposals.		Director of Renewal and Recreation	
<b>43 Norman Park Multi-Hub site</b>	Approval given to continue to develop proposals and a further updating report back to R&R PDS Cttee and PH; Environment PDS Cttee and PH and Executive.		Director of Renewal and Recreation	
<b>7<sup>th</sup> September 2011</b>				
<b>Update on the Council's Financial Strategy 2012/13 – 2015/16</b>	Recommendations agreed and to refer report to all PDS Committees for consideration.	Report to be considered by PDS Committees during autumn cycle and any comments reported back.	Democratic Services	

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Report No.  
RES11113

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 19<sup>th</sup> October 2011

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

**Title:** BUDGET MONITORING 2011/12

**Contact Officer:** Tracey Pearson, Chief Accountant,  
Tel: 020 8313 4323 E-mail: tracey.pearson@bromley.gov.uk

**Chief Officer:** Director of Resources

**Ward:** Borough Wide

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### 1. Reason for report

- 1.1 This report provides the third budget monitoring position for 2011/12 based on expenditure and activity levels up to August 2011. 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.
- 

### 2. RECOMMENDATION(S)

#### 2.1 Executive are requested to:

(a) consider the latest financial position;

(b) note that a projected net underspend of £2,427k is forecast based on information as at August 2011. This consists of a £401k underspend on services, additional grant income of £319k, £700k improved forecast for recovery of Heritable Bank investment and a projected underspend on the Central Contingency provision of £1,007k;

(c) note a projected reduction to the General Fund balance of £2,024k after allowing for the underspends detailed in (b) above, offset by a contribution to the Severance Fund of £3,500k and carry forwards funded from underspends in 2010/11 as detailed in para. 3.9.

(d) consider the comments from the Director of Children and Young People and the Adult and Community Services Management Team detailed in sections 3.3 and 3.4;

(e) identify any issues that should be referred to individual Portfolio Holders for further action.

(f) note the early warnings detailed in para. 3.12 and in particular uncertainty relating to the top slicing of funding for Academies.

### Corporate Policy

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

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: Recurring cost.
  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): 6,845 (per 2011/12 Budget), which includes 4,425 for delegated budgets to schools.
  2. If from existing staff resources, number of staff hours: N/A
- 

### 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 2011/12 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. COMMENTARY

3.1 The table below provides a breakdown of the 2011/12 budget and projected spend as at end of August 2011:-

	2011/12 Original Budget £'000	2011/12 Latest Budget £'000	2011/12 Projected Outturn £'000	2011/12 Variation £'000
Adult & Community Services	85,776	86,204	85,882	-322
Children & Young People	31,531	31,531	31,880	349
Environmental Services	36,199	36,019	35,855	-164
Public Protection	3,446	3,446	3,446	0
Renewal & Recreation	9,953	10,081	10,081	0
Resources	34,120	35,045	34,781	-264
<b>Total Controllable Budgets</b>	<b>201,025</b>	<b>202,326</b>	<b>201,925</b>	<b>-401</b>
Capital Charges and Insurance	17,479	47,929	47,929	0
Non General Fund Recharges	-884	-884	-884	0
<b>Total Portfolio Budgets</b>	<b>217,620</b>	<b>249,371</b>	<b>248,970</b>	<b>-401</b>
Contingency Provision	3,617	3,909	2,902	-1,007
Interest on Balances	-2,691	-2,691	-3,391	-700
Other Central Items	-15,006	-45,456	-45,456	0
General Government Grants	-71,374	-72,016	-72,335	-319
<b>Total Central Items</b>	<b>-85,454</b>	<b>-116,254</b>	<b>-118,280</b>	<b>-2,026</b>
<b>Total Variation</b>	<b>132,166</b>	<b>133,117</b>	<b>130,690</b>	<b>-2,427</b>

3.2.1 The Executive, on the 14<sup>th</sup> February 2011, agreed that a sum of £3,500k be set aside from balances in 2011/12 to meet potential severance costs which will enable the achievement of significant long term savings detailed in the 2011/12 Council Tax report and agreed that officers explore longer term options for funding severance costs within the Council's revenue budget. The underspend detailed in the table above effectively reduces the call on balances to £1,073k. After allowing for carry forwards of £951k, funded from underspends in 2010/11, the net impact on General Fund balances is a reduction of £2,024k as detailed in para. 3.9.

3.2.2 The above table highlights that the main cost pressure in year relates to the Children and Young People Portfolio. A detailed breakdown of the Latest Approved Budgets and Projected Outturn across each Portfolio, together with an analysis of variations, is shown in Appendix 2.

### 3.3 Chief Officer Comments - Director of Children and Young People

3.3.1 The £349k overspend position in the non schools budget arises largely from:

- (a) the continuing increase in numbers and cost pressures from placements with children with disabilities;
- (b) the continuing increase in numbers and cost pressures from placements of looked after children;
- (c) SEN Transport costs.

The main volatile element of spend is children's placements and there are limited controls given the statutory obligations on the Council and often a limited range of placement provision available, particularly in the case of residential provision. However rigorous management action is being taken to contain these additional costs within the overall funding envelope by identifying compensatory savings, where possible, and maintaining a strict regime across all of the departments spend. However given the associated costs for each individual placement the pressure on the CYP budget is immense.

It is expected that the rigorous management of the in-year budget situation will continue for the remainder of the year and that the residual in year overspending will be reduced to zero. A moratorium on spending has been introduced together with exercises to continue to scrutinise all placements in terms of costs and commitment. Actions have been reported in detail at a previous Executive report in September

However it should be noted that the full year effect in 2012/13 of children with disabilities placements is estimated at £1,064k and social care placements full year effect in 2012/13 is £76k. Whilst the overspending position in 2011/12 will be managed, this is only a short term arrangement. CYP will have to manage the full year effect in the long term as there is no additional growth, and will have to identify the equivalent of this in the current budget in 2011/12 in order to square off the position in the long term.

### **3.4 Comments – from the Adult & Community Services Management Team**

3.4.1 The planned savings for re-ablement are dependent on the completion of the roll out of the service. There are plans to ensure that a greater percentage of new clients receive the service in order to reduce the increasing demand for domiciliary care. Although there has been an increase in the cost of Residential and nursing care costs this month, there are plans in place to reduce spend in this area over the coming year.

3.4.2 Although forecasts based on the latest activity available show a full year overspend of £558k on domiciliary care for older people, it is anticipated that the budget will be bought into balance by successful management action from increasing reablement and the rigorous application of eligibility criteria.

3.4.3 Pressure on temporary accommodation costs continue and options for temporary use of empty council owned properties and other initiatives (as outlined in the report to the ACS PDS on 27th September), are being explored to reduce costs going forward. General budgets within the Housing division are being scrutinised in order to find savings to offset the increasing costs.

### **3.5 Central Contingency Sum**

3.5.1 Details of the variations in the 2011/12 Central Contingency sum are included in Appendix 3.

3.5.2 The original Contingency provision included £600k for further estimated increases in fuel costs. Latest projections indicate that £250k of the provision will not be required.

3.5.3 The original contingency provision included a sum of £386k relating to the Carbon Reduction Commitment Tax. This included a contribution of £200k relating to the schools element of these costs as there was uncertainty as to whether the funding could be provided through the schools budget. It has now been identified that funding is available within the schools budget to meet these costs and £200k of the original provision is therefore not required.

- 3.5.4 A sum of £297k was set aside to reflect the development of the Westmoreland Road car park site and the possibility that the site would close as part of the overall development during 2011/12. Based on latest information any closure is unlikely to happen until 2012/13 and therefore the provision for loss of income in the Central Contingency is no longer required.
- 3.5.5 The 2011/12 income budget for defect notices was reduced by £385k to reflect improved performance by Thames Water. The latest projections indicate that the actual reduction in income is lower than anticipated and £260k has therefore been transferred back to the Central Contingency.
- 3.5.6 There are reports elsewhere on this agenda that request allocations from the Central Contingency Sum. Any changes have been excluded from this report at this stage.
- 3.5.7 The 2011/12 Central Contingency contains various provisions which reflect uncertainty around potential costs, grants and service pressures. If these provisions are not required, there will be a resulting underspend on the final Contingency position at year end.
- 3.5.8 A sum of £2,176k was included in the original contingency provision relating to NHS funding to support social care. £250k of this provision was allocated to the Adult and Community Services Portfolio as approved by the Executive on 7<sup>th</sup> September 2011. A report elsewhere on the agenda details a request for further drawdown of this funding in connection with investment plans for services for people with physical disabilities and younger adults with learning disabilities.

### **3.6 Interest on Balances**

- 3.6.1 Members will be aware from regular updates to the Resources Portfolio Holder and the Executive that the Council had £5m invested with the Heritable Bank, a UK subsidiary of the Icelandic bank, Landsbanki, when it was placed in administration in early-October 2008 at which time our investment was, and still is, frozen. The latest estimate given by the administrators, Ernst & Young, late in September 2011 indicates a likely return of between 86% and 90% of our claim. This recent upward revision in the administrator's estimate means that, in 2011/12, we expect to receive a further £700k over and above that previously anticipated. Further information relating to investment income and the impact of the current economic climate is reported to the Executive and Resources PDS committee as part of the Treasury Management Performance Information.

### **3.7 General Government Grants**

- 3.7.1 Since the last report to the Executive there have been no further changes that impact on the projections relating to non-ringfenced grant income. An additional £319k is projected primarily relating to the New Homes Bonus grant and Local Services Support grant for which the 2011/12 allocations were announced after the budget was set.

### **3.8 Carry forwards from 2010/11 to 2011/12**

- 3.8.1 A net total of £951k has been carried forward into 2011/12 funded from underspends in 2010/11. Details were reported to the Executive on 6<sup>th</sup> April 2011, 22<sup>nd</sup> June 2011 and 20<sup>th</sup> July 2011.

### 3.9 General Fund Balances

3.9.1 The level of general reserves is currently projected to decrease by £2,024k to £27,757k at 31<sup>st</sup> March 2012. Further details are provided below:

	2011/12 Projected Outturn £'000
General Fund Balance as approved by Executive on 7 <sup>th</sup> September 2011. (para 3.9.2)	<b>(29,781)</b>
Total Variation (para. 3.1)	(2,427)
Adjustments to Balances:	
Severance Fund	3,500
Carry Forwards from 2010/11	951
Projected General Fund Balance at 31 <sup>st</sup> March 2012	<b>(27,757)</b>

3.9.2 On 7<sup>th</sup> September 2011 the Executive agreed to recommend that Council approve the creation of a Regeneration/Investment Fund (£10m) and an Invest to Save Fund (£14m). This is subject to approval by Council on 24<sup>th</sup> October 2011. The figures contained in the above table assume that this will be agreed.

### 3.10 Impact on Future Years

3.10.1 The report identifies expenditure pressures which could have an impact on future years. The main areas to be considered at this stage are summarised below:

	2011/12 Budget £'000	2012/13 Impact £'000
<b>Adult &amp; Community Services Portfolio:</b>		
Residential & Domiciliary Care		
- Older People	21,300	558
- Learning Disabilities	24,844	137
- Mental Health	2,889	-215
Commissioning & Partnerships	5,049	103
Housing Needs – Temporary Accommodation	229	305
		<b>888</b>
<b>Children &amp; Young People Portfolio:</b>		
Children's Placement Projections	9,535	76
SEN Children's Disability Team Placements	1,559	1,064
		<b>1,140</b>
<b>Environment Portfolio:</b>		
Parking Income	-5,366	50
Waste Services – Reduction in Tonnage	16,892	-50
		<b>0</b>

3.10.2 The 2012/13 financial forecast includes £676k for Adults with Learning Disabilities and £500k for Children's Placements.



3.10.3 Further details including action to be taken to contain these pressures are included in appendix 4.

### **3.11 The Schools' Budget**

3.11.1 There is currently no variation projected on the Schools' Budget. Overspends and underspends must be carried forward to the following year's Schools' Budget and have no impact on the Council's General Fund. Details of the 2011/12 monitoring for the Schools' Budget will be reported to the Children and Young Peoples Portfolio Holder.

### **3.12 Early Warnings**

3.12.1 A recent consultation paper has been issued considering changes to the arrangements for the top-slicing of funding for Academies. The scale of schools transferring to Academies could result in further 'top slicing' in formula grant funding to the Council of between £2m to £5m from 2013/14, there could also be implications for 2011/12 and 2012/13. There is a provision held in the contingency of £565k for uncertainty relating to grant income which could be used to partly offset any reduction in 2011/12.

3.12.2 On 12<sup>th</sup> July 2011, the Executive and Resources PDS Committee considered a report to the Portfolio Holder on the position of the Insurance Fund as at 31st March 2011 and statistics relating to insurance claims for the last two years. In 2010/11, the total Fund value reduced from £3.5m to £3.2m, mainly as a result of a one-off review of the potential value of all unsettled claims. The Committee noted that the Fund position would be reviewed at the end of 2011/12, with the possibility that a further top-up might be required.

3.12.3 Details of some other early warnings are included for individual Portfolios within appendix 2.

## **4. POLICY IMPLICATIONS**

4.1 "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.

4.2 The "2011/12 Council Tax" report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2011/12 to minimise the risk of compounding financial pressures in future years.

## **5. FINANCIAL IMPLICATIONS**

5.1.1 These are contained within the body of the report with additional information provided in the appendices.

<b>Non-Applicable Sections:</b>	Legal, Personnel
Background Documents: (Access via Contact Officer)	<p>Update on Council's Financial Strategy 2012/13 to 2015/16 – Executive 7<sup>th</sup> September 2011.</p> <p>Budget Monitoring 2011/12 – Executive 20<sup>th</sup> July 2011 and 7<sup>th</sup> September 2011.</p> <p>Provisional Final Accounts 2010/11 – Executive 22<sup>nd</sup> June 2011.</p> <p>2011/12 Council Tax report – Executive 14<sup>th</sup> February 2011.</p> <p>The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues – Executive 12<sup>th</sup> January 2011.</p> <p>2011/12 Budget Monitoring file - Technical and Control Finance Section.</p>

Portfolio	2011/12 Original Budget £'000	Budget Variations allocated in year # £'000	2011/12 Latest Approved Budget £'000	2011/12 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 07.09.11 £'000
Adult and Community Services	85,776	428	86,204	85,882	Cr 322	Cr 295
Children and Young People (incl. Schools' Budget)	31,531	0	31,531	31,880	349	622
Environment	36,199	Cr 180	36,019	35,855	Cr 164	Cr 30
Public Protection & Safety	3,446	0	3,446	3,446	0	0
Renewal and Recreation	9,953	128	10,081	10,081	0	0
Resources	34,120	925	35,045	34,781	Cr 264	Cr 133
<b>Total Controllable Budgets</b>	<b>201,025</b>	<b>1,301</b>	<b>202,326</b>	<b>201,925</b>	<b>Cr 401</b>	<b>164</b>
Capital and Insurances (see note 2)	17,479	30,450	47,929	47,929	0	0
Non General Fund Recharges	Cr 884	0	Cr 884	Cr 884	0	0
<b>Total Portfolios (see note 1)</b>	<b>217,620</b>	<b>31,751</b>	<b>249,371</b>	<b>248,970</b>	<b>Cr 401</b>	<b>164</b>
<b>Central Items:</b>						
<b>Interest on General Fund Balances</b>	Cr 2,691	0	Cr 2,691	Cr 3,391	Cr 700	0
<b>Contingency Provision (see Appendix 3)</b>	3,617	292	3,909	2,902	Cr 1,007	Cr 150
<b>Other central items</b>						
Reversal of Net Capital Charges (see note 2)	Cr 16,703	Cr 30,450	Cr 47,153	Cr 47,153	0	0
Grant Income (primarily Local Services Support Grant)	0	Cr 642	Cr 642	Cr 718	Cr 76	Cr 76
Additional contribution to LPFA for residual liabilities	100	0	100	100	0	0
Levies	1,597	0	1,597	1,597	0	0
<b>Total other central items</b>	Cr 15,006	Cr 31,092	Cr 46,098	Cr 46,174	Cr 76	Cr 76
<b>Total All Central Items</b>	<b>Cr 14,080</b>	<b>Cr 30,800</b>	<b>Cr 44,880</b>	<b>Cr 46,663</b>	<b>Cr 1,783</b>	<b>Cr 226</b>
<b>Bromley's Requirement before balances</b>	203,540	951	204,491	202,307	Cr 2,184	Cr 62
Funding for Severance Costs (Exec. 14th Feb'11)	0	0	0	3,500	3,500	3,500
Regeneration and Investment Fund (Exec. 7th Sep'11)	0	0	0	10,000	10,000	0
Invest to Save Fund (Exec. 7th Sep'11)	0	0	0	14,000	14,000	0
Carry Forwards from 2010/11 (see note 3)	0	Cr 951	Cr 951	0	951	951
<b>Adjustment to Balances</b>	0	0	0	Cr 26,024	Cr 26,024	Cr 4,146
Formula Grant (Revenue Support Grant / Business Rates)	Cr 67,320	0	Cr 67,320	Cr 67,320	0	0
Council Tax Grant	Cr 3,304	0	Cr 3,304	Cr 3,304	0	0
New Homes Bonus	Cr 750	0	Cr 750	Cr 993	Cr 243	Cr 243
<b>Bromley's Requirement</b>	132,166	0	132,166	132,166	0	0
GLA Precept	41,308	0	41,308	41,308	0	0
<b>Council Tax Requirement</b>	173,474	0	173,474	173,474	0	0

# Budget Variations allocated to portfolios in year consists of:

1) Allocations from the central contingency provision (see Appendix 3)	Cr 292
2) Plus Carry forwards of unspent budget provision from 2010/11 (see note 3)	951
3) Non Controllable Budget Variations (Capital Charges)	30,450
4) Grant income included in other central items	642
	<u>31,751</u>

#### 1) NOTES

Portfolio Latest Approved Budgets analysed over Departments as follows:

Portfolio	2011/12 Original Budget £'000	Budget Variations allocated in year # £'000	2011/12 Latest Approved Budget £'000	2010/11 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Adult and Community Services	96,371	5,949	102,320	101,995	Cr 325	Cr 334
Children and Young People	48,078	18,910	66,988	67,331	343	616
Environmental Services	41,576	5,757	47,333	47,184	Cr 149	Cr 30
Renewal and Recreation	16,469	486	16,955	16,829	Cr 126	51
Corporate Services	15,126	649	15,775	15,631	Cr 144	Cr 139
	217,620	31,751	249,371	248,970	Cr 401	164

#### 2) Reversal of Net Capital Charges

This is to reflect the accounting requirements contained in the Code of Practice for Local Authority Accounting and reverses the allocation of capital charges to portfolio budgets, thereby ensuring there is no impact on the General Fund. The budget variation of £30,450k relates to technical accounting changes which require that capital grant income is no longer accounted for through Portfolio budgets.

#### 3) Carry Forwards from 2010/11

Carry forwards from 2010/11 into 2011/12 totalling £951k were approved by the Executive and under the delegated authority of the Director of Resources. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2010/11" report and in the Budget Monitoring 2011/12 report to the Executive on 20th July 2011.

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
-88	<b>Care Services</b> AIDS-HIV Grant	190	190	150	-40	1	0	0
31,031	Assessment and Care Management	32,124	32,484	33,023	539	2	507	558
7,892	Direct Services	5,321	4,868	4,875	7	3	7	0
2,056	Learning Disabilities Care Management	2,230	2,230	2,261	31	4	0	25
2,036	Learning Disabilities Day Services	2,030	2,030	2,030	0		0	0
1,412	Learning Disabilities Housing & Support	1,317	1,328	1,328	0		0	0
<b>44,339</b>		<b>43,212</b>	<b>43,130</b>	<b>43,667</b>	<b>537</b>		<b>514</b>	<b>583</b>
2,729	<b>Commissioning and Partnerships - ACS Portfolio</b> Commissioning and Partnerships	2,435	2,633	2,624	-9	5	189	381
275	Drugs and Alcohol	256	256	256	0		0	0
14,841	Learning Disabilities Services	16,194	16,187	16,158	-29	4	0	112
4,547	Mental Health Services	5,124	5,076	4,818	-258	6	-257	-215
0	PCT Funding (Social Care & Health)	0	0	0	0		0	0
5,267	Procurement & Contracts Compliance	5,185	5,049	4,371	-678	5	-828	-278
<b>27,659</b>		<b>29,194</b>	<b>29,201</b>	<b>28,227</b>	<b>-974</b>		<b>-896</b>	<b>0</b>
-5	<b>Housing and Residential Services</b> Enabling Activities	-18	-18	-5	13	7	13	0
-1,607	Housing Benefits	64	52	52	0		0	0
1,587	Housing Needs	1,173	1,986	2,136	150	8	60	305
111	Housing Strategy & Development	92	763	777	14	7	14	0
1,311	Residential Services	998	46	46	0		0	0
<b>1,397</b>		<b>2,309</b>	<b>2,829</b>	<b>3,006</b>	<b>177</b>		<b>87</b>	<b>305</b>
8,574	<b>Strategic Support Services</b> Concessionary Fares	8,777	8,777	8,768	-9		0	0
728	Customer Services	542	542	498	-44		0	0
1,300	Performance & Information	1,543	1,534	1,525	-9		0	0
197	Quality Assurance	199	191	191	0		0	0
0	Transforming Social Care	0	0	0	0		0	0
<b>10,799</b>		<b>11,061</b>	<b>11,044</b>	<b>10,982</b>	<b>-62</b>	9	<b>0</b>	<b>0</b>
<b>84,194</b>	<b>TOTAL CONTROLLABLE FOR ADULT AND COMMUNITY SERVICES</b>	<b>85,776</b>	<b>86,204</b>	<b>85,882</b>	<b>-322</b>		<b>-295</b>	<b>888</b>
11,165	<b>TOTAL NON CONTROLLABLE</b>	1,381	6,894	6,891	-3	10	-39	0
9,773	<b>TOTAL EXCLUDED RECHARGES</b>	9,214	9,222	9,222	0		0	0
<b>105,132</b>	<b>PORTFOLIO TOTAL</b>	<b>96,371</b>	<b>102,320</b>	<b>101,995</b>	<b>-325</b>		<b>-334</b>	<b>888</b>

## **REASONS FOR VARIATIONS**

### **1. AIDS/HIV Grant - Cr £40k**

It is currently anticipated that the AIDS/HIV budget will not be fully committed this year and that an underspend of £40k will assist in off-setting pressures within the Care Services division.

### **2. Assessment & Care Management - £539k**

The variation can be analysed as follows:-

	August £'000	June £'000
a) Domiciliary care & direct payments for older people	357	725
b) Savings from reablement	0	-300
c) Residential/Nursing care and respite for older people	182	82
	<u>539</u>	<u>507</u>

- (a) Expenditure on domiciliary care remains a pressure as more older people are maintained in their own homes rather than placed in residential care. The projected overspend takes account of savings of £539k as a result of inflationary increases to providers being lower than anticipated.

The projections include an assumption that the budget changes around charging income are fully realised (£191k). Income has only been projected on May data, so the effects of the revised direct payment rates and the new charging policy effective from 16 May, cannot yet be quantified.

- (b) Savings of £300k from the greater use of reablement were built into the 2011/12 budget, however based on the latest activity, it is unlikely that those savings will be achieved because the number of clients receiving the service is not as high as anticipated.

The domiciliary care budget was reduced to fund the reablement and assessment team but the full staffing establishment is not required and so staffing costs are underspent. Therefore £484k has been returned to the domiciliary care budget from reablement staffing budget, which is under Direct Services.

- (c) The budgets for residential, nursing and respite care for older people are anticipated to overspend by £182k based on activity to date.

### **3. Direct Services - £7k**

The projected overspend relates to the meals service and is as a result of new arrangements with the provider. We no longer receive net income from the service, mainly because the number of meals being provided has dropped.

### **4. Learning Disabilities Services - Cr 29k / £31k**

The budget for domiciliary care and direct payments is held by the Care Services division and is projected to overspend by £31k. This is off-set by an anticipated underspend of £29k arising from staff vacancies within the commissioning side of the learning disabilities service.

### **5. Commissioning & Partnerships - Cr £9k / Cr £678k**

The 2011/12 budget includes a savings target £350k for efficiency targets for all suppliers, £300k for reduced commissioning of Supporting People Services and £500k for reduced funding of sheltered housing.

The projected underspend summarised below is additional to those savings and is analysed below.

	£'000	£'000
<u>Commissioning &amp; Partnerships</u>		
Efficiency targets for all suppliers	(22)	
Non-achievement of staff turnover element in budget	<u>13</u>	
		(9)
<u>Procurement &amp; Contract Compliance</u>		
Savings from sheltered housing higher than budgeted	(256)	
Savings from SP commissioning higher than budgeted (including FYE of savings achieved in 2010/11)	(235)	
Negotiated contract price increases lower than budgeted	<u>(187)</u>	
		(678)

## **6. Mental Health Services - Cr £258k**

The underspend arises partly from the full year effect of client moves during 2010/11 which resulted in more cost effective placements, from an increase in the use of flexible support rather than residential placements and from containing annual contract price increases due to providers.

## **7. Enabling Activities £13k / Housing Strategy & Development £14k**

Interest rates and mortgage balances have fallen over the last few years resulting in reduced income from interest on mortgage repayments. The anticipated shortfall in income this year is £27k.

## **8. Bed & Breakfast Temporary Accommodation - £150k**

The budget is forecast to overspend by £200K. Increased client numbers and unit costs during the first part of the financial year have been evident and the trend is forecast to continue throughout the year. The projections are based on the assumption that numbers will increase and will continue into 2011/12, with a full year effect of £305k.

This increase has been noticeable across all London Boroughs and is the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

Savings of £50k will be identified in order to partially off-set the overspend.

## **9. Strategic Support Services Cr £62k**

As a result of staff vacancies, the salaries budget is forecast to underspend by £9k in Performance and Information and £44k in Customer Services.

The Post Office contract for the issue of Freedom Passes is expected to underspend by £9k.

## **10. Non-Controllable budgets Cr £3k**

The variations relate to a net shortfall within property rental income budgets across the division. The Property division within the Resources directorate are accountable for these variations.

## **Waiver of Financial Regulations**

Since the last report to Executive:

There were 17 contract waivers approved in August for residential placements made as part of the Learning Disabilities PCT Campus Closure Programme. The individual costs range between £53k and £159k per annum and are wholly funded by the Learning Disabilities transfer grant.

There were also waivers for two further LD clients at £72k and £125k per annum and a client with physical disabilities costing £57k per annum.

The Director and other Chief Officers approved a waiver for a four month interim contract costing £760k, to support ex-PCT learning disability clients living on the PCT Campus pending the completion of new accommodation. The contract costs are fully funded from the LD Transfer grant.

## **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 financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virements have been actioned.

Regrading and change of hours for 3 posts.	£
To - Housing Needs staffing	6,960
From - Housing Needs running expenses	(6,960)
Increased post hours	£
To - Housing Strategy & Development staffing	9,000
From - Additional Income - Affordable Housing	(9,000)

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
1,151	<b>Access and Inclusion Division</b> Access	829	829	801	-28	1	4	0
313	Bromley Children and Family Project	6,477	6,477	6,262	-215	2	-85	0
6,823	SEN and Inclusion	7,651	7,651	8,566	915	3	760	1,064
<b>8,287</b>		<b>14,957</b>	<b>14,957</b>	<b>15,629</b>	<b>672</b>		<b>679</b>	<b>1,064</b>
0	<b>Learning and Achievement</b> Commissioning and Business Services	1,082	1,082	1,068	-14	4	-50	0
2,762	Bromley Youth Support Programme	2,380	2,380	2,230	-150	5	-74	0
124	Standards and Achievement Services	1,750	1,750	1,665	-85	6	-50	0
<b>2,886</b>		<b>5,212</b>	<b>5,212</b>	<b>4,963</b>	<b>-249</b>		<b>-174</b>	<b>0</b>
13,425	<b>Safeguarding and Social Care</b> Care and Resources	12,934	12,897	13,195	298		109	76
536	Children in Care Education	555	555	535	-20		-20	0
2,109	Safeguarding and Quality Assurance	2,267	2,267	2,142	-125		0	0
2,335	Safeguarding and Care Planning	2,565	2,505	2,505	0		20	0
2,661	Referral and Assessment	2,091	2,188	2,176	-12		13	0
827	Youth Offending Team	944	944	914	-30		-20	0
<b>21,893</b>		<b>21,356</b>	<b>21,356</b>	<b>21,467</b>	<b>111</b>	<b>7</b>	<b>102</b>	<b>76</b>
580	<b>Strategy and Performance</b> Research and Statistics	580	580	580	0		0	0
450	Strategic Planning and Commissioning	425	425	440	15		15	0
<b>1,030</b>		<b>1,005</b>	<b>1,005</b>	<b>1,020</b>	<b>15</b>	<b>8</b>	<b>15</b>	<b>0</b>
0	<b>EARLY INTERVENTION GRANT</b>	<b>-10,999</b>	<b>-10,999</b>	<b>-10,999</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>MORATORIUM SAVINGS</b>			-200	-200	9	0	0
<b>34,096</b>	<b>TOTAL CONTROLLABLE BUDGETS</b>	<b>31,531</b>	<b>31,531</b>	<b>31,880</b>	<b>349</b>		<b>622</b>	<b>1,140</b>
40,835	<b>TOTAL NON CONTROLLABLE</b>	10,375	29,285	29,279	-6		-6	0
7,334	<b>TOTAL EXCLUDED RECHARGES</b>	6,172	6,172	6,172	0		0	0
<b>82,265</b>	<b>TOTAL NON-SCHOOLS BUDGET</b>	<b>48,078</b>	<b>66,988</b>	<b>67,331</b>	<b>343</b>		<b>616</b>	<b>1,140</b>
459	<b>TOTAL SCHOOLS BUDGET</b>	0	0	0	0	10	0	0
<b>82,724</b>	<b>PORTFOLIO TOTAL</b>	<b>48,078</b>	<b>66,988</b>	<b>67,331</b>	<b>343</b>		<b>616</b>	<b>1,140</b>

## **REASONS FOR VARIATIONS**

### **1. Access - Cr £28k**

£'000

#### Education Welfare Service - Dr £8k

1. The budget was reduced on the assumption that a full year of savings would be yielded from managing the Education welfare Officers and Behaviour Support services together. However, this will only be achieved part way through 2011/12.

49

2. Additional income from sold services and savings in supplies and services will help to offset the above.

-41

8

#### Awards, Transport and Pupil Benefits - Cr £40k

This is a demand driven budget and therefore difficult to forecast, but the best estimate at present is that it will underspend by £40k.

-40

#### 3. Other minor variances Dr £4k

4

-28

### **2. Bromley Children and Family Project - Cr £215k**

Savings in business rates against last years' accrual since charges were lower than expected, and savings are being made by holding some posts vacant.

### **3. SEN and Inclusion - Dr £915k**

£'000

#### SEN Transport Contracts - Dr £100k

Pupil volumes have risen and the service has been given a challenging savings target on the basis of expected savings from the re-tendering of contracts. At this stage in the year a £100k overspending is projected, but a more confident projection will be made in October once the impact of starters and leavers are known for the new academic year.

100

#### Children With Disabilities - Dr £820k

There were four additional high cost placements required for looked after children. The forecast now includes provision for cases that are likely to manifest as a cost later during this year, and also a contingency for further growth from as yet unknown cases.

Pupil placements are driving the overspending in both the Schools' Budget and the non-Schools' Budget. Rigorous management action will continue to be taken by the Director of Children and Young People and the Assistant Directors (Access & Inclusion and Safeguarding & Social Care) to contain and reduce costs:

- Review children in high cost residential and independent fostering.
- Further strengthened gate keeping. All placements must be agreed and approved at CSC Placement Panel and by the Assistant Director for Social Care. Cases are reviewed quarterly. Numbers of Looked After Children reduced from 299 in May 2010 to 269 in March 2011.
- Implementation of an Adolescent and parenting support team to focus on preventing teenagers coming in to care.
- Joint work with the Housing Department to divert potential 16 plus homeless youngsters away from care system to supported lodgings through Housing Department.
- A review of fostering provision and costs. A work programme is currently under way to increase the number of LBB foster placements and reduce dependency on Independent Foster Agencies as well as develop packages of support to carers to enable more challenging children to be cared for within foster homes.
- Introduction of rolling interview panels, a Children's Social Care micro-site on the Bromley website, and a two day short listing and invitation to interview turn around time for social work applications to support the recruitment and retention package.
- Tightly controlled purchasing of placements through negotiation, clear specifications, avoiding 'extras', achieving least expensive options where possible.

820

In addition, a general moratorium has been introduced on all running costs expenditure other than those that are strictly essential, and all vacancies will be frozen other than for essential posts, with a minimisation of cost of cover for vacant posts.

-5

915

### **4. Education Commissioning & Business Services - Cr £14k**

£'000

Priority schools budget expenditure retained in the non-Schools' Budget.

100

Savings from restrictions on supplies and services spending.

-114

-14



## **5. Youth Support Programme - Cr £150k**

Savings from delayed appointments to vacant posts, running costs, and additional income.

## **6. Standards & Achievement - Cr £85k**

Savings from delayed appointments to vacant posts.

## **7. Safeguarding and Social Care Division - Dr £111k**

£'000

### **Salaries overspending across the Division - Dr £50k**

50

Safeguarding and Social Care has exceeded the agreed target to reduce the numbers of locum social workers as identified in the Recruitment and Retention report to the Executive on the 3rd February 2010 and as a consequence the £50k overspend is lower than anticipated and planned.

Progress on using locum social workers is continuing and every effort will be made to further reduce spending in this area. The previously reported overspend of £100k has been reduced to £50k with the continued successful recruitment of front line Social Worker staff and holding of other vacancies.

### **Care and Resources - Dr £263k (excluding salaries)**

263

The £49k overspend can be broken down as follows:

£'000

Children's Placements	328 overspend
Housing Benefit for Care Leavers:	
Under 18s	-56 underspend
Over 18s - Under recovery of rent	15 overspend
Freezing of Saxon Centre Supplies & Services Budgets	-24
	<u>263</u>

### **Referral and Assessment - Cr £7k (excluding salaries)**

-7

Clients with No Recourse to Public Funds rose steadily during 2010-11. The costs are to accommodate and provide for families who cannot work due to their legal status and who do not receive benefits. This was previously absorbed within S17 budgets but is now reported separately. A £34k overspend is projected. This overspend will be met from a forecast underspend on S17 budgets here of £14k and in Safeguarding & CP. One post has become vacant in the Teenage and Parent Support Service Team. This will be held vacant for the remainder of the year to contribute a £27k underspend to off-set other costs.

### **Safeguarding and Quality Assurance - Cr £125k (excluding salaries)**

-125

At the Children's Social Care SMT meeting of 14th September, it was agreed that there would be a saving of £25k in the core training budget. Additional savings of £100k will be identified in meetings with the Heads of service and the CSC Accountant for discussion at the next SMT (2nd November 2011). This strategy was used successfully in 2010-11 and all targets will be carefully tracked and reported to Senior Managers.

### **Safeguarding and Care Planning - Cr £20k (excluding salaries)**

-20

As reported in Referral and Assessment above, there is a forecast overspend of £34k on NRPF clients. This overspend will be met from a forecast underspend on S17 budgets including £20k in Safeguarding & CP

### **Children in Care Education - Cr £20k**

-20

Management action was identified to offset the overall overspend. The saving made during the recruitment of the new Children in Care Education teacher will be held rather than redirected to support overspends in other areas of this service.

### **Youth Offending Team - Cr £30k**

-30

Savings are being made on a mix of areas including grant income, salaries and running costs. An additional saving of £10k has been identified on Office Expenses to help reduce the overall overspend.

111

## **8. Strategy & Performance Division - Dr £15k**

Due to the unavoidable time delay before the redundancy consequence from the deleting of a post in setting the 2011/12 budget takes effect. The CYP SMT will identify offsetting savings to cover this.

## **9. Savings from General Moratorium and freeze in filling vacancies - Cr £200k**

It is difficult to predict how much this will yield in addition to specifically targeted savings. However, SMT and finance consider that £200k should be achievable.

## **10. THE SCHOOLS' BUDGET No impact on General Fund**

Expenditure on schools is funded by Dedicated Schools Grant (DSG) provided by the Department for Education. 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 £89k lower than anticipated due to reduced pupil numbers. Overspends and underspends must be carried forward to the following year's Schools' Budget. However, the Schools' Budget is projected to spend in line with budget, since the contingency set aside from the DSG will be used to offset expenditure pressures remaining after management action.

### **EARLY WARNINGS**

#### **Volatile Numbers-Driven Services**

CYP Department has several large demand-led budgets where spending varies with the number of children or young people.

Of these, SEN Placements, Payments to Private Nurseries and Pupil Referral are in the DSG funded Schools' Budget, and Social Care Placements, Disability Placements, Leaving Care, SEN transport, and YOT are funded within the General Fund. The Department monitors these budgets closely.

#### **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, and it had been assumed that for the current financial year only the Schools' Budget would reduce, since Revenue Support Grant for all Councils was top sliced to take account of this

However, on 19 July notice was received of a consultation on the future funding of schools, and that "The Secretary of State for Education, in consultation with the Secretary of State for Communities and Local Government, has agreed to reconsider the appropriate reduction to local authority funding to be made to reflect the transfer of central services from local authorities to academies and Free Schools. This consideration will apply to the transfers for both the 2011-12 and 2012-13 financial years."

It is therefore possible that further in-year reductions will be made to RSG funding.

#### **The Schools' Budget. Behaviour Service Secondary Respite Centre and SEN Placements budget**

The Secondary Respite Centre is located on the same campus as a Gymnastic Centre. The Club have made a number of complaints relating to damage sustained to their property by pupils attending the Respite Centre. In response to this, Behaviour Service management have restricted the number of pupils who will be present at any one time. This will reduce the income from charges to schools that can be recovered

Although some savings will be made from reduced staff costs, the loss of income will substantially exceed the savings in costs. The loss of Respite capacity will also put a potentially severe additional pressure onto the SEN Placements budget, since the Centre will not be able to receive a number of excluded pupils who have SEN statements. Management are in the process of identifying alternative premises but a move will not be possible before half term at the very earliest. It is too soon to identify the potential impact on the Schools' Budget from the combined effect of net loss of income to the Respite Centre and additional costs to SEN Placements budgets.

#### **Waiver of Financial Regulations**

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and the Finance Director and (where over £100,000) of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually.

Since the previous occasion when exemptions were reported, there have been 14 contracts exceeding £50,000 but less than £100,000, and 18 contracts exceeding £100,000.

#### **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 financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(5,515)	<b>Customer &amp; Support Services</b>							
	Parking	(5,366)	(5,366)	(5,443)	(77)	1,2,3,4	30	50
1,605	Support Services	1,554	1,540	1,540	0		0	0
<b>(3,910)</b>		<b>(3,812)</b>	<b>(3,826)</b>	<b>(3,903)</b>	<b>(77)</b>		<b>30</b>	<b>50</b>
	<b>Public Protection - ES</b>							
112	Emergency Planning	114	114	114	0		0	0
<b>112</b>		<b>114</b>	<b>114</b>	<b>114</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Street Scene &amp; Green Space</b>							
5,803	Area Management/Street Cleansing	5,975	5,971	5,971	0		0	0
2,165	Highways	0	1,987	1,987				
(65)	Markets	(47)	(21)	3	24	5	0	0
6,225	Parks and Green Space	6,153	6,137	6,170	33	6	43	0
567	Street Regulation	519	549	579	30	7	25	0
16,091	Waste Services	16,892	16,892	16,822	(70)	8	(108)	(50)
<b>30,786</b>		<b>29,492</b>	<b>31,515</b>	<b>31,532</b>	<b>17</b>		<b>(40)</b>	<b>(50)</b>
	<b>Transport &amp; Highways</b>							
7,277	Highways incl London permit Scheme	9,236	7,147	7,070	(77)	9	0	0
147	Highways Planning	144	144	144	0		0	0
843	Traffic & Road Safety	790	690	663	(27)	10	(20)	0
216	Transport Strategy	235	235	235	0		0	0
<b>8,483</b>		<b>10,405</b>	<b>8,216</b>	<b>8,112</b>	<b>(104)</b>		<b>(20)</b>	<b>0</b>
<b>35,471</b>	<b>TOTAL CONTROLLABLE</b>	<b>36,199</b>	<b>36,019</b>	<b>35,855</b>	<b>(164)</b>		<b>(30)</b>	<b>0</b>
7,151	<b>TOTAL NON CONTROLLABLE</b>	(692)	5,292	5,307	15	11	0	0
2,596	<b>TOTAL EXCLUDED RECHARGES</b>	2,348	2,301	2,301	0		0	0
<b>45,218</b>	<b>PORTFOLIO TOTAL</b>	<b>37,855</b>	<b>43,612</b>	<b>43,463</b>	<b>(149)</b>		<b>(30)</b>	<b>0</b>

## **REASONS FOR VARIATIONS**

### **1. Bus Lane Enforcement Cr £12k**

There is a projected net surplus of £12k as follows:

- 2011/12 projected deficit of £5k (net of the bus lane works below)
- Anticipated increase in income from PCNs issued in prior years of £17k

The above figures include the projected shortfall of income of £50k, (full-year effect £100k) as a result of the suspension of bus lane restrictions in Cray Avenue, following the diversion of traffic as a result of the bridge replacement at Chislehurst Road.

### **2. Off Street Car Parking £0k**

Off-street car parking income is projected to be £100k below budget expectation. This is mainly due to reduced demand and parking fees not having been increased to match inflation added to the budget as a result of the normal estimate process, nor the loss of income as a direct result of the increase in VAT.

This projected shortfall is from the four multi-storey car parks where income was £52k below budget for April-August, with a sizeable proportion (£23k) occurring in April, probably due to the high number of bank holidays.

This projected shortfall in income is offset by £50k savings as a result of management action, and a balance from a provision of £50k no longer required for contract payments following successful negotiations with the parking contractor.

### **3. On Street Car Parking Cr £50k**

There is currently projected to be a surplus of £50k from on-street car parking income, £12k from within the Bromley CPZ and £38k from elsewhere across the borough. This will be used to balance the shortfall of off street parking income for 2012/13.

### **4. Parking Enforcement Cr £15k**

There is currently a surplus of £15k due to projected higher income from PCNs issued in previous years.

### **5. Markets Dr £24k**

There is a projected shortfall in income of £34k mainly due to the continuing effects of the recession, which is partly offset by underspends across supplies and services budgets of £10k, giving a net overall deficit of £24k.

### **6. Parks & Green Space Dr £33k**

There is an overspend on staffing of £39k due to the 2011/12 budget savings relating to the ranger service review of £156k not being fully met in year. This is partly offset by an underspend of £6k due to a reduction in grant to the Chislehurst Common Conservators.

### **7. Street Regulation Dr £30k**

There is an overspend on staffing of £30k. This is due to:

- Dr £25k 2011/12 budget savings not being fully met in year
- Dr £5k net costs incurred as cover for staff on long-term sick

### **8. Waste Management Cr £70k**

Prices for trade waste collections were increased by 15% in April 2011 and 13% in April 2010. For 2010/11 the fall-out of customers equated to 3.8%, however in 2011/12 this percentage has nearly trebled, to currently 11.2%. When setting the new fees and budgets an assumption was made that there would be reduction of a further 5% of customers and therefore the additional reduction of 6.2% has meant that income is currently projected to be £97k below budget.

It should be noted that this is partly offset by a corresponding reduction in contract collection costs of £15k and £56k for disposal costs due to a projected reduction of 700 tonnes from the decrease in customers.

There is an additional underspend of £114k disposal costs due to a projected reduction of 1,400 tonnes.

There are deficits in income of £10k from Trade Waste delivered and £15k from the sale of Garden Waste stickers, which are partly offset by a small surplus of £7k from the income received for the school recycling service.

All variations are summarised in the table below :-

<b>Summary of Variations:-</b>	<b>£'000</b>
Shortfall of trade waste collected income due to reduction in customers	97
Corresponding reduction in trade waste collection contract costs	(15)
Reduction in disposal tonnage from trade waste collection customers	(56)
Reduction in disposal tonnages (other than trade waste collected)	(114)
Surplus in income from Schools recycling service	(7)
Deficit in income from Trade waste delivered	10
Deficit in income from sale of Garden Waste stickers	15
<b>Total variation for waste management</b>	<b>(70)</b>

### **9. Highways Cr £77k**

There is a projected underspend on salaries of £37k through a combination of vacancies and reduced hours following an early retirement.

There is a projected surplus of £40k from Section 74 notices.

It should be noted that Thames Water had indicated in 2010/11 that they were intending to improve their performance. Income had dropped significantly from 2010/11 by £440k compared to 2009/10 and officers anticipated a further drop of income of £350k from defect notices during 2011/12. The actual drop in 2011/12 compared to 2010/11, appears to be just under £100k, however officers feel that Thames Water will continue to improve their performance and therefore it is not expected that this surplus will continue into 2012/13.

The income budget for defect notices was reduced by £385k and the windfall income of £260k has been transferred back to the central contingency for 2011/12.

### **10. Traffic & Road Safety Cr £27k**

There is a projected underspend of £27k through a combination of transferring staffing costs to Transport for London earlier than previously anticipated, and reduced working hours.

### **11. Non-controllable budgets Dr £15k**

The variations relate to a net shortfall within property rental income budgets across the division. Property department are accountable for these variations.

### **Waiver of Financial Regulations**

There are no waivers to report as at the end of August 2011.

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2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>Public Protection</b>							
755	Community Safety	516	524	524	0		0	0
336	Mortuary & Coroners Service	344	344	344	0		0	0
2,891	Public Protection	2,586	2,578	2,578	0		0	0
<b>3,982</b>		<b>3,446</b>	<b>3,446</b>	<b>3,446</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>3,982</b>	<b>TOTAL CONTROLLABLE FOR PUBLIC PROTECTION &amp; SAFETY</b>	<b>3,446</b>	<b>3,446</b>	<b>3,446</b>	<b>0</b>		<b>0</b>	<b>0</b>
381	<b>TOTAL NON CONTROLLABLE</b>	6	6	6	0		0	0
527	<b>TOTAL EXCLUDED RECHARGES</b>	269	269	269	0		0	0
<b>4,890</b>	<b>PORTFOLIO TOTAL</b>	<b>3,721</b>	<b>3,721</b>	<b>3,721</b>	<b>0</b>		<b>0</b>	<b>0</b>

## **REASONS FOR VARIATIONS**

### **1. Public Protection £0k**

There is currently a small net deficit projected for licence fee income of £6k which is being offset by an underspend within third party payments (Cr £6k) which relates to costs for the City of London animal welfare service. Over the next few months, the income position will be re-assessed following the recent increase in non-statutory licence fees from 1st October 2011.

Although the budget for Stray Dogs appears to be balanced based on current projections, due to the part year residual budget for Pest Control being available in 2011/12. If the original Stray Dogs budget and current spend remain the same in 2012/13, there could be a projected overspend of around £15k, however, it is anticipated that this deficit should be addressed through the current re-tendering of the stray dogs contract.

### **Waiver of Financial Regulations**

There are no waivers to report as at the end of August 2011.

### **Virements Approved to date under Director's Delegated Powers**

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2010/11 Actuals £	Division Service Areas	2011/12 Original Budget £	2011/12 Latest Approved £	2011/12 Projected Outturn £	Variation £	Notes	Variation Last Reported £	Full Year Effect £
(291)	<b>Adult Education Centres</b> Adult Education Centres	(401)	(401)	(401)	0		0	0
(291)		(401)	(401)	(401)	0		0	0
(142)	<b>Planning</b> Building Control	(31)	(31)	(31)	0	1	0	0
(237)	Land Charges	(275)	(275)	(275)	0	2	0	0
1,208	Planning	979	953	1,146	193	3	40	0
1,401	Renewal	1,371	1,471	1,362	(109)	4	-40	0
<b>2,230</b>		<b>2,044</b>	<b>2,118</b>	<b>2,202</b>	<b>84</b>		<b>0</b>	<b>0</b>
2,892	<b>Recreation</b> Culture	2,644	2,644	2,638	(6)	5	0	0
5,251	Libraries and Museums	5,327	5,327	5,277	(50)	6	0	0
373	Town Centre Management & Business Support	339	393	365	(28)	7	0	0
<b>8,516</b>		<b>8,310</b>	<b>8,364</b>	<b>8,280</b>	<b>-84</b>		<b>0</b>	<b>0</b>
<b>10,455</b>	<b>TOTAL CONTROLLABLE FOR RENEWAL AND RECREATION</b>	<b>9,953</b>	<b>10,081</b>	<b>10,081</b>	<b>0</b>		<b>0</b>	<b>0</b>
5,310	<b>TOTAL NON CONTROLLABLE</b>	6,777	7,095	7,094	(1)		-3	0
2,531	<b>TOTAL EXCLUDED RECHARGES</b>	2,357	2,357	2,357	0		0	0
<b>18,296</b>	<b>PORTFOLIO TOTAL</b>	<b>19,087</b>	<b>19,533</b>	<b>19,532</b>	<b>(1)</b>		<b>-3</b>	<b>0</b>



## **REASONS FOR VARIATIONS**

### **1. Building Control £0k**

A shortfall of income of £197k is projected due to the recession and is being offset by savings of £197k from management action to reduce costs, including holding 3.5fte vacant.

### **2. Land Charges £0k**

As a result of the Government withdrawing the statutory fee for personal searches in August 2010, the full year effect of the loss of income will be £100k. A request will be submitted to the Executive to draw down part of a contingency which was set aside for the likely event of the withdrawal of this statutory fee which currently has a balance of £162k.

### **3. Planning Dr £193k**

Income from non-major planning applications seem to be decreasing compared to 2010/11, £243k has been received in the five months to 31st August compared to £305k received for the same period in 2010/11. The income is therefore expected to be at least £355k lower than the budget.

Income received from major applications in the five months to 31 August is £97k compared to £56k received in the same period in 2010/11. Officers have given details of potential income totalling £101k for the remainder of the financial year, which would give total income of £198k against a budget of £300k.

For information, £393k was received for major applications during 2009/10 and £236k for 2010/11.

The budget option relating to the introduction of new fees for pre-application meetings for non-majors is generating the level of income expected and the target of £30k should be achieved.

Management action taken includes holding 6 fte posts vacant and reducing spend on running expenses totalling Cr £256k.

<b>Summary of Planning variations</b>	<b>Variation £'000</b>
Effect of holding 6 FTE's vacant within Planning	(179)
Shortfall of income from planning fees	457
Miscellaneous income	(8)
Underspends on transport and supplies, services from Management action within Planning	(77)
<b>Total variation</b>	<b>193</b>

### **4. Renewal Cr £109k**

The £109k underspend on Renewal relates to staffing due to part year effect of early retirement of £40k, and management action to hold spending on the portfolio holder initiatives of £51k and other expenditure budgets of £18k.

### **5. Culture Cr £6k**

The £6k underspend on Culture relates to management action to hold a post vacant for the remainder of the financial year in order to balance the shortfall on income under Planning.

### **6. Libraries & Museums Cr £50k**

The £50k underspend on Libraries relates to part year vacancies which is intended to be used to partly cover the shortfall on income under Planning.

### **7. Town Centre Management & Business Support Cr £28k**

The £28k underspend relates to management action to hold a post vacant for the remainder of the financial year in order to balance the shortfall on income under Planning.

### **Waiver of Financial Regulations**

There are no waivers to report as at the end of August 2011.

### **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 financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2010/11 Actuals	Financial Summary	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>CHIEF EXECUTIVE'S DEPARTMENT</b>							
695	Audit	993	993	992	-1		0	0
124	Comms	117	117	120	3		0	0
392	Organisation & Improvement	328	378	365	-13		11	0
98	Policy & Partnership	85	0	0	0		0	0
	<b>Human Resources</b>							
272	Health & Safety	239	239	242	3		6	0
357	HR Management	322	322	320	-2		5	0
561	HR Strategy and L & D	518	518	498	-20		-26	0
703	Operational HR	723	758	726	-32		-24	0
877	Management and Other (C.Exec)	734	769	755	-14		0	0
4,079	Sub Total - Chief Executive's Department	4,059	4,094	4,018	-76		-28	0
	<b>RESOURCES DEPARTMENT</b>							
	<b>Financial Services &amp; Procurement</b>							
1,401	Exchequer - Payments & Income	1,338	1,392	1,389	-3		-6	
6,067	Exchequer - Revenue & Benefits	5,558	5,565	5,549	-16		-17	
3,105	Financial Management	2,483	2,508	2,529	21		1	
429	Procurement	412	412	412	0		0	
6,305	Information Systems	4,883	4,883	4,883	0		0	0
	<b>Customer Services</b>							
169	Bromley Knowledge	224	224	223	-1		-2	0
885	Contact Centre	868	935	936	1		1	0
	<b>Democratic, Electoral &amp; Registrar's</b>							
145	Customer Service Development	93	93	103	10		0	0
1,718	Democratic Services	1,656	1,656	1,695	39	1	19	0
883	Electoral	366	366	350	-16		-16	0
-26	Registrars	-39	-34	-35	-1		0	0
	<b>Legal Service &amp; Facilities Support</b>							
1,981	Admin. Buildings	1,968	1,921	1,915	-6		-20	
651	Facilities & Support	487	543	506	-37	2	-12	0
1,807	Legal Services	1,672	1,672	1,672	0		-2	0
368	Management and Other	134	162	161	-1		3	0
25,888	Sub Total - Resources Department	22,103	22,298	22,288	-10		-51	0
	<b>RENEWAL &amp; RECREATION DEPARTMENT</b>							
2,328	Property Services (excl. Investment Property)	1,366	1,366	1,374	8		0	0
3,356	Repairs & Maintenance (All LBB)	3,967	4,715	4,715	0		0	
-638	Other Rental Income	-647	-720	-715	5		-5	
5,046	Sub Total	4,686	5,361	5,374	13		-5	
-3,533	Investment & Non Operational Property Rental Income	-3,693	-3,620	-3,748	-128	3	11	0
1,513	Sub Total Renewal & Recreation Department	993	1,741	1,626	-115		6	
31,480	<b>Total Controllable Departmental Budgets</b>	27,155	28,133	27,932	-201		-73	0
-60,137	<b>Total Non Controllable</b>	1,984	1,984	1,984	0		0	0
-23,637	<b>Total Excluded Recharges</b>	-21,244	-21,205	-21,205	0		0	0
-1,775	<b>Less: R&amp;M allocated across other Depts</b>	-2,999	-3,347	-3,347	0		0	0
634	<b>Less: Rent allocated across other Depts</b>	647	720	715	-5		48	
-53,435	<b>Net Departmental Budgets</b>	5,543	6,285	6,079	-206		-25	0
	<b>CENTRAL ITEMS (Controllable Budgets)</b>							
9,509	CDC & Non Distributed Costs (Past Deficit etc.)	6,965	6,912	6,849	-63	4	-60	0
-43,926	<b>Total Corporate Services/Resources Portfolio</b>	12,508	13,197	12,928	-269		-85	0

## **REASONS FOR VARIATIONS**

### **1. Democratic Services £39k**

Decisions on the make up of savings relating to members are still being worked through, as a result an overspend is expected under Democratic Services as compensating savings within the division cannot be found, however, across the department the overspend will be managed.

### **2. Legal Services & Facilities Support Cr £37k**

This mainly relates to savings on salaries expected as a result of posts being held vacant to fund future efficiency savings.

### **3. Property Services Cr £128k**

A short term lease of the Old Town to Liberata, prior to sale, has resulted in additional income in the current year.

### **4. CDC & NDC (inc Past Deficit) - Cr £63k**

An underspend of £63k is currently forecast for Compensation for Loss of Office based on a straight line projection. This is in line with previous years, and it has been assumed for now that the savings are ongoing, however this could be offset by any future benefits granted.

### **General Commentary including impact on future years**

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

### **Waiver of Financial Regulations**

There are no waivers to report as at the end of August 2011.

### **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 financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virements have been actioned.

CYP Finance - deletion of turnover cut of £16K by permanent virement of £10k from running expenses and £6k from Income

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	
	£	£	£	£	£	£
<b>General</b>						
Provision for risk/investment relating to volume and cost pressures	635,000			635,000	635,000	0
Further increases in fuel costs	600,000			350,000	350,000	(4) Cr 250,000
Provision for uncertainty relating to grant income	565,000			565,000	565,000	0
Provision for uncertain items	500,000			500,000	500,000	0
Carbon tax	386,000			186,000	186,000	(7) Cr 200,000
Grants to voluntary organisations	275,000			275,000	275,000	0
Unallocated inflation provision	93,000			93,000	93,000	0
Net loss of income from proposed sale of car parks	297,000			0	0	(8) Cr 297,000
Savings from negotiations of key contracts	Cr 250,000			Cr 250,000	Cr 250,000	0
Planning appeals - change in legislation	150,000			150,000	150,000	0
Potential loss of income re land charges and building control (change in regulations)	162,000			162,000	162,000	0
Provision for reduction of local democracy savings	120,000			120,000	120,000	0
Surplus income from NR&SWA defect notices			Cr 260,000		Cr 260,000	(6) Cr 260,000
Other items	84,000			84,000	84,000	0
<b>Total General Items</b>	<b>3,617,000</b>	<b>0</b>	<b>Cr 260,000</b>	<b>2,870,000</b>	<b>2,610,000</b>	<b>Cr 1,007,000</b>
<b>Grants included within Central Contingency Sum</b>						
NHS Funding to Support Social Care						
Grant related expenditure	2,176,000	250,280		2,176,000	2,426,280	(3) 250,280
Grant related income	Cr 2,176,000	Cr 250,280		Cr 2,176,000	Cr 2,426,280	Cr 250,280
Lead Local Flood Authorities						
Grant related expenditure	142,000	110,000		32,000	142,000	(1) 0
Grant related income	Cr 142,000	Cr 142,000			Cr 142,000	0
Additional Funding for Pothole Repairs (DFT)						
Grant related expenditure	0	419,000			419,000	(2) 419,000
Grant related income	0	Cr 419,000			Cr 419,000	Cr 419,000
Bromley Youth Music Trust (DfE)						
Grant related expenditure	0	362,240			362,240	(1) 362,240
Grant related income	0	Cr 362,240			Cr 362,240	Cr 362,240
High Street Support Scheme (CLG)						
Grant related expenditure				50,000	50,000	(3) 50,000
Grant related income				Cr 50,000	Cr 50,000	Cr 50,000
Children's Workshop Development Council						
Grant related expenditure				104,000	104,000	104,000
Grant related income				Cr 104,000	Cr 104,000	(5) Cr 104,000
<b>Total Grants</b>	<b>0</b>	<b>Cr 32,000</b>	<b>0</b>	<b>32,000</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>3,617,000</b>	<b>Cr 32,000</b>	<b>Cr 260,000</b>	<b>2,902,000</b>	<b>2,610,000</b>	<b>Cr 1,007,000</b>

## Notes:

- (1) Approved by the Executive on 25th May 2011
- (2) Approved by the Executive on 6th April 2011
- (3) Approved by the Executive on 7th September 2011
- (4) Latest projections for estimated increase in fuel costs is £250k lower than budgeted requirement
- (5) Notification of Grant after the 2011/12 budget was set
- (6) Income from defect notices higher than expected in 2011/12 - budget transferred back from ES Portfolio
- (7) £200k of the provision for Carbon Reduction Commitment Tax will be funded from the Schools Budget.
- (8) Provision for loss of income will not now be required in 2011/12.

Description	2011/12 Latest Approved Budget £'000	Variation To 2011/12 Budget £'000	Potential Impact in 2012/13
Residential and Domiciliary care - Older People	21,300	539	<p>The full year effect of the net overspend in domiciliary and residential care is forecast to be £558k in 2012/13, after including the 2011/12 full year effect of savings due to reablement of £300k. The ability to reduce this overspend relies on further increases in reablement activity and the resulting reduction in the number of level of packages required.</p> <p>The Director anticipates that next year this overspend will be contained by a number of measures, including the opening of the new extra care housing units, the implementation of the new initiatives for people with dementia and through effective negotiation of contracts with providers.</p>
Residential & Domiciliary Care - Learning Disabilities  - Learning Disabilities staffing	24,844	31  Cr 29	<p>Although there is a balanced budget for services for people with learning disabilities in 2011/12, a full year overspend of £112k is forecast for residential placements and supported living in 2012/13. The projection takes account of provision of £265k for growth as a result of additional placements during 2011/12.</p> <p>The full year effect of the overspend on Domiciliary care is forecast to be £25k based on current activity.</p>
Residential Care - Mental Health	2,889	Cr 258	The full year effect of the 2011/12 underspend is forecast to be Cr £215k, which will contribute towards pressures within the Commissioning & Partnerships division.
Commissioning & Partnerships - Supporting People Contracts	5,049	Cr 687	Substantial savings have been achieved in 2011/12 from Supporting People contracts, but increased savings targets for 2012/13 for contract savings and efficiencies mean that the full year effect will be an additional cost of £103k. However the full year effects across the Commissioning and Partnerships division show a balanced budget.
Housing Needs - Temporary Accommodation (net of HB)	229	200	The full year effect of the overspend is forecast to be £305k in 2012/13. It is anticipated that this can be reduced by a number of initiatives proposed in the report to the ACS PDS on 27th September.

SEN Transport	3,357	100	SEN Transport is currently projected to be £100k overspent. The savings target for 11/12 from re-tendering may not be achieved in full. Every effort will be made to achieve the full saving this year, or certainly by 2012/13, but this is a volatile demand driven budget.
Children's Placement Projections	9,535	328	Total full year effect projection £576k Less sums already included in financial forecast £500k Net full year effect projection £76k Any overspending in 2012/13 will be contained in the total departmental budget allocation, to the extent that it has not been factored into the four year forecast.
Safeguarding & Social Care Division	21,356	50	Substantial progress has already been made in replacing expensive locum agency staff with employees. However, any overspending in 2012/13 will be contained in the total CYP budget allocation, to the extent that it has not been factored into the four year forecast.
SEN Children's Disability Team Placements	1,559	820	Total full year effect projection £1,064K Management action should eliminate or substantially reduce this overspending, but any remaining overspending in 2012/13 will be contained in the total departmental budget allocation, to the extent that it has not been factored into the four year forecast.
Parking (net controllable)	Cr 5,366	Cr 77	Extra income projected on enforcement is due to additional income from previous years and therefore will not affect 2012/13. 2011/12 deficit of £100k on off street parking is currently being offset by one-off underspends and therefore for 2012/13 the on-going deficit will be partly offset of £50k extra income from On Street parking leaving an overall deficit of £50k to be funded by the underspend from waste services.
Waste Management (net controllable)	16,892	Cr 70	It is expected that there could be an on-going underspend of £50k from the reduction of disposal tonnage in 2012/13 that can be used to offset the net deficit of parking income.
Planning & Renewal (net controllable)	2,424	84	Income from planning applications has reduced due to the economic climate and a shortfall of £457k is projected for 2011/12. This level of shortfall may continue into 2012/13 and therefore management action will have to continue to be taken in order to balance the budget.

## 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:

<b>31 March</b>				<b>Transfers</b>	
<b>2011</b>	<b>Service</b>	<b>Income</b>	<b>Expenditure</b>	<b>to / from</b>	<b>31 Aug</b>
<b>£'000</b>		<b>£'000</b>	<b>£'000</b>	<b>Capital</b>	<b>2011</b>
				<b>£'000</b>	<b>£'000</b>
<b><u>Revenue</u></b>					
491	Highway Improvement works	-	-	-	491
30	Road Safety Schemes	-	-	-	30
95	Local Economy & Town Centres	-	-	-	95
63	Parking	-	10	-	53
35	Landscaping	-	-	-	35
383	Healthcare Services	-	-	-	383
40	Community Use	-	-	-	40
19	Other	-	-	-	19
1,156		-	10	-	1,146
<b><u>Capital</u></b>					
39	Local Economy & Town Centres	-	-	-	39
375	Education	-	-	-	375
2,074	Housing	70	442	-	1,702
849	Community Use	-	-	-	849
3,337		70	442	-	2,965
4,493		70	452	-	4,111

In addition to the sums above, £19k is being held as a bond.

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Report No.  
ACS 11055

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** EXECUTIVE

**Date:** 19<sup>th</sup> October 2011

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

**Title:** NHS FUNDS FOR SOCIAL CARE 2011/12 AND 2012/13:  
INVESTMENT PLANS FOR SERVICES FOR PEOPLE WITH  
PHYSICAL DISABILITIES AND YOUNGER ADULTS WITH  
LEARNING DISABILITIES

**Contact Officer:** Rebecca Jarvis, Joint Strategic Commissioning Manager  
Tel: 020 8313 4198 E-mail: rebecca.jarvis@bromley.gov.uk

**Chief Officer:** Lorna Blackwood - Assistant Director - Commissioning and Partnerships

**Ward:** Borough-wide

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1. Reason for report

This report concerns the funding allocation to the PCT identified in the NHS Operating Framework for 2011/12 and 2012/13 for social care services which also support the NHS. The report sets out the investment plans and accompanying business cases for how the funds will be used to alleviate future budget pressures in services for people with physical disabilities and younger people with learning disabilities.

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2. **RECOMMENDATION(S)**

**For the Executive to:**

- a) **Agree to the drawing down of NHS funds for Social Care from the Council's central contingency of £279,157 in year 1 and £257,037 in year 2 for the investment plan for services for people with physical disabilities.**
- b) **Agree to the drawing down of NHS funds for Social Care from the Council's central contingency of £55,173 in year 1 and £165,522 in year 2 for the investment plan for services for younger people with learning disabilities.**

## Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Supporting Independence.
- 

## Financial

1. Cost of proposal: Estimated cost Investment Plan for Services for People with Physical Disabilities: £279,157 in 2011/12 and £247,350 in 2012/13. Investment Plan for Service for Younger People with Learning Disabilities: £55,173 in 2011/12 and £165,522 in 2012/13.
  2. Ongoing costs: Non-recurring cost.
  3. Budget head/performance centre: NHS Funds for Social Care
  4. Total current budget for this head: £3.176 million in 2011/12 and £3.042 million in 2012/13
  5. Source of funding: Funds transferred from NHS
- 

## Staff

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

## Legal

1. Legal Requirement: Statutory requirement. Under S21 of the National Assistance Act 1948 the local authority has a duty to provide accommodation for people with disabilities who because of this need care and attention not otherwise available to them. Similarly under the NHS and Community Care Act 1990 the local authority has to assess individuals' care needs and provide for these if they meet the Council's eligibility criteria.
  2. Call-in: Call-in is applicable
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approx 225 service-users with physical disabilities.
- 

## Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 The NHS Operating Framework for 2011/12 identifies allocations of funds from the Department of Health for social care services which also support the NHS. This funding has been transferred to the Local Authority and amounts to £3.176 million in 2011/12 and £3.042 million in 2012/13. The NHS Operating Framework for 2011/12 sets out how this allocation of funding should be managed.
- 3.2 At the Executive on 14<sup>th</sup> February 2011 it was agreed to fund projected cost pressures in the next two years due to demographic changes in Older People's, Physical Disabilities and Children's Social Care services. This short-term targeted use of the funds (£1 million for each year) will help to manage in-year demand pressures whilst longer-term sustainable alternatives are developed.
- 3.3 The Shadow Health and Well-being Board endorsed a number of priority areas for investment using the remaining funds (£2.176m in 2011/12 and £2.042m in 2012/13). The investment plans for these priority areas adhere to the following principles, agreed at the Health and Wellbeing Board:
- Investments will be short-term (e.g. pump-priming) to reconfigure services to mitigate against future growth pressures
  - Investments will be approved on the basis of robust business cases which can demonstrate benefits to both health and social care
  - All investments proposals will demonstrate an exit strategy to ensure non-dependency on this funding in the longer term
- 3.4 Oversight of the use of these funds and the outcomes sought and delivered will be the subject of six monthly reports to the Health and Wellbeing Board which will be asked to endorse or amend objectives and aims for the following period.
- 3.5 This paper outlines the investment plans for services for people with physical disabilities and younger people with disabilities. In September the Executive agreed the investment plan for phase one of the dementia programme. The investment plan for phase two of the dementia programme will be submitted to the Executive later in the year.

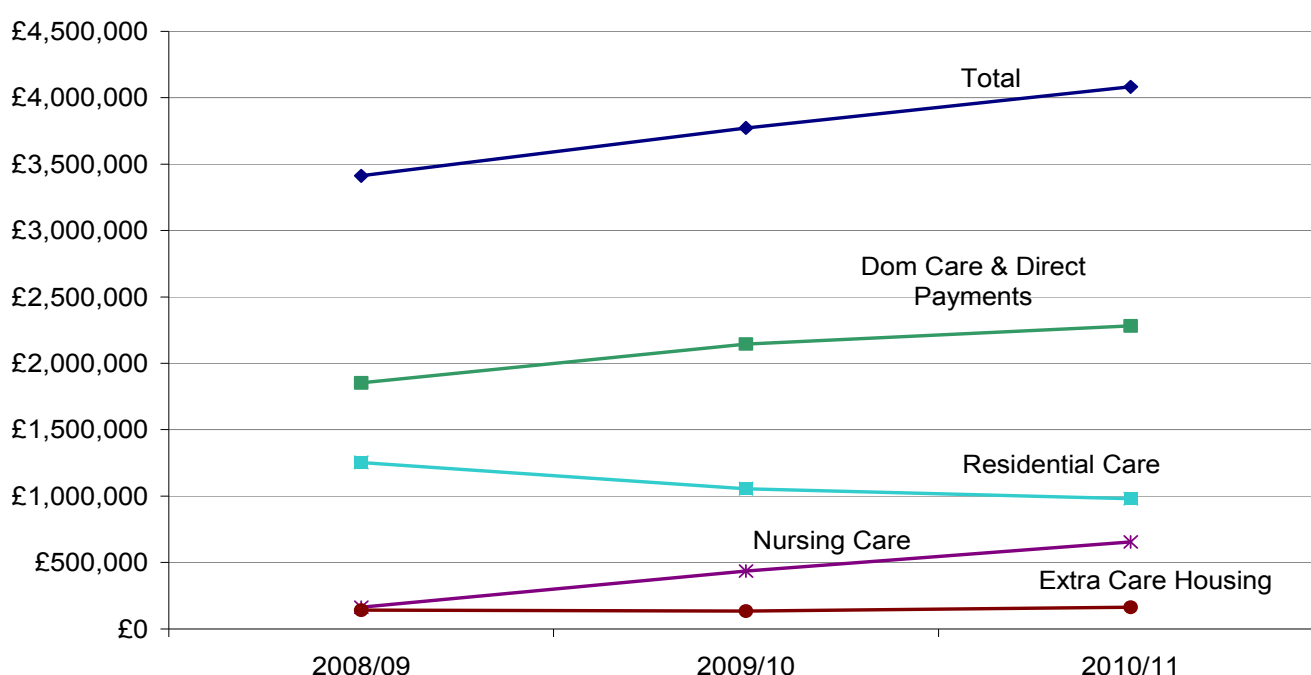
#### Investment Plan for Physical Disabilities

- 3.6 The Equality Act 2010 defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. There are currently 225 service-users over the age of 18 with physical disabilities who meet the Fair Access to Care eligibility criteria and who are receiving Council funded support.
- 3.7 Adult and Community Services has experienced an increase in spend on Physical Disabilities in the past three years. As demonstrated in the graph in figure 1, there have been particular increases in the domiciliary care, direct payments and nursing care budgets. A gradual increase in demand for services for people with physical disabilities is to be expected due to following reasons:
- the increase in neo-natal survival rates resulting in higher numbers of children with complex disabilities transferring to adult social care
  - people with complex deteriorating conditions are living longer due to medical advances and therefore require support for longer

- the decline in mortality rates from major diseases such as stroke, heart disease, vascular disease and cancer means that more people need support to live with these diseases.

3.8 These changes would be expected to result in an increase in the number of service users. As more services are available to enable people to live at home, there is also likely to be a consequent increase in the provision of domiciliary care, which will in turn lead to reduced reliance on residential care. For those with the highest levels of need there is also likely to be an increased need for nursing care. For Bromley, this trend is apparent in the spend data below. Data from Care First indicates that in Bromley the majority of the new spend is on service-users aged 45-65 and over 60 percent of the new services started in the last three years are for service-users in this age group.

Fig. 1 Spend on services for people with physical disabilities from 2008-09 to 2010-11.



3.9 The investment plan was presented to the Adult and Community Services Policy Development and Scrutiny Committee on 27<sup>th</sup> September 2011 where it gained the support from the Portfolio Holder. The initiatives outlined in the investment plan have two main aims:

1. To re-provide services for service-users with high cost care packages more cost effectively
2. To develop non-institutional and cost-effective models of care and support for new service-users as a viable alternative to residential and nursing care.

This will result in an containment of spend from 2012-13, and the ability to manage the increasing demand for care

3.10 Officers have carried out a desk-top review of the packages with a net cost of £500 per week or more (i.e. after client contributions, continuing care or ILF contributions). There are 51 service-users who fall into this category (an additional 13 have been excluded as changing their support package will affect their ILF contribution, and therefore minimise any savings). These 51 support packages cost £2.24 million per year. Some of these service-users could receive more cost-effective forms of support such as:

- 3.11 **Extra Care Housing:** There are six people in a residential or nursing placement who are over 55 years old, which means they are eligible for Extra Care Housing. Extra Care Housing with ten hours of support costs £220 per week. The average cost of residential and nursing care for physical disabilities is £825 per week, so even with additional support hours the Extra Care Housing model is significantly more cost effective.
- 3.12 **Community Service Volunteers:** Community Service Volunteers is a national organisation, providing volunteering opportunities to over 150,000 volunteers a year. CSV full-time volunteers are a flexible and dynamic resource. They volunteer for up to 35 hours a week for between 4 and 12 months each. They can be carers, mentors, role models, companions and friends. CSV mainly recruit volunteers to work in social care settings, education, youth offending and with people who are homeless. They can add value to and complement the services offered by professionals and offer extra care and support to individual service users. CSV volunteers can be any age and come from all walks of life, but quite often they are students, or on a gap year, sometimes from overseas, looking to pursue a career in health or social care. The 'host' organisation is required to provide accommodation for the volunteer for the duration of the placement. The administration fee paid to CSV covers a basic living allowance, in addition to volunteer recruitment and selection.
- 3.13 There are 15 people with high-cost domiciliary care packages or live-in care packages. Some of these packages require additional hours to cover the carer's break or to provide double-handed care. Some service-users simply need to be accompanied at all times which does not require trained social care staff.
- 3.14 It is proposed to recruit three CSV volunteers to 'live-in' with three people with physical disabilities with high packages of care. The CSV volunteers would not deliver personal care (if this is required, this would be purchased from domiciliary care agencies), but may reduce the total number of domiciliary care visits by providing an extra pair of hands when double-handed care is required. Depending on the requirements of their 'hosts', CSV volunteers could also provide support to other service-users, such as covering the live-in carer's break for up to three hours a day.
- 3.15 **Shared Houses, Adapted Homes and Supported Living:** There are some people living in residential or nursing care, who might be able to move to non-institutional settings with the appropriate rehabilitation and re-ablement. There are currently four community rehabilitation flats in the Borough (two at the Rotunda on Burnt Ash Lane and two at Roselyn on Homesdale Road). Service-users live in the flats for up to two years where they receive rehabilitation and reablement before moving to a longer term solution such as a shared house, adapted home or supported living. It is proposed to work intensively with these service-users to identify people with the potential to move out of residential care into alternative accommodation settings. Depending on the outcomes of the reviews, it may be necessary to work with housing associations to identify 2-3 additional adapted flats for a two year period to facilitate some additional service-users to move out of residential care. During this period work will also be undertaken with the housing department to develop designated Supported Living accommodation for younger adults (aged under 55) where people with medium – high support needs can be supported in a cost effective way.
- 3.16 Many people with physical disabilities can lead fulfilling and inclusive lives in the community if they live in suitably adapted properties. Disabled Facilities Grants (DFG) are available to contribute towards the cost of adapting properties, but the process can be long and drawn out, taking up to 30-40 weeks. People waiting for adaptations to be made to their property often require additional care and support during this period. Speeding up the DFG process from application to completion of works will result in a reduction in care costs.
- 3.17 Registered Social Landlords have responsibilities in ensuring that properties are adapted to meet the needs of disabled tenants, but these often get ripped out when tenants moved out,

even though there are other people with disabilities waiting for adapted properties. Better coordination demand for adapted properties will result in unnecessary waste and improved access to suitable accommodation for service-users.

- 3.18 The proposal is to fund occupational therapist expertise in housing to oversee, manage and co-ordinate these activities regarding adapted properties in the Borough to ensure better access to the properties, and providing viable alternatives to residential care. Key areas of work will be to:
- oversee all Disabled Facilities Grant (DFG) applications.
  - establish practice standards on use of DFG
  - streamline the DFG process and reduce the average time taken from application to completion of works by 6 weeks
  - work with housing providers to know when/what specialist housing becomes available.
  - ensure new-builds meet the needs of service users.
  - promote wider use of assistive technology
- 3.19 The solutions identified in this paper will require detailed, focussed and complex work with service-users, therefore the main area of investment is to fund a review team for two years. The review team will consist of Senior Care Managers and a Senior OT with particular expertise and knowledge in the NHS framework for Continuing Care, legal matters, the Independent Living Fund and other benefits, and the ability to robustly review and challenge existing support packages to identify innovative and cost-effective alternatives, and then to support the service-users through the change and providing professional support and training to volunteers.
- 3.20 It is anticipated that these functions will be embedded in mainstream care management practice in future years.

#### Investment Plan for Younger People with Learning Disabilities

- 3.21 The Council is experiencing an increasing number of young people making the transition from children's disability services into adult social care services with an increasing complexity of need. In addition, better access to general health care and advances in specialist services is resulting in increased life expectancy of people with complex disabilities. More people with complex needs are living into middle age and beyond with family carers (usually parents) becoming older and often in need of support themselves.
- 3.22 36 young people with learning disabilities will be transferring to adult services by 2015/16 which will put significant pressures on social care budgets, especially by those who will need high levels of care. The Learning Disabilities budget assumes a level of growth (£855k in 2011/12 rising to £2.4m in 2013/4) which is not sustainable.
- 3.23 Currently there is no concerted effort to increase young peoples' levels of independence before they leave education and this can create a dependency culture which leads to an expectation of life long intensive, high cost institutional care. The average cost of an adult residential care placement for people with learning disabilities is £50k per annum compared to £30k per annum for supported living. The proposal is that the funds be invested in services for children with learning difficulties and/or disabilities to mitigate the future impact on funding in adult services. The proposals aim to equip young people to prepare them for more independent living rather than a continuing reliance on residential placements. More young people will be able to access mainstream community services on leaving education, requiring less support from adult social care services in the short to medium term.
- 3.24 An integrated transition strategy has been developed that combines social care, housing and health provision which will be critical in helping to ensure that future services are able to meet

the increase in service demand resulting from the increase in transition clients. The primary aim of the strategy is to maximise the independence of children and young people so that when they become adults their reliance on statutory services is minimised.

- 3.25 Therefore the focus of the Children and Young People (CYP) work programme is to invest funds in CYP services for children with learning difficulties and/or disabilities to ensure that their independence is maximised during their adolescent years in order that they require less costly services on transition to adult services.
- 3.26 The resources will be used to provide intensive monitoring of the support provided to the current cohort of 30 - 40 young people who are placed in out of borough specialist schools and colleges. The aim is to ensure the young people identified are supported to maximise their potential to live independently whilst in education to reduce the level of support needed when they return home. Two key workers will be employed to work with designated young people to set specific targets both in and out of school to improve independence and ensure that these are built on when they transfer to further education.
- 3.27 Services commissioned for young people post-16 and/or post-19 will be required to maximise young people's independence in preparation for adulthood and one transition support worker will be employed to focus on these young people in further education. The overall aim will be that 6 young people in year 1 and 6 young people in year 2 will move to supported living when they leave education rather than to residential care thus reducing the ongoing resource commitment in adult services.

#### Project management

- 3.28 Delivery of the investment plans will require strong project management and evaluation to ensure that benefits are realised. At present, no additional costs have been included in these investment plans for project management. It is anticipated that the project management resource identified in the investment plan for services for people with dementia will also cover the projects outlined in this paper, but as the programme of work progresses, it maybe necessary to obtain additional project management resource.

#### Timescales

- 3.29 All initiatives in phase one will start from 1<sup>st</sup> November 2011 and will last for up to two years. Funding can be carried forward from one financial year to the next to ensure that the initiatives can be completed.

## **4. POLICY IMPLICATIONS**

- 4.1 This proposal contributes to the Building a Better Bromley objective of Supporting Independence.

## 5. FINANCIAL IMPLICATIONS

5.1 The financial implications of the proposals outlined in the paragraphs above are summarised in the tables below:

### 5.2 Investment Plan for Services to People with Physical Disabilities

	Year 1 £	Year 2 £	Full Yr ongoing £
Expenditure	279,157	257,037	48,595
Savings	-150,191	-344,545	-344,545
	<b>128,966</b>	<b>-87,508</b>	<b>-295,950</b>

A full breakdown of the expenditure/savings shown in the table above are included in Appendix 1

The proposals outlined in the investment plan for services for people with physical disabilities require an investment of £279,157 in year 1 and £257,037 in year 2. This will result in a net saving of £87,508 to the Council in 2012/13 and £295,950 p.a. from 2013/14 onwards.

### 5.3 Investment Plan for Services to Younger People with Learning Disabilities

	Year 1 £	Year 2 £	Year 3 FYE £
2 FTE Key workers	37,333	112,000	0
1 FTE Transition support worker	17,840	53,522	0
	<u>55,173</u>	<u>165,522</u>	<u>0</u>
6 @ £20k per annum	0	-80,000	-120,000
6 @ £20k per annum	0	0	-80,000
	<u>0</u>	<u>-80,000</u>	<u>-200,000</u>
Net cost/saving	<b>55,173</b>	<b>85,522</b>	<b>-200,000</b>

The proposals outlined in the investment plan for services for younger adults with learning disabilities require an investment of £55,173 in year 1 and £165,522 in year 2. This will result a net saving of £200,000 to the Council in Year 3.

5.4 The funding of the above initiatives will be met from the NHS funds for Social Care held in the Council's central contingency in order to deliver ongoing revenue savings.



5.5 A full evaluation will be carried out in Year 2 to ensure that the savings outlined in this report are delivered and if further savings can be realised.

## 6. LEGAL IMPLICATIONS

6.1 The funding transfer from the Primary Care Trust to the Local Authority is the subject of an agreement under Section 256 of the National Health Service Act 2006.

## 7. PERSONNEL IMPLICATIONS

7.1 The time limited posts referred to in this report will be offered, in the first instance, to existing staff either as a secondment opportunity or as a fixed term contract. This may provide suitable redeployment opportunities for staff, who may otherwise have been made redundant, following recent reductions to Government and grant funding for local authorities.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	

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# Physical Disabilities Investment Plan - Business Cases

ACS 11055

Costs	Yr1	Yr2 (FYE)	Ongoing
<b>A) <u>Review team</u></b>			
2 FTE Senior Practitioners @£33.70 ph (commensura rate)	112,000	112,000	0
1 FTE Senior OT @ £32.32	53,522	53,522	0
<b>B) <u>CSV costs</u></b>			
Administrative and subsistence costs of CSV volunteers @£7140 each	21,420	21,420	21,420
Travel costs of CSV volunteers @£150 per week	7,800	7,800	7,800
<b>C) <u>Supported Living/ Shared Houses/ Adapted Homes</u></b>			
Contingency to cover voids in 2 x rehab flats @£200 per week	20,800	20,800	0
<b>D) <u>Housing project</u></b>			
1 FTE Senior OT @ £32.32 ph (Comensura rate)	53,522	26,761	0
1 PT Admin Support @ £12.19 ph (Comensura rate)	10,093	5,047	0
1 PT OT @ £23.40 ph (Comensura rate)		9,688	19,375
<b>Sub-total</b>	<b>279,157</b>	<b>257,037</b>	<b>48,595</b>

A) The Review Team is a specific time limited project, costs will therefore drop out after year 2.

B) The costs of a CSV project will be ongoing as the CSVs will be required to continue to realise the savings.

C) The rehab flats will be required to for the project length only and costs will therefore drop out after year 2.

D) The Housing OT project will run for 18 months to establish new processes, standards and protocols. After that time a part time OT post will be required to continue to realise the benefits achieved by the project.

## Savings

### ECH

6 people supported to live in ECH instead of residential care (NB Assumed 10 additional support hours needed per person in ECH @£14 ph)

72,540 145,080 145,080

### CSV

7 people achieve 15% savings on community support package

23,997 47,993 47,993

### Supported Living/ Shared Houses/ Adapted Homes

4 people supported to live in alternative accommodation to resi/nursing home

0 33,488 33,488

### Housing project

Assume 6 week reduction in OT component of DFG process reducing overall waiting time by 6 weeks

24,486 48,972 \* 48,972

Consistency in OT practice in specifying DFG requirements Overview of RSL voids and co-ordination with housing waiting list for adapted properties.

23,830 47,660 \*\* 47,660

5,338 21,352 \*\*\* 21,352

### **Sub-total**

**150,191 344,545 344,545**

**128,966 -87,508 -295,950**

\* Based on 20% sample of adult DFG cases in 2009/10, 16% of people required additional care & support at an average cost of £371 per week pending completion of works. This equates to 22 people per year.

\*\* Based on 2010/11 DFG spend of £953.2k and assumes that consistency will deliver 5% overall reduction

\*\*\* Assumes 4 adapted RSL properties can be reutilised at average DFG cost of £5,338 per property

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Report No.  
ACS11054

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 19 October 2011

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

**Title:** TRANSFORMING COMMUNITY EQUIPMENT SERVICES

**Contact Officer:** Silivo Giannotta, Commissioning Officer, Adult and Community Services  
Tel: 020 8461 7722 E-mail: silvio.giannotta@bromley.gov.uk

**Chief Officer:**

**Ward:** Boroughwide

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1. Reason for report

This report outlines proposed changes to the Integrated Community Equipment Service (ICES) in Bromley, with the proposed externalisation of the in-house ICES store and transfer of the loan equipment and minor adaptations service to an external provider, including implementing a limited item prescription based 'Retail Model' for the provision of simple aids to daily living, typically items valued under £100.

The report also sets out the outcome from a staffing consultation on the proposals.

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2. **RECOMMENDATION**

**That the Executive:**

2.1 **Notes the result of the staff consultation process**

2.2 **Agrees to pursue Option 4 (as set out in para 3.8) for the future provision of ICES**

2.3 **Agrees to participate in the London Consortium Framework agreement operated by the Royal Borough of Kensington and Chelsea**

2.4 **Approves the award of a call on contract with Medequip Assistive Technology Ltd for the provision of Community Equipment Services from the 01 April 2012 to the 31 March 2015, using the Framework Agreement**

2.5 **Delegates authority to the Chief Officer, Adult and Community Services to extend the Medequip Assistive Technology Ltd contract by a further two years following the expiry of the initial contract term on 31<sup>st</sup> March 2015.**

### Corporate Policy

1. Policy Status: Existing policy. LBB Core Operating Principles
  2. BBB Priority: Excellent Council. Supporting Independence in Bromley
- 

### Financial

1. Cost of proposal: Estimated cost £793k one off
  2. Ongoing costs: Recurring cost. £778k from 2013/14
  3. Budget head/performance centre: Care Services Division & Housing Division
  4. Total current budget for this head: £855 (£775 ICES plus £80k Handyperson Service)
  5. Source of funding: ACS Portfolio
- 

### Staff

1. Number of staff (current and additional): 11 (10 full time, 1 part time)
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Statutory requirement. Statutory responsibility to have these services available, can be provided by any provider,
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): During the year 2010/11 approximately 10,000 delivery and collection visits were made by ICES
- 

### Ward Councillor Views

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

### **3. COMMENTARY**

- 3.1 The Integrated Community Equipment Service (ICES) is used by social and health care professionals to arrange for the provision of equipment and minor adaptations of properties to eligible service users following an assessment of needs, thus supporting people to maximise their independence and remain living in their own homes for as long as possible.
- 3.2 The in-house ICES store coordinates the provision of loan equipment, such as hoists, commodes, and “hospital style” beds via an approved list of nine suppliers. The minor adaptations service such as the installation of key safes and grab rails is contracted out to external providers. These arrangements are due to expire on 31<sup>st</sup> March 2012.
- 3.3 Loan equipment is issued to eligible residents on a temporary basis, and once it is no longer required by an individual, ICES will ‘recycle’ the equipment and reissue to other eligible users, this ensure the cost of providing equipment is kept to a minimum.

#### **The Retail Model**

- 3.4 Many people wish to choose equipment rather than accept the standard items used by ICES. A form of direct payment for equipment has been developed in conjunction with the Department of Health. The Retail Model works by social and health care professionals issuing “prescriptions” for low value items of equipment, typically below £100 for example grab rails, bath boards and perching stools, to eligible service users. Individuals can redeem these prescriptions from any one of the 12 accredited retailers in Bromley and also have the option to “top-up” the prescription value, giving them a wider choice of items to suit their preference.
- 3.5 Alongside the Retail Model, other options were examined for the provision of loan equipment including independent supply of items and also supply and delivery compared with the current in-house service. Options were evaluated against the following criteria:
- Supportive of retail model – proposals to facilitate the implementation of the Retail Model giving people greater choice and control
  - LBB Corporate Operating Principles (COP) – a commissioning organisation seeking those best placed to deliver services to the community
  - Efficiencies – delivering value for money to customers and council tax payers
  - Meets specification – any change in service must be fit for purpose and meet the requirements of all stakeholders
  - Implementation timescales - any change in service is to commence 01 April 2012 following the expiry of existing arrangements.

#### **London Consortium**

- 3.6 The London Consortium framework is led by the Royal Borough of Kensington and Chelsea with 15 other participating London Borough members to date. The framework was established over a considerable timeframe with input from founding members, and it has established a tested and agreed common equipment catalogue, resulting in bulk buying; a bespoke IT system ensuring greater controls on ordering equipment and a joint working approach which has led to improved shared knowledge and better common practices amongst member authorities. It commenced on 1<sup>st</sup> April 2010 and was to run for a period of 5 years with an optional 2 year extension.

A one off joining fee is payable to the Consortium to reflect the work that has gone into developing the framework by the founding members, along with annual administration and IT fees.

Advantages of joining the consortium are:

- Lower cost of equipment through efficiencies of scale (equipment can be up to 25% cheaper than current suppliers)
- Networks in the consortium resulting in shared practice
- Parity of equipment within the consortium
- IT System – greater ability to control spend at the point of ordering the equipment
- High performance – currently around 99% of deliveries are on time
- Bespoke items of equipment are all catalogued – resulting in higher re-use rate and the opportunity of re-selling these within the consortium

3.7 The Medequip equipment catalogue is 99% compatible with the national catalogue used for the Retail Model. The compatibility of the Medequip catalogue and the LBB stock catalogue was endorsed as meeting the required standard by the ICES Advisory Board on 13<sup>th</sup> May 2011, comprising service leads of health and social care professionals issuing equipment.

Option	Comment
<p>1. Partial Membership of the London Consortium</p> <p><b>Option 1</b> = Partial membership without a retail model</p> <p><b>Option 2</b> = Partial membership with a retail model</p>	<p>Partial membership of the consortium would enable the Council to continue providing loan equipment through its in-house store, with a change in supplier contract resulting in the equipment provided via the London consortium agreement with Medequip. Residual stock items will continue to be issued until all stock has been depleted.</p> <p>Minor adaptations, including fittings and installations would transfer from the current contractors to Medequip.</p> <p>As part of the options analysis, consideration was given to the implementation of the retail model and how this new model could be implemented in a cost effective manner. Therefore a financial analysis was completed for the partial membership of the consortium without a retail model [Option 1] and also what the impact would be of implementing a retail model [Option 2].</p>
<p>2. Full Membership of the London Consortium</p> <p><b>Option 3</b> = Full membership without a retail model</p> <p><b>Option 4</b> = Full membership with a retail model</p>	<p>Full membership of the London Consortium would result in the externalisation of all ICES activities to Medequip via the London Consortium Framework Agreement.</p> <p>This includes the provision of equipment, minor adaptations, delivery and collection, service and repair, decontamination, recycling and storage of all LBB equipment.</p> <p>The in-house ICES store would no longer be required, with ICES staff transferring to Medequip. All current stock would be audited by Medequip and will continue to be issued until depleted.</p> <p>As for the partial membership outlined above, the option analysis considered the impact of joining the consortium, but also the impact of implementing a retail model. Option 3 represents full membership <i>without</i> a retail element, whereas Option 4 includes a retail element. Furthermore, this option would free up the premises</p>



	currently occupied by the ICES store. The Chief Property Officer has identified that the vacant space released by the externalisation of ICES could potentially be used for alternate purposes.
3. Joining the Integrated Procurement Hub (Croydon Council)	<p>The hub can be described an umbrella type arrangement, with the host authority leading on procurement of equipment and partner Authorities choosing in what capacity to participate i.e. for the provision of equipment, the provision of equipment and delivery to in-house stores or alternatively a full service.</p> <p>Croydon Council were recently announced as the Host Authority for the Procurement Hub by the Department of Health and have been tasked with designing a pilot scheme meeting the needs for complex aids to daily living in a more efficient and cost effective manner. In order to generate any significant savings, the pilot will require 4/5 partner authorities to join the scheme and have significant input into the design, build and running of the pilot.</p> <p>It is estimated that approximately 3-4 months will be required to design and build the pilot, with a further 2-3 months required testing the new processes.</p> <p>Given the timescales involved and uncertainties with the design and build of the pilot scheme and unknown cost of the service, joining the hub does not presently represent a viable option, however this could be reconsidered in 2015 when the framework agreement expires.</p>

Based on the options appraisal, a full financial model was completed for both partial and full membership of the London Consortium (Options 1-4).

### Full Membership

- 3.8 Following the options appraisal against the evaluation criteria, Full Membership of the London Consortium with implementation of a Retail Model is recommended **[Option 4]**. This option is supportive of the LBB Core Operating Principles, generating significant efficiencies, whilst vacating the ICES store for re-use.

Implementing the Retail Model would give service users greater choice and control over the equipment they choose and the Medequip catalogue has been deemed as meeting the required specification by those professionals who would be using it.

## 4. POLICY IMPLICATIONS

- 4.1 The recommendations outlined in this report support the Corporate Operating Principles of Delivering Value for Money and Supporting Independence, by encouraging citizens to take more responsibility of their own lives through the implementation of the retail model and achieving excellent value for money by joining the London Consortium Framework.

## 5. FINANCIAL IMPLICATIONS

5.1 There are 4 proposals outlined in this report ranging from changing supplier with or without the retail option (option 1/2) or externalising the service with or without the retail option (option 3/4). The use of the depot will be required for option 1 and 2 and therefore the cost of running the building is assumed in the financial models. Appendix 1 provides a detailed breakdown of all 4 options.

5.2 The table below provides a high level summary of the 4 options:

	Option 1		Option 2		Option 3		Option 4	
	2012/13 £	Full Yr £	2012/13 £	Full Yr £	2012/13 £	Full Yr £	2012/13 £	Full Yr £
Costs	749,306	738,648	798,375	787,716	793,844	779,200	792,704	778,060
Less								
2011/12 Budget	855,200	855,200	855,200	855,200	855,200	855,200	855,200	855,200
<b>Net Saving</b>	<b>-105,894</b>	<b>-116,552</b>	<b>-56,825</b>	<b>-67,484</b>	<b>-61,356</b>	<b>-76,000</b>	<b>-62,496</b>	<b>-77,140</b>

5.3 Whilst option 1 is the most cost effective for Adult Services, option 3 and 4 will mean that the ICES store at the central depot will be freed up for use by other departments in the council. At the moment various options are being explored for the use of this building, looking at potential to generate rental income or allowing other departments to use this site.

5.4 There are one-off costs in the first year which include:

- Consortium Joining Fee: £10,500
- MESALS Decommissioning Cost: £2,000
- Vehicle termination Cost for options 3 and 4 only : £4,674

5.5 Both option 1 and 4 will require additional resources in the Exchequer Team to manage the increased workload, which will equate to 0.25 (Full time equivalent) at a cost of £6,250 p.a.

5.6 In addition options 2 and 4 also assume a £20k contingency to cover VAT implications which may arise from implementing the Retail Model. Discussions are ongoing between HM Revenue & Customs (HMRC) and the Department of Health to ascertain whether the VAT paid by accredited retailers can be reclaimed by the local authority.

5.7 Savings can only be estimated as the cost of providing a community equipment service will fluctuate according to the levels of demand. The IT software package used through the London Consortium is a web based solution and among its many features possesses a budget forecasting tool and reporting tools allowing for close monitoring of spend. Furthermore the IT software is supportive of the Retail Model.

5.8 In respect of the annual price review, the contract has a continuous improvement clause under which Medequip is required to demonstrate that the services are provided having regard to a combination of economy, efficiency and effectiveness. Failure by Medequip to make service improvements, or to demonstrate value for money, could result in formal action under the contract and/or be taken into account in an annual price review.

5.9 Option 4 is being recommended by officers which will deliver savings of £77,140 in a full year for Adult & Community Services plus allow the flexibility to use the ICES store to generate other savings in the future, depending on its use.

## 6. LEGAL IMPLICATIONS

- 6.1 The Council has the obligation to carry out an assessment of individuals needs under the NHS and Community Care Act 1990 of those people who appear to require services under section 4 Disabled Persons (Services and Consultation and Representation) Act 1986 and section 2 Chronically Sick and Disabled Persons Act 1970 and to provide those services in circumstances were they would not otherwise be available.
- 6.2 The Council has power to enter into contracts for the provision of community equipment services under Section 1 Local Government (Contracts) Act 1997 on the basis that such services are properly required for the discharge of the Council's functions. The prospective value and nature of any contract would bring it within the scope of the Public Contracts Regulations 2006.
- 6.3 The London Consortium Framework agreement has been established in accordance with the Public Contracts Regulations 2006 ("the Regulations") and was advertised in the Official Journal of the European Union. The contract notice specified the ability of other contracting authorities in London to join the framework.

Following the competitive tender process, the framework agreement between Medequip Assistive Technology and the Royal Borough of Kensington and Chelsea (the "primary contracting authority" or "PCA") was formed on 1<sup>st</sup> April 2010. This framework agreement can be accessed, in order to create a call-off contract, by any London health or local authority, subject to agreement by the PCA [so doesn't this need to be part of the recommendation?] on behalf of all members and Medequip.

Each secondary contracting authority (or "SCA") must form an access agreement, in order to call off the framework agreement, with the PCA and Medequip. These access agreements are the legal basis of "the consortium". Although each authority has its own call-off contract, the members generally strive to forge agreements and act uniformly when major decisions or changes need to be made, for example to ensure the efficiency of the service.

- 6.4 The framework agreement was advertised as being of 7 years duration (including all extensions). Normally such agreements should be of no more than 4 years duration, however, Office of Government Commerce (OGC) guidance states that a longer duration can be justified '... in order to ensure effective competition in the award of the framework agreement [where].... four years would not be sufficient to provide a return on investment.' It is arguable that the complex aids that are the subject of this procurement meet this requirement. In any event the framework contract started on 1<sup>st</sup> April 2010 and the six months period within which the award could be challenged, has now lapsed.
- 6.5 The Equalities Act 2010 has now superseded and consolidated legislation such as the Equal Pay Act 1970, Sex Discrimination Act 1975, Race Relations Act 1976 and the Disability Discrimination Act 1998. The Council must eliminate unlawful discrimination and promote equality of opportunity in relation to disability, race and gender, and take account of disabilities even where that involves treating the disabled more favourably than others An Equalities Impact Assessment is has been carried out, and is attached as Appendix 2. As the service to individuals is not changing, it is considered there are no equalities issues to be specifically addressed.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are currently 11 employees (10.5 full time equivalent) who will be directly affected by these recommendations. A consultation period, initially for 30 days, then extended to 45 days, took place with staff and their representatives to consult with them on the proposal to outsource ICES and to awarding the contract to an external provider.
- 7.2 Should the Executive agree to the recommendation of joining the London Consortium, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to the 11 employees already identified elsewhere in this report. In this event the Council would commence formal consultation with staff, their representatives and Medequip to ensure that they are fully informed and consulted on the decision to transfer the undertaking and on the implications for their employment including any measures that Medequip might be considering in relation to this transfer.
- 7.3 As outlined in para 5.4 above, implementing the retail model (option 1 and 4) will require additional resources in the Exchequer Team to manage increases in workload, the financial model assumes an additional 0.25 Full time Equivalent post.
- 7.4 The ICES staff have been consulted on the proposals. Appendix 2 outlines their views together with a management response for each of these.

ACS 11054  
ICES Future Provision Cost Analysis

APPENDIX 1

	11/12 budget	Option 1 - Partial membership		Option 2 - Partial membership + retail		Option 3 - Full membership		Option 4 - Full membership + retail	
		Part year	Full year	Part year	Full year	Part year	Full year	Part year	Full year
<b>ICES/Handy Person budgets</b>									
Staff costs	352,460	352,460	352,460	358,710	358,710			6,250	6,250
Running costs	46,780	46,780	46,780	46,780	46,780				
Equipment purchases etc	636,010	499,194	499,194	530,488	530,488	939,159	939,159	911,570	911,570
Income from Bromley PCT**	-180,050	-161,628	-159,786	-170,105	-168,264	-162,489	-159,959	-162,292	-159,762
	<b>855,200</b>	<b>736,806</b>	<b>738,648</b>	<b>765,873</b>	<b>767,714</b>	<b>776,670</b>	<b>779,200</b>	<b>755,528</b>	<b>758,058</b>
<b>Contingent Items</b>									
VAT on retails items*	0			20,002	20,002			20,002	20,002
One off costs	0	12,500		12,500		17,174		17,174	
<b>Total</b>	<b>855,200</b>	<b>749,306</b>	<b>738,648</b>	<b>798,375</b>	<b>787,716</b>	<b>793,844</b>	<b>779,200</b>	<b>792,704</b>	<b>778,060</b>
Less budget		855,200	855,200	855,200	855,200	855,200	855,200	855,200	855,200
<b>Saving to ACS</b>		<b>-105,894</b>	<b>-116,552</b>	<b>-56,825</b>	<b>-67,484</b>	<b>-61,356</b>	<b>-76,000</b>	<b>-62,496</b>	<b>-77,140</b>
<b>Vacating of ICES store</b> (within central depot) which can then be used by other departments or organisations.						-146,690	-146,690	-146,690	-146,690
		<b>-105,894</b>	<b>-116,552</b>	<b>-56,825</b>	<b>-67,484</b>	<b>-208,046</b>	<b>-222,690</b>	<b>-209,186</b>	<b>-223,830</b>

\*\*\* The £146,690 for the Central depot will not all be saved, it very much depends on future use of this building.

\* The saving could be £20k higher if the council is able to reclaim VAT on behalf of the client.

\*\* It is assumed the PCT contribution will reduce in proportion to the overall net saving

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**LB Bromley Equality Impact Assessment  
Transforming Community Equipment Services  
ACS 11054**

<b>Start Date</b>	<b>May 2011</b>	<b>Project End Date</b>	<b>September 2011</b>	<b>EIA Type</b>	<b>Policy Review</b>
<b>Name</b>		<b>Job Title</b>		<b>Roles &amp; Responsibilities within EIA Team</b>	
Silvio Giannotta		Commissioning Officer		Consultation Lead	
Lorna Blackwood		AD, C & P Division		Project Group Member	
Robert Denman		Procurement Officer		Project Group Member	
Alison Thrower		Project Manager		Project Group Member	
<b>Stage 1 Scoping and Defining</b>		<b>Explanation</b>			
(1) What are the aims and objectives of the policy where changes are to be made?		<ul style="list-style-type: none"> <li>To externalise the existing ICES store and transfer all Community Equipment Services to Medequip Assistive Technology Ltd., using the London Consortium Framework agreement led by the Royal Borough of Kensington and Chelsea.</li> <li>To implement a retail model for the provision of simple aids to daily living, giving people greater choice and control over the equipment they use.</li> </ul>			
(2) How does the policy fit with the Council's wider objectives?		The proposed changes support the Corporate Operating Principles of Delivering Value for Money and Supporting Independence, by encouraging citizens to take more responsibility of their own lives and achieving excellent value for money by joining the London Consortium Framework and generating significant savings.			
(3) What would have been the expected outcomes of these policy changes?		<ul style="list-style-type: none"> <li>Savings generated by externalising ICES, and vacating the in-house store</li> <li>The Retail model will support access to information and services, enabling people eligible for statutory services as well as those who self-fund to make informed decisions about how they need to be supported in terms of equipment</li> </ul>			
(4) Do the proposed policy changes have the potential to directly or indirectly discriminate against a particular group?		<b>RACE</b>	<b>AGE</b>	<b>GENDER</b>	
		<b>No</b>	<b>No</b>	<b>No</b>	
		<b>DISABILITY</b>	<b>RELIGION</b>	<b>SEXUAL ORIENTATION</b>	

	No	No	No
<b>Stage 2 Information Gathering</b>			
<b>Explanation</b>			
(1) What type of information have you used to help you make a judgement about these policy changes?	<p>Department Health Guidance – Equality Impact Assessment - TCEWS</p> <ul style="list-style-type: none"> <li>The Department of Health conducted an Equality Assessment into the potential impact the retail model could have on people, and whether it would adversely impact on any particular group.</li> </ul> <p>There are approximately 6000 Bromley residents recorded on the CareFirst database as having a Critical or Substantial assessed need. (Source: BOXI/Public Folders/ACS Managers/General/AllClients With FACs banding).</p> <p>Based on benchmarking information from 13 London Boroughs with an established Retail Model, approximately 59 monthly prescriptions are issued, therefore a limited number of people will be impacted by the implementation of a retail model, and for some this will be a positive change as it provides them with greater choice and control over the equipment they choose which can suit their preference,</p>		
(2) Have you been able to use any consultation data to help make these decisions? If yes what?	<p>No consultation was required, as the proposed changes will not change the current service provided to eligible users, as the new provider will be required to meet all existing service requirements.</p> <p>With the implementation of the Retail Model, individuals will be given the choice as to whether they receive a prescription, this will ensure those who are unable to access the local accredited retailers continue to be supplied with equipment via the London Consortium Framework Agreement.</p>		
<b>Stage 3 Making a Judgement</b>			
<b>Explanation</b>			
(1) From the evidence outlined above is there any adverse or negative impacts identified for any particular	<p><b>Impact of the proposed changes</b></p> <p>Closure of the in house ICES store and the transfer of services to Medequip will not have an adverse impact on any particular client group, as there is no change in service provided.</p>		



Stage 3 Making a Judgement	Explanation
group?	<p>Medequip already provide a service to 15 other London Authorities and the service requirements will remain unchanged.</p> <p>Medequip have vast knowledge in providing services to a diverse populations, as they currently supply other London Borough such as Brent which is one of the most culturally diverse boroughs in London, where ethnic groups make up the majority of the population at 54.7%.</p> <p><b>The Retail Model</b> Some groups have different health and social care needs than others. Although community equipment is available to all groups, the range of needs and complexity of solutions may vary with age. For example, many older people will often benefit from a number of relatively inexpensive items to ensure they maintain a level of independence at home. In the case of young disabled people and children their needs change rapidly as they grow and the equipment required is often more complex and specific to their needs, enabling them to attend school or work.</p> <p>Though different groups may have different requirements in terms of their health and social care support there is no evidence that particular groups are specifically excluded from services. The needs assessment will continue to be conducted by health or social care professionals who determined whether a particular piece of equipment is required, however the only change will be to the supplier of equipment.</p>
(2) If there is an adverse impact can this be justified?	<p>As there is no change in service provided, there will be no adverse impact on any particular group.</p> <p>With the Retail Model, individuals can choose whether or not to receive a prescription.</p>
(3) What actions could be taken or have been taken to eliminate a	<ul style="list-style-type: none"> <li>• Giving people the choice as to whether they wish to receive a prescription</li> <li>• Robust performance monitoring through the London Consortium Operational Board, will</li> </ul>

<b>Stage 3 Making a Judgement</b>		<b>Explanation</b>		
negative or adverse impact?		ensure that any performance issues with the contractor as highlighted and resolved swiftly.		
(4) Is there any positive impact?		<p>Joining the consortium will allow standardisation of equipment catalogues across 15 London Boroughs, greater joint working and sharing of good practice which may have a positive impact on service users.</p> <p>As mentioned above, implementing the Retail Model will enable users to have greater choice and control over the equipment they purchase, it also allows them to top up the value of their prescription accessing a wider range of items to suit their personal preferences (e.g. different colours)</p>		
<b>Key Area</b>	<b>Action/ Target</b>	<b>Lead</b>	<b>Milestone</b>	<b>Resources</b>
Retail Model	To ensure there is no adverse impact on any particular group, only those who wish to receive to receive a prescription for a simple aid to daily living will do so.	Alison Thrower	Number of prescriptions issued	Occupation Therapy teams.
How will the impact of the changes be monitored?				
State how?		<ul style="list-style-type: none"> <li>Regular performance monitoring reports will ensure any issues are highlighted. The Consortium operations board regularly meets to address any performance issues with the service and address these directly with the contractor.</li> </ul>		

## ACS 11054 - Appendix 3

### ICES Staff views on the proposals

#### Introduction

The ICES staff and their representatives have been consulted on the proposals set out in the attached report. A number of comments and responses were received both by email and following a number of meetings with all parties. Whilst they agree that efficiencies are required, and are keen to achieve these, they doubt that the proposals will deliver savings above those that could be achieved by awarding the contract to Medequip for supply only. In addition they are concerned about the quality of the delivery service and the impact of the transfer of employment for existing Bromley Council employees.

Their views are set out below, together with a management response.

<b>Staff Comments</b>	<b>Management Response</b>
1. Savings could be achieved by moving the service from the Bath Rd depot to another site, where costs would be approximately half, with a supply only contract with Medequip	This is correct, but the savings from this option would still be lower than the recommended option of a contract with Medequip for supply and delivery.
2. Medequip will charge for failed deliveries such as no-one at home. These will not be fully monitored and will result in higher costs above the 20% currently experienced	Medequip will phone the service user the day before to check if they will be at home. Medequip will leave a card if there is no answer and make two further calls to arrange delivery. Only then will they charge for delivery whether the equipment has been delivered or not. This process should not result in higher costs and is similar to the current ICES arrangements.
3. The standard of the equipment is lower than that currently provided, and this reduction is not factored into the savings calculations, leaving the ICES appearing to be more expensive	All stock items were agreed by the multi-agency ICES Advisory Board. As the same items and costs apply to the 2 options (supply versus supply and deliver) there is no distortion
4. The costs of the satellite centres such as the Princess Royal University Hospital have not been included in the calculations	The cost of items to the NHS centres has been included in the financial model

5. The costs of fitting key safes, in the proposal, are far too high	The current cost for the fitting and supply of a key safe is higher than the Medequip quote which is half the cost.
6. The IT costs paid by ICES are too high, at £13k, and could be reduced by having a standalone system	This is true, but the proposed service includes software and hardware within its overall price and is cheaper.
7. ICES staff could carry out the Lola testing (checking items against maintenance standards) and so reduce costs	This would not cover the full service including visiting service users homes on a regular basis
8. The data cleansing required for the transfer to Medequip will be more expensive than shown in the calculations	There will be no charge for data cleansing and transfer of data
9. The higher costs of agency staff are included in the ICES costs and have distorted the comparison	Agency staff costs have not been included in the ICES figures, only the budget for permanent staff which managers have to work within
10. Items issued by others, e.g. NHS, will not be collected, or will be charged for by Medequip raising costs	These items will be collected and charged for just as other delivered items that require collection
11. The value of scrapped items will be lost to LBB	This is true, but the current value of the scrapped items is not quantified and is likely to be low.
12. Deliveries at specific times will cost more and these costs have not been included	Medequip will endeavour to deliver at specified times within the standard 5 day delivery timeframe at no extra charge
13. Recycling will not be as good and so costs will rise	Recycling will continue as at present. It should be noted that Medequip will be able to recycle more specialist items as they serve most of London and will be able to credit these values to LBB.
14. LBB will be charged more as the lower standard of equipment will result in more failures and so more delivery costs	The standard of equipment will be exactly the same as now. Over 50% of current stock items will be exactly the same as now. LBB does have the right to order specified equipment from other providers, up to 20% of the contract value, so this risk is minimal.
15. The quality of delivery will suffer as Medequip will not move furniture etc to assist individuals receiving large items such as beds	Medequip staff will, within reason, move furniture to assist in the placement/fitting of such items
16. The ICES service gets many compliments for the quality of its service	It is acknowledged that the current ICES service has been complimented favourably

17. Westminster are pulling out of the contract with Medequip due to the quality of the service	Westminster are not pulling out of the Consortium.
18. The traffic in Woolwich will slow down deliveries and reduce the volume of items delivered within 7 days	Traffic is a London wide problem and in general, Medequip have not had problems in maintaining delivery schedules.
19. Decontamination and cleansing at the Woolwich site operated by Medequip is not as good as ICES and will lead to infection control problems	Medequip adhere to the national standards set by the Department of Health and their advisory bodies. Their performance will be monitored and reviewed to ensure that this essential standard is adhered to.
20. Many of the requests received are incomplete, e.g. details such as addresses, and ICES staff spend time resolving these, but Medequip will not with a result of higher costs due to failed deliveries and loss of service to individuals who will wait longer	The right solution to this issue is to ensure that referrals have the accurate information. The proposed new software will have the facility to block the transmission of requisitions that are 'incomplete' or do not have the correct authorisation. In real terms costs should come down
21. Staff will not be able to transfer to the Woolwich depot used by Medequip due to the distance	The Woolwich depot is approximately 9 miles from the current depot. Staff will be consulted about these issues if the proposal is agreed by the Executive Committee as part of the formal consultation applicable to the transfer of staff in accordance with TUPE regulations.
22. Will the additional TUPE costs, shown in the costs for the proposed contract with Medequip, be reimbursed to LBB if staff leave Medequip.	Any TUPE costs payable by Bromley will cease for staff that terminate their contract of employment following transfer.
23. Does Medequip recognise Trade Unions and will it have the same terms and conditions as LBB	Medequip do recognise Trade Unions
24. Not enough information was provided to staff at the start of the consultation about the detailed costs of the proposed contract	Additional information was provided in response to detailed questions, such as the Boroughs in the consortium, whether their staff had been transferred, whether the contract was for supply only or supply and delivery, and the consultation was extended to give further time for responses. The consultation period was extended to allow further time to consider the additional information provided in response to the queries.

<p>25. A full Equality Impact Assessment has not been provided to staff as part of the consultation</p>	<p>As the service to the public is not being changed and the service specification remains the same as the current service, there will be no adverse impact on any particular groups as a result of the proposed changes. A full Equalities Assessment has been completed and will be available as an appendix to the Executive report.</p>
<p>26. Will LBB include a clause in the contract that the Terms and Conditions of employment of the staff transferred under TUPE will not be changed during the lifetime of the contract?</p>	<p>Given that no decisions have yet been made about the future of ICES this aspect has not yet been considered. In the event that a decision is made to transfer ICES to Medequip the Council will ensure that it informs staff and trade unions about the proposals and consults on any measures that a new provider might envisage taking.</p>
<p>27. Will a meeting with Medequip be arranged to discuss the details of the transfer arrangements?</p>	<p>As in 26 above</p>

Report No.  
DCYP11112

## London Borough of Bromley

### PART 1 - PUBLIC

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Decision Maker: **Executive**

Date: **19 October 2011**

Decision Type: Non-Urgent Executive Non-Key

**TITLE: RELEASE OF GOVERNMENT FUNDING TO SUPPORT IMPROVEMENTS IN CHILDREN AND FAMILIES SOCIAL WORK**

Contact Officer: Kay Weiss, Assistant Director, Safeguarding and Social Care.  
Tel: 020 8313 4062 E-mail: kay.weiss@bromley.gov.uk

Chief Officer: Gillian Pearson, Director of Children and Young People Services

Ward: Boroughwide

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#### 1. Reason for report

- 1.1 The Department for Education (DfE) announced in 2010 the creation of a Social Work Improvement Fund (SWIF) to assist employers to build capacity for reform and improvement in social work with children and families.
  - 1.2 In addition in September 2011 the Local Authority was informed of the Government's intention to distribute further funding to support the implementation of the recommendations of the Munro Review of child protection.
  - 1.3 Bromley Council's allocation of funding is £168,713 from SWIF and £50,000 from the Munro funding.
- 

#### 2. **RECOMMENDATION(S)**

- 2.1 **That the Council's Executive agrees the release of the Social Work Improvement Fund and Munro funding to support the improvement in front line child protection practice as outlined in this report.**

## Corporate Policy

1. Policy Status: Existing policy: Recruitment and Retention Strategy
  2. BBB Priority: Children and Young People
- 

## Financial

1. Cost of proposal: Estimated cost £190,000
  2. Ongoing costs: N/A
  3. Budget head/performance centre: Safeguarding and Quality Assurance
  4. Total current budget for this head: £4.8m
  5. Source of funding: In year Government grant funding from Social Work Improvement Fund (SWIF) and Munro initiative grant funding
- 

## Staff

1. Number of staff (current and additional) – All social work staff within Children's Social Care and Safeguarding.
  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 applicable
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - 2,600 children are provided with a social work service per year.
- 

## Ward Councillor Views

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



### 3. COMMENTARY

- 3.1 Over the past 2 years there has been recognition by Government that the quality of front line social work practice in child protection needs reforming. This has led to the Government recognising and accepting the work of 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 in 2010 the creation of a Social Work Improvement Fund (SWIF) to assist employers to build capacity for reform and improvement in social work with children and families.
- 3.2 The SWIF allocation for Bromley for 2011/ 12 is £168,731. Allocations to individual authorities have been determined by the Department for Education according to the Relative Needs Formula which is used when allocating other funding to local authorities. The Children's Workforce Development Council has been tasked with distributing these funds and supporting employers to look at ways of improving front line practice and developing the core skills of child protection social workers.
- 3.3 The final report of the Munro review of child protection, building on the work of the Social Work Reform Board, outlines the need to improve the skills of front line children and family social work capabilities. It highlights the need for social workers to be trained in practice methods based on sound research that improve outcomes for children. This includes the need for social workers to be trained in effective analytical skills to assess family functioning and theoretical frameworks to assist in the provision of therapeutic help for children.
- 3.4 It is recognised in the report that social work training is not providing the skills in social workers that Local Authorities as employers need. It also emphasises the need for employers to form closer relationships with higher education institutions that provide social work training so that the training programmes can be developed in partnership. Bromley, along with LB Bexley and LB Lewisham, have already entered a partnership arrangement with Goldsmiths' College, London University to provide more focused training of children and families social work students.
- 3.5 On 9 September 2011 the Children's Workforce Development Council informed Directors of Children's Services that the Government had earmarked a further £8.5 million for Local Authorities to help deliver the redesign of children's social work as determined within the Munro Review report and recommendations. The allocation for Bromley is £50,000, half of which is for the Local Safeguarding Children Board to strengthen their role in terms of coordinating and ensuring the effectiveness of this local arrangements and to support the role they play in relation to learning and training.
- 3.6 The London Borough of Bromley Social Work Recruitment and Retention Strategy approved by the Council's Executive in February 2010 identified the need to develop high quality training for experienced practitioners as a retention tool. The proposed training will meet this objective.
- 3.7 It is proposed that the 2011/12 SWIF allocation for Bromley and the Munro Review funding is focused on improving the skills of front line child protection social workers in the following ways:
- (i) £50,000 on the introduction of the 'Disorganized Attachment model' for assessing child maltreatment and neglect.
  - (ii) £30,000 on the introduction of the 'Parent Assessment Manual Software' (PAMS) for the assessment of neglectful parenting where parents have learning disabilities.

- (iii) £60,000 on the Graduate certificate in Systemic Practice for all front line staff.
- (iv) £50,000 on the introduction of a training package to support staff and foster carers with the assessment and management of older children with behavioral difficulties.

### ***Disorganised Attachment***

- 3.8 The disorganised attachment model assesses parenting through observation with less reliance on interviewing, in addition to the use of standardised questionnaires that more readily identify when parents are giving inconsistent responses. It provides social workers with skills for assessment work with children at different stages of development. In samples of maltreated children, around 80-90% are found to have disorganised attachments to their abuser and this model has proved an effective tool for identifying those children most at risk of harm and concentrating expensive resources on the right cases.

### ***Parental Assessment Manual Software (PAMS)***

- 3.9 The PAMS framework is a system of assessments tools which have been developed by psychologists to assist in the assessment of parenting by those parents with learning disability. It requires the completion of a range of exercises which can then be translated into a report which is accepted within the court arena. Currently limited usage of this within Bromley has seen a reduction in the use of expensive specialist assessments being commissioned by the court.

### ***Graduate Certificate in Systemic Practice***

- 3.10 A weakness of social work practice is the failure of social workers to holistically assess the functioning of a family and the role of specific children, especially those subject to abuse, play within the family. Training in systemic family therapy provides a framework for social workers to work with changing family systems to protect children and develops skills and strategies in managing family sessions and improving family functioning. The plan is for all front line staff to participate in a course of systemic practice leading to a certificate. More experienced staff and those with particular ability would be supported to take the study of family therapy to Masters level. The systemic practice model sits alongside the use of the disorganised attachment assessment model as the treatment stage of work with abusive families.

### ***Working with Adolescents***

- 3.11 It is intended to introduce a programme of training (as yet not identified) to enhance the skills of those working with challenging adolescents. This will be of particular value in the Teenage and Adolescent Parenting Service, Looked After and Leaving Care Teams and Youth Offending Team. It will also be extended to in-house foster carers to improve the stability of in-house placements for challenging young people as part of the Children's Social Care Strategy to reduce dependency on independent fostering placements and increase less expensive in-house foster placements.
- 3.12 The Children's Social Care and Safeguarding Team has reduced its dependency on social work locums from 43% to 10% and is working towards a target of 5%. This has allowed for teams to stabilise and more effective case management. Investment in training aimed at developing intervention skills is timely for Bromley and complements the Munro Review recommendations. It should greatly enhance our ability to retain staff, improve our service to children, families and the courts, a reduce placement costs in the medium term.

**4. FINANCIAL IMPLICATIONS**

- 4.1 The Social Work Improvement Fund grant is not a specific grant. There are no specific requirements for its use other than an indication that it should be used to support local change in social work. This funding could be used to offset some current expenditure which would in turn offset the current cost pressures in social care.
- 4.2 The Munroe funding is specific and cannot be used to offset current funding arrangements. It is intended that this grant is used to provide additional activities. Therefore this could not be offset against current expenditure.

<b>Non-Applicable Sections:</b>	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	

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# Agenda Item 9

Report No.  
RES11101

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 19 October 2011

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

**Title:** **POSSIBLE ARTICLE FOUR DIRECTION AT THE CHENIES,  
PETTS WOOD**

**Contact Officer:** Lisa Thornley, Democratic Services Officer  
Tel: 020 8461 7566 E-mail: lisa.thornley@bromley.gov.uk

**Chief Officer:** Mark Bowen

**Ward:** Petts Wood

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1. Reason for report

To consider whether the Council should seek, via the issue of a non-immediate Article 4 Direction, to withdraw permitted development rights for the insertion of roof lights in properties within The Chenies conservation area.

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2. **RECOMMENDATION**

**Members are requested to consider whether the issue of a non-immediate Article 4 Direction should be sought.**

### Corporate Policy

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

### Financial

1. Cost of proposal: N/A
  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: N/A
  2. Call-in: N/A
- 

### 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

### 3. COMMENTARY

The attached report (Appendix 1), was considered by Members of Development Control Committee on 8 September 2011. Members agreed that the character of The Chenies conservation area should be protected and having considered the two types of article 4, it was agreed that a non-immediate direction should be sought. It was further agreed that the report be referred to the next meeting of Executive for Members' views.

A copy of the relevant Minute from the DCC meeting is attached at Appendix 2.

<b>Non-Applicable Sections:</b>	Policy, Financial, Legal and Personnel
Background Documents: (Access via Contact Officer)	

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**MINUTE EXTRACT FROM THE DEVELOPMENT CONTROL COMMITTEE  
MEETING HELD ON 8 SEPTEMBER 2011**

**14 POSSIBLE ARTICLE FOUR DIRECTION AT THE CHENIES,  
PETTS WOOD**

Members considered whether an Article 4 Direction should be issued to withdraw permitted development rights for the insertion of roof lights in properties situated within The Chenies conservation area. The recent development of one property had given rise to concerns that an increase in similar proposals could result in potential harm to the conservation area.

The Chairman gave an overview of the options available to Members with regard to the issuing of Article 4 Directions.

Councillor Fawthrop thanked the Chairman and the Chief Planner for bringing this report for Member consideration. Councillor Fawthrop reported that the key issue was that the Chenies was one of the most picturesque roads within a conservation area and should be protected to ensure that it remains so. He therefore moved that a non-immediate Article 4 Direction be sought.

Councillor Auld seconded the motion, commenting that the issue under consideration referred to the Chenies in its entirety, not as individual houses. As the Direction would relate solely to the installation of rooflights, Councillor Auld could see no great difficulty with issuing a non-immediate Article 4 Direction.

Councillors Boughey, Jackson and Michael supported the motion reiterating the need to retain the character of the area.

Councillor Fookes suggested that residents of the Chenies should be consulted. The Chief Planner informed Members that if the recommendation to seek an Article 4 Direction was approved, then residents would be advised and kept informed of proceedings.

**RESOLVED that the Executive be requested to consider the issue of a non-immediate Article 4 Direction withdrawing permitted development rights for roof lights in The Chenies, Petts Wood, Conservation Area.**

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Report No.  
DRR11 106

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:**     **The Executive**

**Date:**                 **19<sup>th</sup> October 2011**

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

**Title:**                 **THE COUNCIL'S FINANCIAL STRATEGY - DELEGATED  
AUTHORITY FOR PROPERTY ACQUISITIONS**

**Contact Officer:**     Heather Hosking, Principal Valuer  
Tel: 020 8313 4421 E-mail: heather.hosking@bromley.gov.uk

**Chief Officer:**         Director of Renewal and Recreation

**Ward:**                 Borough Wide

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### 1. Reason for report

- 1.1 Members of the Executive agreed at their meeting on 7<sup>th</sup> September, subject to the approval of Council, to create a regeneration/investment fund of £10million and an invest to save fund of £14million. This report (subject to Council agreeing the creation of the funds) seeks agreement to delegate authority to the Director of Renewal and Regeneration, in consultation with the Director of Resources, the Leader of the Council and the Portfolio Holders for Resources and Renewal and Recreation, to take decisions on the purchase of properties that meet the Council's criteria.

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### 2. **RECOMMENDATION(S)**

- 2.1 Subject to the approval of Council to the Executive's decision to establish a regeneration/investment fund and an invest to save fund, the Executive is recommended to agree that decisions on the purchase of properties funded from these sources and costing in excess of £500,000 should be delegated to the Director of Renewal and Recreation in consultation with the Director of Resources, the Leader of the Council and the Portfolio Holders for Resources and Renewal and Recreation.

### Corporate Policy

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

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre:
  4. Total current budget for this head: £10 million in regeneration/investment fund plus potential to bid for part of the invest to save fund - £14million
  5. Source of funding: Regeneration/Investment Fund and Invest to save Fund.
- 

### Staff

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

### Legal

1. Legal Requirement: Statutory requirement. Statutory limitations exist on what can be purchased.
  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 The Executive considered a report from the Finance Director at its meeting on 7<sup>th</sup> September on the Council's Financial Strategy 2012/13 to 2015/16 (report no RES1107). This proposed the creation of an earmarked reserve of £10million which could be used to fund the acquisition of key investment opportunities. It also recommended that £14million should be set aside, funded from general reserves, to create an invest to save fund to enable "loans" to be provided for invest to save initiatives. In both cases it was proposed that the use of these funds would require the approval of the Executive.
- 3.2 Work has commenced to identify investment opportunities that would meet the aims set out in the Finance Director's report . These aims are to acquire properties for inclusion in the regeneration/investment portfolio which will provide key investment opportunities and which may also assist in the regeneration ambitions of the Council, resulting in the acquisition of assets to ensure value for money is obtained whilst seeking a long term alternative to current income streams. Effectively this should result in a level of income from investments being achieved which exceeds treasury management interest earnings. The work carried out so far has identified that, in order to acquire attractive investment opportunities, it is necessary to have a decision making process in place that can deliver decisions quickly. The timescale required to prepare and submit a report to the Executive could put the Council at a commercial disadvantage in the marketplace, where other investors are likely to be able to make offers and progress purchases more quickly. It is therefore recommended that a scheme of delegated authority be established to shorten the time taken to make a decision to purchase a property. If the criteria for purchase are met, it is recommended that a report providing full details of the proposal, including all the risks associated with a purchase, should be prepared seeking approval to proceed. The authority to approve a purchase could be delegated to the Director of Renewal and Recreation who would act in consultation with the Director of Resources, the Leader of the Council, the Resources Portfolio Holder and the Renewal and Recreation Portfolio Holder. The report, with details of the decision taken and the outcome, would then be submitted to the next available meeting of the Executive.
- 3.3 In the case of the invest to save opportunities there will be wider criteria relating to service/operational requirements that have to be met in progressing a proposal than when considering a property acquisition for the regeneration/investment objective. The Finance Director's report to the Executive on 7<sup>th</sup> September set out these criteria, which had been agreed by the Executive in 2009, and which are:
- Must provide net financial savings (significant savings with risk assessment to contribute towards reducing the budget gap)
  - Must provide additional progress towards meeting the Council's top priorities
  - Must have a reasonable pay back period
  - No further or alternative external funding is available
  - Clear identification of accountable officer, performance outcomes and monitoring arrangements to enable corrective action to be taken where required
  - Contributes towards additional performance improvement for the Council or stabilises current problem areas (mitigates against additional costs)

It was emphasised that any business case for funding an invest to save project had to be robust and the subject of a report to the Executive. It is anticipated that the property implications of an invest to save proposal could be reported to the Executive as part of the business case.

Authority for an acquisition could then be obtained, or, if appropriate, authority to proceed with a property acquisition could be delegated to relevant officers, in consultation with specified members as appropriate, on a case by case basis.

#### 4 POLICY IMPLICATIONS

- 4.1 These proposals accord with the Executive’s recommendation to Council which were contained in the report entitled “Update on the Council’s Financial Strategy 2012/13 to 2015/16 dated 7<sup>th</sup> September 2011.

#### 5 FINANCIAL IMPLICATIONS

- 5.1 The Executive is recommending to Council that a Regeneration/Investment Fund of £10million and an Invest to save Fund of £14m be set aside from general reserves. It should be noted that the acquisition of property will incur fees in the purchase process and stamp duty land tax which will form part of the cost of acquisition, and that on-going management costs will be incurred which will have to be deducted from the income generated from the investment. The investment would result in the acquisition of assets to ensure value for money is obtained whilst seeking a long term alternative to current income streams.

#### 6 LEGAL IMPLICATIONS

- 6.1 The scheme of Executive and Non-Executive Delegation to Officers already gives the Director of Renewal & Recreation and the Director of Resources delegated authority to approve the terms of any property transaction where there has been a decision of the Council, Executive, Executive Portfolio Holder, Committee or Sub-Committee, to acquire or dispose subject to a capital value of less than £500,000 or rental value less than £50,000. While this would cover the purchase of properties once the Council has approved the creation of the proposed fund, it is likely that the cost of purchasing such property will often exceed these limits.

<b>Non-Applicable Sections:</b>	Personnel Considerations
Background Documents: (Access via Contact Officer)	Report no RES11075 to the Executive, 7 <sup>th</sup> September 2011.

Report No.  
DRR11/091

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

**For Pre-Decision Scrutiny by the Environment PDS Committee**

**For Pre-Decision Scrutiny by the Renewal & Recreation PDS Committee**

**Date:** 19<sup>th</sup> October 2011 (Executive)  
4<sup>th</sup> October 2011 (Environment PDS)  
11<sup>th</sup> October 2011 (Renewal and Recreation PDS)

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

**Title:** PROPOSED GOVERNANCE OF CRYSTAL PALACE PARK

**Contact Officer:** Louisa Allen, Employment & Skills Manager  
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Colin.Brand, Assistant Director Renewal and Recreation  
Tel: 020 8313 4107 E-mail: [colin.brand@bromley.gov.uk](mailto:colin.brand@bromley.gov.uk)

**Chief Officer:** Marc Hume, Director of Renewal & Recreation

**Ward:** Penge and Crystal Palace Wards

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1. Reason for report

- 1.1 This report recognises Crystal Palace Park as a site of local, regional, national and international significance which now requires an alternative approach to its management to ensure that it is enjoyed for generations to come. The approved Masterplan for Crystal Palace Park, although subject to a judicial review, requires consideration to be given to the mechanism by which the Masterplan can be implemented and the need to attract significant external support and funding whilst retaining and increasing the support of local residents, interest groups and associations.
- 1.2 This report examines different options for the future governance of the park and recommends that management of the park in the form of a 'not-for-profit' organisation be further investigated. The report also suggests pursuing discussions with established and experienced organisations such as the National Trust, English Heritage and other industry sectors who have a history and reputation for managing green spaces.
- 1.3 Recognising the complexities of the park's history, the diverse range of parties that have an interest in the future of the park and the scale of resources likely to be required to implement

(in all or in part) the Masterplan, this report recommends the creation of the Crystal Palace Park Management Board (**Appendix 1**). The Board will be established to explore opportunities for the management, restoration, development and protection of Crystal Palace Park; recognising the site's multi-faceted historical significance and creating an environment which is valued and admired by local people and visitors alike.

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## **2. RECOMMENDATION(S)**

### **That the Environment PDS Committee and the Renewal & Recreation PDS Committee:**

- 2.1. Note the contents of the report and the consultation undertaken to date and provide the Executive with their comments.

### **That the Executive considers the comments of the Environment PDS Committee and the Renewal and Recreation PDS Committee to:**

- 2.2 Approve the creation of the Crystal Palace Park Management Board at (**Appendix 1**).
- 2.3 Agree that Officers support members of the Crystal Palace Park Management Board to:
- 2.3.1 Explore the 'not-for-profit' organisation governance option for the park;
  - 2.3.2 Pursue discussions with established organisations who have the experience and capability of managing green spaces, such as the National Trust and English Heritage;
  - 2.3.3 Investigate options for a challenge of the Lee Valley Regional Park Act 1966 in collaboration with neighbouring boroughs to obtain agreement to reinvest Bromley's funds into Crystal Palace Park.
  - 2.3.4 Agree that the Crystal Palace Park Executive Project Board bring back further reports to the Executive Committee with recommendations on the future management of Crystal Palace Park and any other significant developments.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Quality Environment.
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Crystal Palace Park
  4. Total current budget for this head: £495k
  5. Source of funding: Existing revenue budget 2011/12
- 

### Staff

1. Number of staff (current and additional): Approximately 1.5 FTE Rangers
  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): Park attendance figures for the annual total number of visits to Crystal Palace Park have been estimated from surveys carried out in December 2006 and July 2007 by Steer Davies Gleave, who were commissioned by the London Development Agency. Steer Davies Gleave estimate that there are approximately 1.67 million visitors a year to the site and National Sports Stadium, excluding visits for special events.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes.
2. Summary of Ward Councillors comments: Ward Members have been consulted on the Crystal Palace Park Management Structure which is proposed to explore the 'not-for-profit' organisation option in addition to other improvement projects for the park. Generally Ward Members views towards the scheme were favourable and positive. Some concerns were raised in respect of the membership of Crystal Palace Park Executive Project Board and suggested any organisation represented on the board that would potentially benefit financially from the proposals should have a non-voting position. They also requested that Ward Members are represented on the Executive Project Board as well as the Crystal Palace Park Stakeholder Groups.

### 3. COMMENTARY

3.1 This report outlines proposals to create a Crystal Palace Park Management Board to investigate alternative options for the future governance of Crystal Palace Park.

#### **Background**

3.2 Crystal Palace Park is an English Heritage Grade II listed park which was once home to Sir Joseph Paxton's Crystal Palace, the structure which originally housed the Great Exhibition in 1851. The London Borough of Bromley took control of Crystal Palace Park in 1986 from the Greater London Council. The Park's 200 acres incorporates a number of heritage features and the National Sports Centre, the latter being a separately managed entity.

3.3 This report recognises that Crystal Palace Park requires significant financial investment to its infrastructure to ensure that it can be enjoyed by generations to come.

3.4 In 1999, the park was awarded £4.4m from the Heritage Lottery Fund to restore 40% of the landscape and infrastructure. However, further investment is needed to restore, conserve, protect and develop the remaining elements of the park.

3.5 The London Borough of Bromley has not been able to guarantee the level of investment required given the park's status as a national asset. In the current economic climate where there are competing priorities on local authority funding, this is unlikely to improve.

3.6 Because the park is situated on the borders of five London boroughs; Bromley, Croydon, Lambeth, Lewisham and Southwark, it has evoked a diverse range of interest and support from a wide range of residents.

3.7 The Council granted the London Development Agency a 125 year lease of the National Sports Centre and grounds immediately surrounding the site on 25<sup>th</sup> March 2006. Since that date, under the terms of that lease, the London Development Agency have been wholly responsible for the National Sports Centre site, including insurance, although there is no covenant on their part to keep or maintain the buildings in any particular condition. A further 125 year lease (running for the same term) of that part of the Crystal Palace Park Farm not included in the National Sports Centre lease was subsequently granted to the London Development Agency to enable them to grant a lease of the whole of the farm to Capel Manor College for use as part of the college.

3.8 The agreement entered into between the Council and the London Development Agency which led to the lease of the National Sports Centre site also granted the London Development Agency an option to take a 125 year lease of the whole park. With the potential of taking over the management of the park, the London Development Agency commissioned Latz + Partner (a landscape architecture firm) to carry out extensive public consultation and create a landscape Masterplan for the park. The Masterplan has been approved by the Council but is currently with the Secretary of State under judicial review with a decision expected later on in the year.

3.9 The Masterplan applications for planning permission, Conservation Area Consent and Listed Building Consent were submitted in November 2007. In December 2008 the Development Control Committee resolved to grant permission, but the applications were called in by the Secretary of State for Communities (SoS) decision. A local inquiry took place between July and September 2009 and the Inspector's report of April 2010 was considered by the SoS, who granted permission in December 2010. This decision is subject to a legal challenge which awaits a hearing date.

3.10 The description of the planning application is as follows -

Comprehensive phased scheme for landscaping and improvement of the park, comprising demolition of and alterations to existing buildings and structures including removal of existing hard surfaces; changes of use, including of part of the caravan site to public open space and museum to park rangers base; erection of new buildings and structures for various uses including museum and park maintenance facilities, community facility/ information kiosk, greenhouses, retail kiosks, cafes, toilets, classroom/ children's nursery, treetop walk, college and up to 180 residential dwellings; erection of new regional sports centre including indoor swimming pool; alterations to ground levels with new pedestrian paths, vehicular access roads, car park, highway works, water features together with associated and ancillary works / plant and equipment (Part Outline/Part Full Application)

3.11 The aim of the Masterplan is to create a 21<sup>st</sup> century park which reflects Paxton's original ideas while responding to today's concerns and opportunities. The aim is that the park should be:

- Innovative
- Inspirational
- Trend – setting
- Recreational, fun and educational for all
- An exemplar of a modern sustainable park

This vision responds to heritage, current conditions and future needs, with an overall aim to re-establish the park's significance. It aims to conserve and strengthen the historic landscape character, by re-interpreting and revitalising Paxton's configuration and so recreating the character of the park as a whole.

3.12 In terms of the costs of implementing the Masterplan, the London Development Agency assigned the works to three "Levels".

1. Level one works involve basic restorative and remedial works which represent the minimum improvement necessary to restore the park. For example; remediation of contamination, archaeological excavations, removal of hardstandings, changes in levels, landscaping (including the terraces) and water features (cost £41.8M).
2. Level two works are intended to restore the park to regional park standard and will include the construction of two greenhouses, a cricket pavilion, additional playgrounds and water features and works to the concert bowl (cost £17.3M).
3. Level three works are intended to restore the park to both national and international standards and include the installation of a tree top walk and further water features (cost £8.9M).

3.13 The total cost of around £68M did not include certain elements that would attract grants and or other separate funding streams, for example the build of a new museum, restoration of the subway, restoration of the stonework of the listed terraces and works to the National Sports Centre. As such the total costs of implementing the Masterplan could be nearly twice the figure originally quoted. It was estimated that the receipt from the sale of the two residential sites would be in the region of £12.8M, but this estimate was prior to the recession. There are costs associated with releasing these sites, for example, the maintenance building on the Crystal Palace Park Road frontage has to be physically relocated and the One O' Clock Club needs to be relocated, potentially to the new children's nursery permitted on the Caravan Club site. There is a break clause in the lease of the Caravan Club in 2019, and it is unlikely that the land could be sold before then. As such

there are many “linkages” between the elements of the Masterplan, other examples being the phasing envisaged being reliant upon changes in level (and related stockpiling of soil), also the improvements to the National Sports Centre to convert it to dry sports only would not take place until the Regional Sports Centre (including its 50m pool) is complete. The re-establishment of Paxton’s central axis of the park by removal of the raised walkway and other structures adjacent to the National Sports Centre includes raising ground levels around the National Sports Centre – the works will visually reconnect the elements of the original layout by removing these barriers that exist in the centre of the Park.

- 3.14 The London Development Agency had until 31<sup>st</sup> March 2009 to exercise the option to take over the management of Crystal Palace Park but chose not to do so; the remainder of the park therefore remains the Council’s responsibility and liability. As a result, it is suggested that the Council looks at different options to reduce its liability and to ensure a more sustainable future for the park. Although the London Development Agency will be absorbed by the Greater London Authority during 2012 and therefore is no longer in a position to lease the park, both have and will be involved in discussions as to the park’s future and a new management arrangement that could carry out the Crystal Palace Park Masterplan.

### **Potential Governance Options for Crystal Palace Park**

#### Single Borough Governance

- 3.15 The park could be managed by a single London borough; Bromley, Croydon, Lambeth, Lewisham or Southwark, all of which adjoin the park.

- 3.16 The advantages of single borough governance are:

- A single local body that has experience of managing open spaces which already exists present the least difficulty initially.
- Local authorities have existing robust systems, procedures and accountability mechanisms.
- Local and national taxation provides an annual source of funding.
- Strategic management initiatives can reduce service delivery costs and liberate funding for other green space maintenance.

- 3.17 The disadvantages of single borough governance are:

- There is no evidence that any neighbouring borough wishes to take on the sole burden of managing Crystal Palace Park.
- As the management of parks and other public open spaces is not a statutory duty, it is unlikely that any of the boroughs will have sufficient and dedicated resources to look after the park effectively.
- Any resources available from a single borough would be subject to competition from other parks or priorities in spending.
- Ring-fencing income generated from Crystal Palace Park in order to develop and improve facilities and the grounds is likely to be difficult in light of other, more pressing, local authority funding commitments.



- The equity of running costs associated with a park of national significance may be brought into question in light of the fact that residents from all London boroughs, including those which abut the park, are entitled to use the site.

3.18 On evaluation, this report does not recommend a single borough governance option. This option does not provide the management, partnership and funding opportunities that Crystal Palace Park requires.

#### Multiple Borough Governance

3.19 The park could be managed by a consortium of local boroughs who would all contribute financially to the park.

3.20 The advantages of multiple borough governance are:

- The management and development costs could be more fairly shared amongst the boroughs that constitute the immediate catchment area.
- There could be some economies of scale if other local parks were also managed by this consortium.

3.21 The disadvantages of multiple borough governance are:

- No single body would be responsible for the park. A situation could arise where an individual borough withdraws funding and commitment due to other pressures and priorities.
- From a practical point of view, the park cannot be managed on a day-to-day level by several boroughs. One would need to take a lead or all five would need to appoint a subsidiary management body. The potential for bureaucratic complexity, and even conflict, could arise.
- This governance option also suffers from an unpredictable level of funding as competition for limited resources from statutory services remains an issue.

3.22 On evaluation, this report does not recommend a multiple borough governance option. The disadvantages outweigh the advantages of this arrangement.

#### Generic Regional Borough Governance

3.23 The management of the park would be transferred to an existing generic regional body (i.e. an organisation not primarily concerned with parks).

3.24 The advantages of generic regional borough governance are:

- If an appropriate body were identified, no new organisation needs to be set up.
- Generic regional bodies such as the Greater London Authority, or alternatively the Corporation of London, are regionally established organisations with extensive networks, influence and potential access to funds.

3.25 The disadvantages of generic regional borough governance are:

- No appropriate regional body appears to exist – particularly since the London Development Agency has made it clear that park management is now beyond its remit. (The Greater London Authority might be another possibility, although it currently

manages no parks at all and faces similar financial constraints as that of local authorities).

- It could be difficult for a regional body to satisfy the requirement for local accountability and provide appropriate opportunities for local stakeholder input.
- It is uncertain whether a regional body, primarily concerned with other matters, would have the expertise to effectively manage a large park of national importance.
- Ring-fencing of park income may not be possible.

3.26 On evaluation, this report does not recommend a generic regional borough governance option. Since the London Development Agency is going to be absorbed by the Greater London Authority it seems unlikely that a generic regional body will be prepared to extend their remit to include a park, particularly in the current economic climate.

#### Specialist Parks Authority Governance

3.27 The park could be managed by Royal Parks, the existing specialist parks authority. Alternatively a new London Parks Authority could be established.

3.28 The advantages to the specialist parks authority governance are:

- Crystal Palace Park would become part of a portfolio of high profile parks.
- There are potentially higher levels of income for maintenance.

3.29 The disadvantage of this option is that there could be questions raised to Members about local accountability and control with either model.

3.30 The specific disadvantages in relation to the Royal Parks option are:

- The Royal Parks body has made it clear that they are not looking to expand their portfolio. The Royal Parks option would require new legislation to make Crystal Palace Park crown land.
- Even if it were, any park it considers taking on would need a substantial dowry to cover future management and maintenance costs.

3.31 The specific disadvantage of a new London Parks Authority is that no such body exists at present and setting one up could present challenges.

3.32 On evaluation, specialist parks authority governance is not the preferred option, however further investigations will be carried out to ensure that this is evaluation is accurate.

#### **‘Not-for-profit’ organisation**

3.33 A new ‘not-for-profit’ organisation, for example a charitable trust, could be created with the sole purpose of caring for the management, development, protection and restoration of Crystal Palace Park .

3.34 The advantages of a ‘not-for-profit’ organisation are:

- Setting up a new ‘not-for-profit’ organisation is relatively straightforward.

- 'Not-for-profit' organisations can apply for external funding and grants for which statutory bodies are not eligible. The charitable status of 'not-for-profit' organisations can also bring tax-relief benefits.
- A 'not-for-profit' organisation can be structured to provide local accountability, opportunities for local input and is attractive to influential and dynamic individuals who wish to make a valuable contribution to a national asset.
- The 'not-for-profit' organisation can focus on raising additional monies and tap additional sources of income. They often have a strong entrepreneurial culture to access funding from a variety of sources such as other business opportunities and commercial finance.
- Trusts can encourage cohesion as interested residents and stakeholders, including the local authority, have opportunities to become members or trustees.
- Trusts can focus on green spaces and so would not face the competitive pressures inherent within local authorities.

3.35 The disadvantages of an independent 'not-for-profit' organisation are:

- Recruiting people with the right expertise to govern the trust could be a challenge.
- Fundraising and donor programmes can be more suitable for specific capital projects as they can be directly linked to new development initiatives. Funding for green space maintenance may therefore be limited.
- The composition of the trust could raise questions about equity of representation, especially from local groups.

3.36 On evaluation, this report recommends an independent 'not-for-profit' organisation for the future governance of Crystal Palace Park. Based on the findings above, this report suggests that the advantages associated with setting up an independent 'not-for-profit' organisation outweigh those of other governance options. It also suggests that the identified disadvantages could be managed by careful and effective planning. This model has been used successfully in a number of other parks across the country. Particularly successful examples include the Chiswick House and Gardens Trust ([www.chgt.org.uk](http://www.chgt.org.uk)) and the Nene Park Trust ([www.neneparktrust.org.uk](http://www.neneparktrust.org.uk)).

3.37 In summary, on evaluation of each of the identified governance options, this report recommends a 'not-for-profit' governance model for the future management of Crystal Palace Park and suggests that further investigation into the practicalities of this option should be made. It also recommends that some investigations should be made into the specialist parks authority governance model to ensure the evaluation in paragraph 3.32 is accurate. The report also recommends exploring management options with established industry standard organisations such as the National Trust, English Heritage and the Eden Project.

3.38 Given the complexities of the history and the diverse interests in Crystal Palace Park, if members choose to further investigate the 'not-for-profit' organisation governance model, this report recommends the adoption of the Crystal Palace Park Management Board (at **Appendix 1**).

#### The Crystal Palace Park Management Board (Appendix 1)

3.39 If the recommendations contained within this report are agreed, the Crystal Palace Park Management Board would be established to explore opportunities for the management, restoration, development and protection of Crystal Palace Park; recognising the site's multi-

faceted historical significance and creating an environment which is valued and admired by local people and visitors alike.

3.40 Robust terms of reference would be drawn up to set the ground rules for the operation of the Crystal Palace Park Management Board.

3.41 The Crystal Palace Park Management Board would be responsible for making recommendations to Bromley Council's Executive Committee which will determine the future management of Crystal Palace Park. This recommendation will place an emphasis on:

- Restoring and protecting Crystal Palace Park 's heritage and infrastructure
- Improving and developing community use and investment in the park
- Recognising the park's local, regional and national significance
- Determining and securing the park's importance for the future.

3.42 It is suggested that the Crystal Palace Park Management Board members all work towards the following aims:

- To examine and agree a legal structure for the future management of Crystal Palace Park .
- To challenge the Lee Valley Regional Park Act 1966 in collaboration with neighbouring boroughs to obtain agreement to reinvest Bromley's funds into Crystal Palace Park.
- To approve and champion capital and revenue projects that improve the usage and visitor experience at Crystal Palace Park.
- To examine and pioneer different opportunities for investment at Crystal Palace Park.
- To work closely with the Mayor of London to:
  - Explore a regional status for Crystal Palace Park
  - Enter into discussions with the National Trust, English Heritage and other industry sectors about the future governance of Crystal Palace Park .
- Develop employment and skills opportunities at Crystal Palace Park.

3.43 It is suggested that the work of the Crystal Palace Park Management Board be subject to monitoring and evaluation by the London Borough of Bromley.

3.44 The Crystal Palace Park Management Board shall take the following form:

Crystal Palace Park **Executive Project** Board (**Appendix 1, Box 1**)

3.44.1 It is suggested that the Crystal Palace Park **Executive Project** Board oversee and implement the work of the Crystal Palace Park Management Board by making recommendations as appropriate to Bromley Council's Executive Committee.

3.44.2 The recommended membership for the Executive Project Board includes representatives from:

London Borough of Bromley (Councillors)

Greater London Authority (senior representation)

The Eden Project

English Heritage

Capel Manor College

National Sports Centre

Two Community Representatives

London Borough of Bromley Project Team (**Appendix 1, Box 2**)

3.44.3 It is proposed that a group of existing officers will support the Crystal Palace Park Management Board, by establishing the Crystal Palace Park Stakeholder Groups and providing on going support.

Crystal Palace Park Stakeholder Groups

3.44.4 It is recommended that the Executive Project Board establish four Crystal Palace Park Stakeholder Groups including:

Community (**Appendix 1, Box 4**)

Site Management (**Appendix 1, Box 5**)

Heritage (**Appendix 1, Box 6**)

Borough Councils (**Appendix 1, Box 7**)

3.44.5 It is suggested that each stakeholder group be given responsibility for investigating and delivering options for the park as directed by the Executive Project Board. Similarly these stakeholder groups will be supported by officers within the Renewal and Recreation Department.

3.45 All individuals recruited to the Crystal Palace Park Management Board will have the authority, relevant skills and experience as required for their roles.

3.46 Local communities that use and surround Crystal Palace Park are represented by a significant number of community interest groups, all of which have been involved in the promotion of the site over time.

3.47 A successful Crystal Palace Park Community Conference organised by the Crystal Palace Working Group was held on 20<sup>th</sup> May 2011 attended by over 70 people. Attendees included the Leader of the London Borough of Bromley, London Borough of Bromley Councillors, neighbouring borough councillors and politicians, local community representatives, local park users, the London Borough of Bromley and neighbouring borough officers and English Heritage. There was significant accord to finalise the status and future management of the park, continued regeneration of the landscape and for further work to reflect the vision and framework of the Masterplan.

3.48 In recognition of their contributions and due to the diversity of these groups, it is suggested that two Executive Project Board places are reserved for community representatives. Furthermore, it is recommended that a new Community Stakeholder Group be formed with appointed community representatives.

- 3.49 Since the conference, officers have met with a number of community groups to discuss the Crystal Palace Park Management Board and future management options for the park. The majority of those consulted have been in favour of exploring next steps, one group would like to increase the community representation on the Crystal Palace Park Executive Board from two members to four.
- 3.50 It is suggested that all community representatives including a newly recruited Community Stakeholder Group to be recruited through advertisements placed in local and national newspapers and a formal interview process to ensure that the community is fairly and appropriately represented. These opportunities will be proactively promoted to all existing community interest groups and to all other local residents in and around the area. It is suggested that Community Links could be involved in the recruitment process to demonstrate transparency.
- 3.51 The Crystal Palace Park Executive Management Board will have the option to co-opt additional individuals into the structure in an advisory capacity as and when they deem it necessary.

### Project Timetable

- 3.52 Should the Executive Committee approve the creation of the Crystal Palace Park Management Board which includes key national, regional and local organisations along with neighbouring boroughs, to investigate and commence implementation of a 'not-for-profit' organisation, a suggested timetable for the development phase of this project would as follows:

Advertise, interview and appoint two Executive Project Board community representative members	End November 2011
Hold first Executive Project Board meeting and agree Terms of Reference	End November 2011
Set up four stakeholder groups and agree tasks <i>Including formal recruitment process for Community stakeholder Group membership opportunities. See Appendix 1, boxes 4,5,6,7.</i>	End December 2011
A Community Conference to report on progress, galvanise the vision	April 2012
Stakeholder Groups' tasks completed	End October 2012
Report back to the Executive on progress and findings	End November 2012

- 3.53 The report to the Executive in November 2012 will report on the following:
- The most suitable 'not-for-profit' organisational structure for the management of Crystal Palace Park including discussions with existing well established organisations managing green space.
  - Advise Members of the potential to challenge the Lee Valley Regional Park Act 1966 with a view to seeking agreement to reinvest the borough's contribution in Crystal Palace Park instead.

- Capital and revenue investments, funding and grant opportunities available to draw down money for improvements to the site and facilities therein.

#### 4. POLICY IMPLICATIONS

4.1 The proposals deliver the Building a Better Bromley promise for 2011/12 to develop the parks, leisure and sports offer at Crystal Palace Park in line with the Crystal Palace Park Masterplan. The planning policies in the London Plan and Bromley Unitary Development Plan are both proactive and protective in relation to the Park, in that they encourage its function to provide for a wide range of recreational and sporting activities and protect its sensitivity in open space, landscape and heritage terms.

#### 5. FINANCIAL IMPLICATIONS

5.1 The latest approved budget for Crystal Palace Park is as follows: -

<b>Expenditure type</b>	<b>2011/12 £'000</b>
Employees	56
Other running expenses (incl ground maintenance costs)	345
Income	(29)
<b>Net controllable budget</b>	<b>372</b>
<b>Non-controllable costs &amp; recharges</b>	
Other departmental recharges	98
Repairs & Maintenance (Property)	172
Rental income (Property)	(199)
Insurance & capital charges	52
<b>Total net budget</b>	<b>495</b>

5.2 Any financial implications of options for the future management of the park will be reported back to Members once investigations have been completed.

#### 6. LEGAL CONSIDERATIONS

6.1 Crystal Palace Park was originally run by private enterprise in the nineteenth century and in 1914 the Crystal Palace Act established a body of Trustees to acquire the palace and park and empower them to hold and manage them as a place of public resort and recreation. The main objects of the Trust being to maintain and manage the Park “as a place for education and recreation and for the promotion of industry, commerce and art.”

6.2 This Act was substantially repealed by the London County Council (Crystal Palace) Act 1951 which vested the Palace and Park in the London County Council. Whilst the objects of the Trust survived as “functions” of the London County Council, as defined in the London Government Act 1963, the Trust itself did not. Hence consideration of the management of the site became a matter of public administrative law rather than Trust law.

6.3 The 1951 Act set out detailed powers to be exercised by the London County Council in managing the site and these would have been passed over to the Greater London Council which assumed responsibility for the site in 1965 following the dissolution of the London County Council pursuant to the London Government Act 1963.

6.4 The Greater London Council itself was dissolved in 1986 and its functions were distributed amongst the existing London Borough Councils. Although there was discussion at the time as to how the management of the site should be managed there was no agreement on a

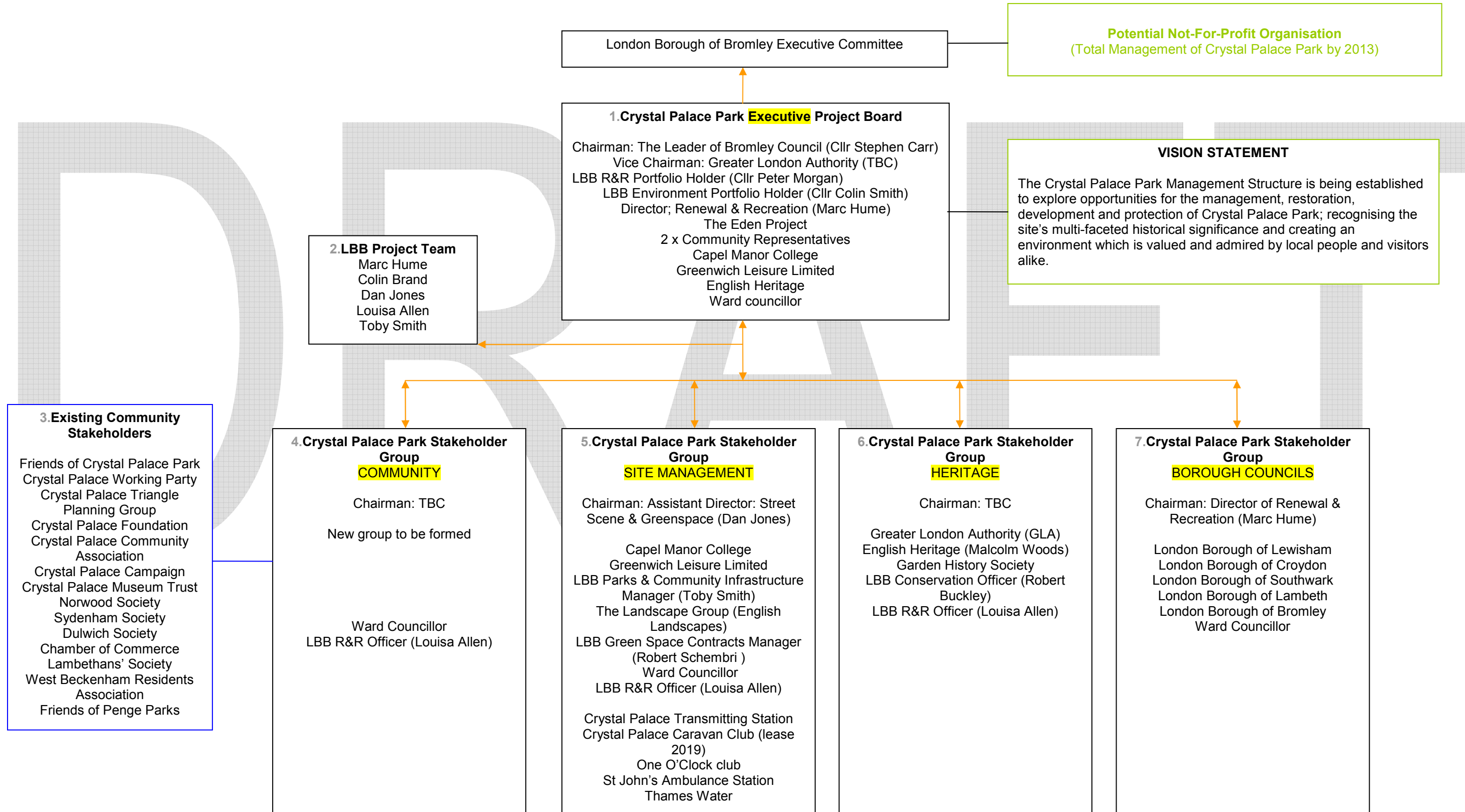
group of three Boroughs managing it and Bromley Council indicated that it was willing to take over sole responsibility subject to honouring certain existing legal agreements.

- 6.5 The park remains subject to the outstanding provisions of three Acts of Parliament which impose statutory restrictions on the use of the park. These restrictions effectively divide the park into three zones with specific restrictions on what can be done in each zone. Over the years a wide variety of commercial and non commercial activities have been permitted at the site and any future proposals for redevelopment will need to take account of these. The Acts would not prevent the Council from leasing or transferring the ownership of the park but their provisions remain in effect and will continue to bind the use and operation of the park, whatever the ownership arrangements, so that any proposals which go beyond what is permitted by statute may require a further private Act of Parliament before they could proceed.
- 6.6 The London Development Agency, although in the process of being absorbed and transferred into the Greater London Authority, was responsible for producing the Crystal Palace Masterplan which is currently the subject of judicial review. It is this document which currently informs future thinking on the redevelopment of the site. However the management structure recommended to Members clearly allows for on going consultation with stakeholders and others which is an integral part of any future proposals and minimise the likelihood of further legal challenges and delays to redevelopment of the site.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	Crystal Palace Masterplan



PROPOSED CRYSTAL PALACE PARK MANAGEMENT BOARD (Development Phase)



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Report No.  
RES11117

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:** Executive  
Council

**Date:** Executive on 19<sup>th</sup> October 2011  
Council on 24<sup>th</sup> October 2011

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

**Title:** TREASURY MANAGEMENT - Q1 PERFORMANCE 2011/12

**Contact Officer:** Martin Reeves, Principal Accountant (Technical & Control)  
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

**Chief Officer:** Director of Resources

**Ward:** All

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### 1. Reason for report

- 1.1 This report summarises treasury management activity during the first quarter of the financial year 2011/12 and provides a general update on interest rates and on the current economic climate. The report also includes an update on the Council's investment with Heritable Bank (paragraph 3.15) and proposes a change to the investment criteria that form part of the Council's Annual Investment Strategy that will require the approval of full Council. Treasury management performance is usually reported quarterly to the Executive & Resources PDS Committee for decision by the Resources Portfolio Holder, but there is an urgent need for this matter to be considered at full Council on 24<sup>th</sup> October. For this reason, the 1<sup>st</sup> quarterly report of 2011/12 is being reported to the Executive.
- 

### RECOMMENDATION(S)

The Executive is requested to:

- (a) Note the report and
- (b) Recommend to Council that the proposed increase in the investment limit for the part-nationalised banks, Lloyds TSB and the Royal Bank of Scotland, from £40m to £60m be approved (see paragraph 3.18).

Council is requested to:

- (a) Note the report;
- (b) Consider comments from the Executive and

**(c) Approve an increase in the investment limit for the part-nationalised banks, Lloyds TSB and the Royal Bank of Scotland, from £40m to £60m.**

### Corporate Policy

1. Policy Status: Existing policy. To seek to achieve the highest rate of return on investments whilst maintaining appropriate levels of risk, particularly security and liquidity.
  2. BBB Priority: Excellent Council.
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Interest on balances
  4. Total current budget for this head: £2.691m (net) in 2011/12; surplus of £700k currently forecast
  5. Source of funding: Net investment income
- 

### Staff

1. Number of staff (current and additional): 0.4 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 Changes to the Annual Investment Strategy require Council approval
- 

### 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

#### General

3.1 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year describing the activity compared to the strategy. In practice, the Director of Resources has reported quarterly on treasury management activity for many years, as well as reporting the annual strategy before the year and the annual report after the year. This report includes details of treasury management activity during the first quarter of the financial year 2011/12 and includes details of investments in place as at 30<sup>th</sup> June 2011 (Appendices 1 and 2) together with commentaries from our external advisers, Sector Treasury Services Ltd, on the economic background in the June quarter (Appendix 3) and a summary of their outlook (Appendix 4) and their thoughts on future interest rates (Appendix 5). A change to the investment limit for the part-nationalised banks, Lloyds TSB and the Royal Bank of Scotland, is proposed (paragraph 3.18) and the Executive is asked to recommend this to full Council.

#### Annual Investment Strategy

3.2 The Treasury Management Strategy Statement (TMSS) for 2011/12, which includes the Annual Investment Strategy, was approved by the Council on 28<sup>th</sup> February 2011. It sets out the Council's investment priorities in the following order:

- Security of Capital;
- Liquidity; and
- Yield.

3.3 The Council will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate, it is considered appropriate to keep investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 2 years with nationalised and part-nationalised UK banks and up to 1 year with highly credit rated financial institutions. This strategy was approved by full Council in February 2011 and, although there remains the potential for further financial difficulties, both in the Eurozone and further afield, it is not recommended that this "core" strategy be amended at this time. Officers will, however, continue to monitor the position and will consider external advice and any other information available before determining the lending period with individual institutions. Proposed changes to counterparty limits are outlined in paragraph 3.18 below.

3.4 Investment rates available in the market have continued at historically low levels. The average level of funds available for investment purposes during the quarter was £198.2m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.

3.5 Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30<sup>th</sup> June 2011.

#### Treasury Performance in the quarter 1<sup>st</sup> April 2011 to 30<sup>th</sup> June 2011

3.6 **Borrowing:** The Council's healthy cashflow position has continued into 2011/12, as a result of which there was no borrowing during the first three months of the year. In 2009/10, only four loans were taken out to cover short-term cashflow shortages and, in 2010/11, only one small overnight loan (for £800k) was taken out in March 2011.

3.7 **Investments:** The following table sets out details of investment activity during the first three months of the year:-

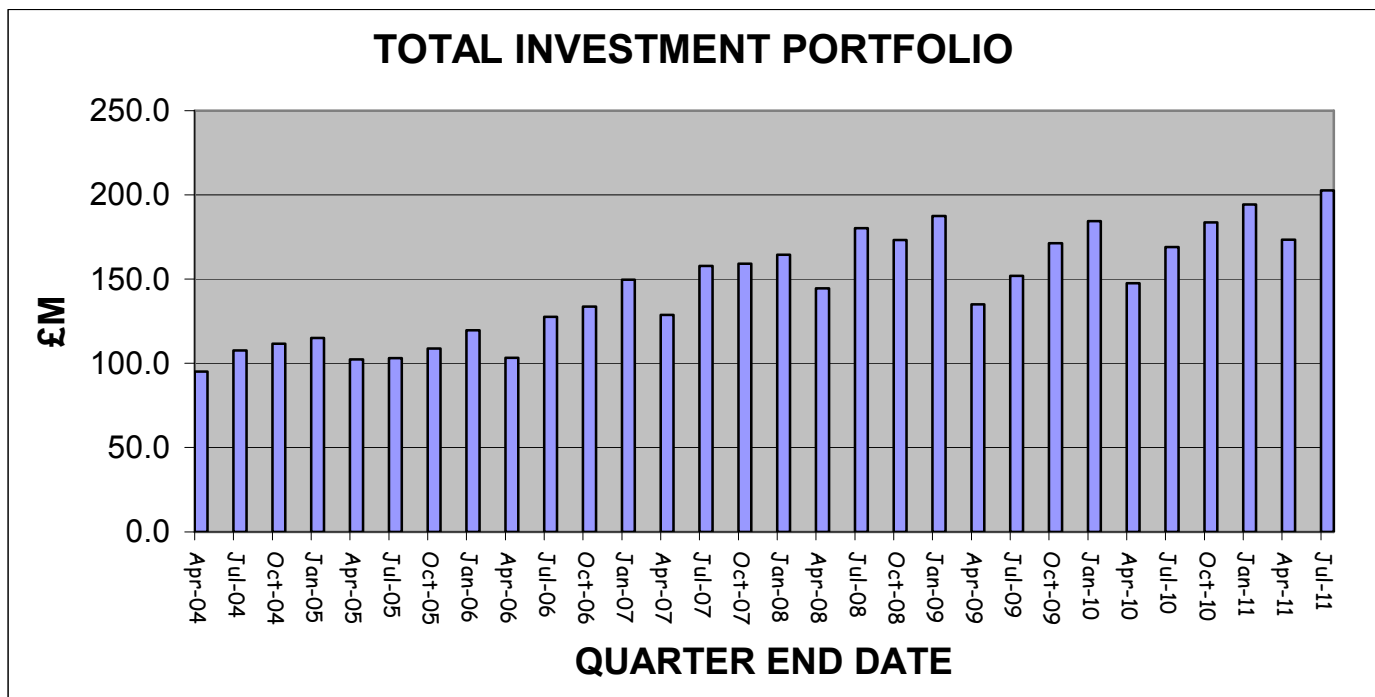
<b>Main investment portfolio</b>	<b>Deposits £m</b>	<b>Ave. Rate %</b>
“Core” investments as at 31/03/11	161.5	1.86
Investments made in Q1 2011/12	32.5	1.59
Investments redeemed in Q1 2011/12	-32.5	1.55
Total “Core” Investments 30/06/11	161.5	1.96
35-day notice – Svenska Handelsbanken	15.0	
Money Market Funds/Instant Access	21.0	
<b>Total Investments as at 30/06/11</b>	<b>197.5</b>	
Heritable deposit – frozen (see para 3.15)	5.0	6.42

3.8 Details of the outstanding investments at 30th June 2011 are shown in maturity date order in Appendix 1 and by individual counterparty in Appendix 2. The average return on all new “core” investments during the June quarter was 1.59% which may be compared with the average 3 month LIBID rate of 0.70% and the average 7 day rate of 0.46%.

3.9 Credit ratings changes, particularly since the Icelandic banking crash in October 2008, resulted in the removal of many of our established counterparties from our lending list and it has since been difficult to identify institutions to place money with. As a result, much greater use has been made of Money Market Funds, which provide a safe haven and instant access, but offer considerably lower interest rates.

3.10 Base rate has now been 0.5% since March 2009 and the latest forecast by Sector is for it to remain at that level until the end of 2012. This estimate has slipped back a year in the space of the last 4 or 5 months. Most of the institutions that remain on our lending list at this time are offering around 0.90% for 3 months up to 1.7% for 1 year, which are both slightly higher than in July. Better rates (around 1.25% for 3 months up to 2.2% for a year) are available from Lloyds TSB, while Santander are currently offering 1.26% and 2.1% respectively. In February 2010, the Portfolio Holder agreed changes to the Council’s investment strategy, which permitted investment for up to 2 years with the largely-government owned Lloyds TSB and Royal Bank of Scotland (since November 2008, following the Icelandic banking crash, investments had been limited to a maximum period of 1 year). The “core” investments placed during the first quarter of 2011/12 were placed for between 6 months and a year (at that time anticipating no rise in interest rates until mid-2011 at the earliest) or in instant access money market funds. One investment was, however, placed for two years when it began to appear likely that the forecast upturn in rates would be delayed. The Finance Director will continue to monitor rates and counterparty quality prior to any investment decisions.

3.11 The graph below shows total investments at quarter-end dates back to 1<sup>st</sup> April 2004 and shows how available funds have increased steadily over the years, largely due to increased and earlier government funding. This has been a significant contributor to the over-achievement of investment income against budget in recent years, although this has now been fully factored into the revenue budget.



## Other accounts

### 3.12 Money Market Funds

The Council currently has 6 Money Market Fund accounts, with Aviva, Fidelity, Prime Rate, Insight, Blackrock and Ignis. The Prime Rate, Blackrock and Ignis accounts were opened during 2009/10 in order to provide a degree of added flexibility and following consultation with our external advisers. In common with market rates for fixed-term investments, interest rates on money market funds have also fallen considerably. In November 2008, Aviva changed the valuation arrangement for its fund, moving from a constant net asset value of £1 per share to a mark-to-market basis (i.e. a variable net asset value). The Council has not invested in the fund at all since then and will not do so while this valuation arrangement continues, as there is a potential for loss of principal sums. Following the changes to the investment strategy approved by Council in October 2009, in February 2010 and, more recently, in October 2010, investments were moved away from money market funds into fixed term deposits, enabling the Council to improve returns. As expected, the balance in these funds reduced considerably during the last two months of 2010/11 as funds were withdrawn to cover diminishing Council Tax receipts and increasing expenditure in the final quarter, but, in the first quarter of 2011/12, balances have again been high.

Money Market Fund	Date Account Opened	Ave. Rate 2011/12 (to 30/6/11) %	Ave. Daily Balance 2011/12 £m	Actual Balance 30/06/11 £m	Current Balance 10/10/11 £m	Current Rate 10/10/11 %
Prime Rate	15/06/09	0.78	3.1	11.2	15.0	0.87
Ignis	25/01/10	0.77	2.7	9.8	15.0	0.83
Insight	03/07/09	0.66	0.4	-	0.5	0.69
Blackrock	16/09/09	-	-	-	-	0.59
Fidelity	20/11/02	-	-	-	-	0.59



### 3.13 Notice Accounts

In April 2011, the Council placed £15m in a 35-day notice account with Svenska Handelsbanken (Sweden). The total of £15m is still currently invested and has earned interest at a rate of 0.85% and the average daily balance in the first quarter of 2011/12 was £3.0m.

### 3.14 External Cash Management

External cash managers, Tradition UK Ltd and Sterling International Brokers Ltd, were both appointed to manage £10m of our cash portfolio in August 2003. The Portfolio Holder agreed, in February 2010, that the arrangement with one of the two external cash managers, Sterling International Brokers Ltd, be terminated and that their £10m fund be transferred as investments mature to Tradition UK, bringing their total up to £20m. This followed a detailed review of the relative performance of both cash managers and the Council's in-house treasury team. At the time of writing this report (22<sup>nd</sup> September 2011), Tradition UK had achieved a return of 1.54% since 1<sup>st</sup> April 2011 (mainly bolstered by the two longer term investments placed in May and August (see table below). Tradition UK, like the Council's in-house team, have been constrained by strategy changes approved after the Icelandic Bank crisis. Details of externally managed funds placed on deposit as at the time of writing this report are shown below.

Sum	Start Date	Maturity	Period	Rate
<b>Tradition UK</b>				
£2.5m	17/05/11	22/03/12	10 months	1.25%
£5m	10/06/11	22/03/12	9.5 months	1.23%
£5m	12/08/11	27/03/12	7.5 months	1.20%
£2.5m	17/05/11	27/07/12	14.5 months	2.65%
£5m	17/08/11	16/08/13	2 years	2.80%

### 3.15 Investment with Heritable Bank

Members will be aware from regular updates to the Resources Portfolio Holder and the Executive that the Council had £5m invested with the Heritable Bank, a UK subsidiary of the Icelandic bank, Landsbanki, when it was placed in administration in early-October 2008 at which time our investment was, and still is, frozen. The latest estimate given by the administrators, Ernst & Young, late in September 2011 indicates a likely return of between 86% and 90% of our claim. This latest estimate is a significant improvement on the previous estimate of between 79% and 85% and Council officers and our external advisers remain hopeful of an even better result. An initial dividend of 16.13p in the pound (£820k) was paid to the Council in July 2009 and, since then, a further seven dividends have been received. As a result, around 60% of our claim (£3,073k) has been returned to us so far.

For information, the claim we were obliged to submit consisted of the principal sum (£5m) plus interest due to the date on which Heritable was placed in administration (around £87,000). We were not able to lodge a claim for the full amount of interest (£321,000) that would have been due at the original investment maturity date (29/6/09). In accordance with proper accounting practice and guidance from CIPFA, we made provision in our 2008/09 accounts for an impairment loss of £1.64m and met this from the General Fund in the year. In line with revised guidance from CIPFA relating to the 2009/10 accounts, we were able to reduce the impairment by £300k and this sum was credited to the General Fund. Although we could have made a further reduction to the impairment loss in 2010/11, we decided to err on the side of caution and made no further adjustments to the accounts. The recent increased recovery estimate of between 86% and 90% would potentially enable us to reverse a further £0.7m of the impairment, which would be credited to the General Fund as additional interest income.

## Proposed changes to counterparty limits

- 3.16 Since the Icelandic banking crisis in October 2008, ratings downgrades and other factors have caused the Council's lending list to contract significantly and it has, on occasions, been difficult to identify a counterparty to invest with. Prior to October 2008, we were able to invest for up to 5 years with a large number of banks and, significantly, a large number of building societies. In setting eligibility criteria for the inclusion of counterparties on our list, a number of factors are taken into account, the main one of which was, and still is, credit ratings. Since October 2008, the credit ratings agencies have all taken a very cautious approach to ratings, as a result of which we have only been able to invest in a handful of UK clearing banks (primarily HSBC, Barclays, Lloyds TSB, RBS, Santander and Clydesdale) and just one building society (Nationwide).
- 3.17 Limits for these institutions are nearly always fully utilised and investments are only placed as and when maturities occur. Surplus cash over and above the sums invested with these institutions is placed in instant access money market funds or in 30 to 35-day notice accounts earning relatively poor interest rates. The restrictions on our lending list have resulted in large sums being placed in low interest accounts and this has had a significant impact on the Council's interest earnings. Around £25m is currently invested at an average rate of around 0.85% (£210k in a full year) and we could broadly expect to double this if we were able to place more with eligible UK banks and building societies.
- 3.18 As is outlined above, the continuing problem of counterparty availability is severely limiting our options for investing money and for maximising return at minimum additional risk. In October 2010, as an interim solution, the Council agreed that investment limits be increased as follows for the UK banks and building societies that remain on our lending list.

Lloyds TSB & RBS – increased from £30m to £40m (c.20% of current portfolio total of £200m)  
Barclays & HSBC – increased from £25m to £30m  
Santander, Clydesdale & Nationwide – increased from £15m to £20m

This has provided a temporary solution, although we are currently full to our limit with most of these institutions. The market remains uncertain and advisers remain cautious about financial institutions in general and, in particular, about building societies. Following recent discussions with Sector, ***it is now proposed that the total investment limit for the two part-nationalised banks, Lloyds TSB and Royal Bank of Scotland, be increased to £60m.*** This would represent around 30% of our current investment portfolio and would enable us to invest more money with both and, consequently, less money with low-interest instant access accounts. Sector advise that this would be prudent in the current economic climate. No changes to the maximum investment duration periods are proposed at this stage, although officers will continue to monitor the position in respect of maturing investments and will consider external advice as appropriate. The changes will require the approval of full Council.

## Regulatory Framework, Risk and Performance

- 3.19 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
  - The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2009/10);

- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the CLG has issued Investment Guidance to structure and regulate the Council's investment activities;
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8<sup>th</sup> November 2007.

3.20 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

**4. POLICY IMPLICATIONS**

4.1 In line with government guidance, the Council's policy is to seek to achieve the highest rate of return on investments whilst maintaining appropriate levels of risk, particularly security and liquidity.

**5. FINANCIAL IMPLICATIONS**

5.1 An average rate of 1.5% was assumed for interest on new investments in the 2011/12 revenue budget (£2.69m), in line with estimates provided in January 2011 by the Council's external treasury advisers. The average rate obtained on all new investments placed since the budget was agreed is slightly above this at around 1.70%. Rates are still expected to rise, but the expected start of the rise has been put back to the end of 2012 at the earliest. The latest financial forecast assumes 1.5% in 2012/13, 2.00% in 2013/14, 2.5% in 2014/15 and 3.0% in 2015/16. A variation of 0.25% in these assumptions would result in a variation in interest earnings of around £400k pa from 2012/13. The latest forecast for 2010/11 is for a surplus of £700k as a result of the recent improvement in the Heritable administrator's recovery estimate (see paragraph 3.15).

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	CIPFA Code of Practice on Treasury Management CIPFA Prudential Code for Capital Finance in Local Authorities CLG Guidance on Investments External advice from Butlers and Sector

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## INVESTMENTS HELD AS AT 30th JUNE 2011

Counterparty	Start Date	Maturity Date	Rate of Interest %	Amount
<b>FIXED TERM DEPOSITS</b>				
Nationwide Building Society	07/10/10	07/07/11	1.16	£5,000,000
Barclays Bank Plc	02/11/10	02/08/11	1.23	£5,000,000
Barclays Bank Plc	12/11/10	12/08/11	1.25	£5,000,000
Lloyds TSB Bank	17/08/10	17/08/11	2.05	£5,000,000
Lloyds TSB Bank	17/09/10	19/09/11	1.90	£2,500,000
Santander	23/09/10	23/09/11	1.84	£5,000,000
Nationwide Building Society	18/02/11	21/10/11	1.20	£5,000,000
Lloyds TSB Bank	27/10/10	27/10/11	1.90	£5,000,000
Santander	02/11/10	02/11/11	1.86	£5,000,000
Nationwide Building Society	02/11/10	02/11/11	1.35	£5,000,000
Clydesdale Bank	05/05/11	07/11/11	1.12	£5,000,000
Royal Bank of Scotland	15/11/10	15/11/11	1.43	£10,000,000
Barclays Bank Plc	07/01/11	09/01/12	1.49	£5,000,000
Barclays Bank Plc	17/01/11	17/01/12	1.54	£4,000,000
Clydesdale Bank	04/05/11	06/02/12	1.24	£5,000,000
Barclays Bank Plc	06/05/11	06/02/12	1.31	£5,000,000
Royal Bank of Scotland	04/03/10	05/03/12	2.28	£5,000,000
Royal Bank of Scotland	15/03/10	15/03/12	2.30	£5,000,000
Royal Bank of Scotland	17/03/10	19/03/12	2.33	£5,000,000
Clydesdale Bank	17/05/11	22/03/12	1.25	£2,500,000
Clydesdale Bank	10/06/11	22/03/12	1.23	£5,000,000
Barclays Bank Plc	31/03/11	31/03/12	1.58	£5,000,000
Santander	31/03/11	31/03/12	1.97	£5,000,000
Lloyds TSB Bank	28/04/10	30/04/12	2.30	£5,000,000
Santander	24/06/11	25/06/12	1.95	£5,000,000
Lloyds TSB Bank	17/05/11	27/07/12	2.65	£2,500,000
Lloyds TSB Bank	26/10/10	26/10/12	2.45	£10,000,000
Lloyds TSB Bank	17/11/10	19/11/12	2.45	£5,000,000
Royal Bank of Scotland	18/01/11	18/01/13	2.68	£10,000,000
Lloyds TSB Bank	31/03/11	28/03/13	2.75	£5,000,000
Royal Bank of Scotland	31/03/11	28/03/13	2.40	£2,500,000
Royal Bank of Scotland	19/04/11	19/04/13	2.40	£2,500,000
				£161,500,000
<b>OTHER</b>				
Prime Rate Money Market Fund		Instant access account	0.79	£11,200,000
Ignis Money Market Fund		Instant access account	0.79	£9,800,000
Svenska Handelsbanken		35-day notice account	0.85	£15,000,000
<b>TOTAL INVESTMENTS AS AT 30th JUNE 2011</b>				<b>£197,500,000</b>
<b>ICELANDIC BANK DEPOSIT (not included above)</b>				
Heritable Bank	28/06/07	29/06/09	6.42	£5,000,000
Less: Dividend received to 30/6/11 (56.4%)				-£2,817,943
Principal sum unrecovered as at 30/6/11 (43.6%)				£2,182,057

## INVESTMENTS HELD AS AT 30/06/11

	FROM	TO	RATE	£m	TOTAL £m	LIMIT	REMAINING
<b>UK BANKS</b>							
SANTANDER BANK PLC	23/09/10	23/09/11	1.84	5.0			
SANTANDER BANK PLC	02/11/10	02/11/11	1.86	5.0			
SANTANDER BANK PLC	31/03/11	31/03/12	1.97	5.0			
SANTANDER BANK PLC	24/06/11	25/06/12	1.95	5.0	20.0	20.0	0.0
BARCLAYS BANK PLC	02/11/10	02/08/11	1.23	5.0			
BARCLAYS BANK PLC	12/11/10	12/08/11	1.25	5.0			
BARCLAYS BANK PLC	07/01/11	09/01/12	1.49	5.0			
BARCLAYS BANK PLC	17/01/11	17/01/12	1.54	4.0			
BARCLAYS BANK PLC	06/05/11	06/02/12	1.31	5.0			
BARCLAYS BANK PLC	31/03/11	31/03/12	1.58	5.0	29.0	30.0	1.0
CLYDESDALE BANK	05/05/11	07/11/01	1.12	5.0			
CLYDESDALE BANK	04/05/11	06/02/12	1.24	5.0			
CLYDESDALE BANK	17/05/11	22/03/12	1.25	2.5			
CLYDESDALE BANK	10/06/11	22/03/12	1.23	5.0	17.5	20.0	2.5
LLOYDS TSB BANK	17/08/10	17/08/11	2.05	5.0			
LLOYDS TSB BANK	17/09/10	19/09/11	1.90	2.5			
LLOYDS TSB BANK	27/10/10	27/10/11	1.90	5.0			
LLOYDS TSB BANK	28/04/10	30/04/12	2.30	5.0			
LLOYDS TSB BANK	17/05/11	27/07/12	2.65	2.5			
LLOYDS TSB BANK	26/10/10	26/10/12	2.45	10.0			
LLOYDS TSB BANK	17/11/10	19/11/12	2.45	5.0			
LLOYDS TSB BANK	31/03/11	28/03/13	2.75	5.0	40.0	40.0	0.0
ROYAL BANK OF SCOTLAND	15/11/10	15/11/11	1.43	10.0			
ROYAL BANK OF SCOTLAND	04/03/10	05/03/12	2.28	5.0			
ROYAL BANK OF SCOTLAND	15/03/10	15/03/12	2.30	5.0			
ROYAL BANK OF SCOTLAND	17/03/10	19/03/12	2.33	5.0			
ROYAL BANK OF SCOTLAND	18/01/11	18/01/13	2.68	10.0			
ROYAL BANK OF SCOTLAND	31/03/11	28/03/13	2.40	2.5			
ROYAL BANK OF SCOTLAND	19/04/11	19/04/13	2.40	2.5	40.0	40.0	0.0
<b>UK BUILDING SOCIETIES</b>							
NATIONWIDE BUILDING SOCIETY	07/10/10	07/07/11	1.16	5.0			
NATIONWIDE BUILDING SOCIETY	18/02/11	21/10/11	1.20	5.0			
NATIONWIDE BUILDING SOCIETY	02/11/10	02/11/11	1.35	5.0	15.0	20.0	5.0
<b>OTHER ACCOUNTS</b>							
PRIME RATE STERLING LIQUIDITY FUND	Instant access		0.85	11.2	11.2	15.0	3.8
IGNIS STERLING LIQUIDITY FUND	Instant access		0.82	9.8	9.8	15.0	5.2
SVENSKA HANDELSBANKEN	35-day notice		0.85	15.0	15.0	15.0	0.0
<b>TOTAL INVESTMENTS</b>					<b>197.5</b>	<b>197.5</b>	
<b>ICELANDIC BANK DEPOSIT (not included above)</b>					<b>£</b>		
HERITABLE BANK	28/06/07	29/06/09	6.42	5,000,000			
Less: Dividend received to 30/06/11				-2,817,943			
Principal sum unrecovered as at 30/06/11				<u>2,182,057</u>			

## Sector's Economic background – June quarter

1. The June quarter saw:
  - The economic recovery struggle to regain momentum;
  - Conditions on the high street deteriorate;
  - Mixed signals on the strength of the labour market recovery;
  - Public sector borrowing come out disappointingly high;
  - The near-term outlook for CPI inflation deteriorate further;
  - The Monetary Policy Committee move away from raising interest rates;
  - UK equities stay broadly flat and gilt yields fall;
2. The economic recovery has been struggling to regain momentum after underlying activity more or less stagnated between October and March. The additional bank holiday for the Royal Wedding pulled down both industrial and services output in April, but the CIPS/Markit business surveys have failed to pick up by much since. An average of the surveys over the last three months points to quarterly GDP growth in Q2 of just 0.3% - less than half its trend rate.
3. The industrial recovery appears to have lost momentum quite quickly. The CIPS/Markit manufacturing survey has fallen to a level consistent with falls in manufacturing output. The output expectations balance of the CBI industrial trends survey has fallen more modestly, but has nonetheless dropped for the past three months in a row.
4. Meanwhile, the consumer outlook has darkened. The pick-up in the consumer sector seen during the spring appears to have been only temporary, reflecting the good weather and extra bank holiday. Retail sales volumes fell in May, more than reversing April's increase. The CBI's distributive trades survey fell in June and a number of well-known retailers have recently fallen into administration. Consumers appear to be reacting to the squeeze on their real incomes. Household real disposable incomes fell by 0.8% in Q1 and inflation is outpacing average earnings by about 2.5%. Consumer confidence also fell back in June and remains consistent with further falls in consumer spending.
5. Meanwhile, the news on the labour market has been mixed. The Workforce Jobs measure of employment rose strongly in Q1. But the more timely Labour Force Survey measure flattened off in April and May and the number of job vacancies continued to fall throughout the quarter. The claimant count measure of unemployment also continued to rise over the last three months. This only partly reflected a rise in the number of lone parents claiming Jobseeker's Allowance due to recent benefit changes.
6. The housing market has continued to tread water. The number of mortgage approvals for new house purchase was broadly unchanged over the quarter at a very low level of around 46,000. House prices have also remained broadly flat. The Nationwide index ended the second quarter at about the same level as it ended the first.
7. Meanwhile, net trade looks unlikely to provide as big a contribution to GDP growth in Q2 as it did in Q1. Net trade boosted quarterly GDP growth by some 1.4% in Q1. However, the trade deficit was unchanged in April compared to March.
8. The weakness of the economy appears to be having some adverse effect on the public finances. Borrowing in the first two months of the fiscal year totalled £27.4bn, compared to last year's £25.9bn. It is early days but, at this rate, borrowing will overshoot the OBR's Budget full-year forecast of £122bn.
9. Oil prices rose but then fell back during the quarter and ended Q2 at \$113 per barrel, close to the level seen at the end of Q1. Agricultural prices fell sharply over the past quarter.

10. The near-term outlook for inflation has deteriorated further. Although CPI inflation held steady at 4.5% in May, it now looks likely to rise to 5.5% or even higher within the next few months. Food price inflation is likely to rise further and Scottish Power announced in June a 19% rise in gas prices and 10% rise in electricity prices to take effect in August. Other utility suppliers are likely to follow suit. Households' inflation expectations rose sharply in June. But so far, there are no signs of any pick-up in pay growth. The median pay settlement was unchanged at 2.5% in May.
11. Most Monetary Policy Committee members still think that the rise in inflation will be only temporary and that inflation will fall back sharply next year. So, despite the worsening of the near-term inflation outlook, the weakness of the activity data has pushed most members further away from an interest rate rise. Some members have even started to discuss the prospect of giving the economy more support. Admittedly, the hurdle for more quantitative easing will be quite high, but it is certainly possible if the economy remains as weak as we expect.
12. In financial markets, the FTSE 100 finished the quarter at around 5,950 – about the same level as at the end of the first quarter. This was broadly in line with international stock markets – the S&P500 was also little changed over the period. Ten year gilt yields fell from 3.69% to 3.38% on the back of a drop in interest rate expectations. At the end of March, markets were expecting interest rates to have risen by this July, but now they expect rates to stay on hold until July next year. Meanwhile, sterling was broadly unchanged against the dollar at about \$1.60, and fell only a touch against the euro.
13. In the US, the recovery also appears to have lost a significant amount of momentum. The ISM manufacturing index fell sharply in May and reversed only a fraction of this drop in June. Payrolls employment rose by a disappointing 54,000 in May. Meanwhile, the euro-zone economy expanded at a healthy pace in Q1, but recent falls in most leading indicators suggest that growth is slowing there too. Germany has continued to outperform the rest of the region. The risk of an imminent Greek disaster eased temporarily after an initial draft agreement on a second Greek bailout package but European policymakers' inability to deal with the crisis quickly and effectively created further uncertainty and volatility.



**Sector's Summary Outlook – September 2011**

1. The key question is how quickly, and strongly, will the UK economy respond to the positive stimulus from low Bank Rate, quantitative easing and the devaluation of sterling? Negative growth of -0.5% in Q4 2010 was a huge shock; +0.5% (quarter on quarter) in Q1 2011 meant that growth had been flat for six months. A marginal upgrading of Q1 growth figures will have only a marginal effect on the big picture for the UK but there is considerable uncertainty as to how the UK economy will evolve in the coming months. US Q1 growth of only 1.8% (on an annualised basis) was also a disappointment despite non-farm payroll data showing improvement.
2. China and India have embarked on a major thrust to cool their over-heating economies and so may depress the rate of world economic growth. An anaemic economic recovery is probably the most likely outcome in the UK and US, after the initial rebound in 2010, for the next three to four years; recovery is likely to be slower and more protracted than normal business cycle recoveries as this is a financial crisis recovery where lack of credit is still stifling growth. The Bank of England is likely to determine that further increases in CPI in 2011, towards 5%, as being due to one off factors that will drop out of the index within 12 months, so underpinning the view that inflation will be back to near target within a two to three year time horizon.
3. This does assume that raised inflation expectations do not feed through into a significant increase in the general level of wage settlements. There has been a significant erosion of the confidence of financial markets in the EU handling of the peripheral debt crisis. There is now a major and escalating risk that the Greek, Irish, Portuguese debt crisis may not be contained and could lead to debt restructurings that could do significant damage to banks which already have weakened balance sheets. It is worth noting that many western governments have already exhausted their capacity to increase government debt to again bail out banks further damaged by any such future events and to counter the dampening of economic growth that would follow.

## Sector's Interest rate outlook and forecast – September 2011

1. The Council's treasury adviser, Sector, provides the following interest rate forecast and outlook:

Sector's Interest Rate View													
	Mar-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
Base Rate	0.50	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%	2.50%
3 mth LIBID	0.70	0.70%	0.70%	0.70%	0.70%	0.70%	0.90%	1.10%	1.30%	1.60%	1.90%	2.40%	2.70%
6 mth LIBID	1.00	1.00%	1.00%	1.00%	1.20%	1.30%	1.50%	1.70%	1.90%	2.10%	2.40%	2.70%	3.00%
12 mth LIBID	1.50	1.50%	1.50%	1.50%	1.60%	1.80%	2.00%	2.25%	2.50%	2.75%	3.00%	3.40%	3.70%

2. Although inflation pressures have remained a significant problem for the UK, the bias towards an accommodative monetary policy stance is likely to persist for some time to come. In theory, inflation remains the main driving force behind the MPC's decision processes. In practice, it is clear from its willingness to leave rates on hold throughout the year that growth prospects are a (if not the) key influence on policy.
3. Domestic growth has been virtually flat for the last nine months and there are no real signs that a return to a more buoyant profile is in prospect. The encouraging recovery in manufacturing output appears to have run out of steam and the slack is not yet being taken up by services and construction.
4. With the fiscal squeeze entering its more intense phase, the risks of a slide towards a double-dip recession remain present. The international activity backdrop has not helped in this respect. Indeed, the Bank of England has highlighted the problems in the euro-zone as one of the greatest risks to the UK recovery, although it does not quantify the potential impact.
5. US activity appears to have faltered over the summer months and has not been helped by the blow to confidence from a persistently weak housing market and the wrangling over the Federal debt ceiling. Eurozone growth remains heavily dependent on the German recovery, which appears to have faltered in the second quarter. Deteriorating confidence across the zone suggests the pace of activity could slacken further.
6. Weak activity in the western industrialised nations may help to modify upward pressure on global raw material prices, although a slide to the lower levels enjoyed in the early part of the past decade is very unlikely. Supply shortages and strong demand from China in particular rule out a more benign profile.
7. To date, the vast bulk of UK inflation pressures have been externally generated, principally rising food and commodity prices on the back of a combination of sterling weakness and strong global demand. Domestic pressures have remained subdued.
8. The main risk that the MPC has identified in the past is a marked deterioration in domestic inflation expectations and the dangers that this might trigger a bout of spiralling domestic costs. However, for this train of events to materialise we need to see an escalation in wage growth. Neither the labour market nor the willingness of the corporate sector to acquiesce to demands for higher pay are strong enough to pose much of a threat for the foreseeable future.
9. UK inflation is expected to ease sharply in 2012 as the factors that have driven prices higher in the last year – sterling weakness, the rise in commodity and energy prices and the hike in VAT – fall out of the indices. Prior to that, the Bank of England suggests the annual increase might hit 5%.
10. Projections of a more benign profile will support the MPC's policy of leaving rates on hold while the recovery in the economy remains threatened by low private sector confidence and the ongoing fiscal squeeze. If inflation does fall as anticipated and growth remains in the doldrums, the chances of a fresh phase of Quantitative Easing as the only means of boosting activity will increase.

11. Long-term interest rates remain extremely difficult to predict in these highly uncertain times. While the current level of yield is not justified by the recent performance of inflation, turmoil in the Eurozone and the problems associated with the US debt ceiling and ratings downgrade, have generated exceptional demand for safe-haven investments. Investors are willing to hold top quality government debt despite negative real rates of return.
12. Debt default and struggling economic recoveries will remain key drivers for the market for some time to come. Yields will remain under downward pressure while the threat of sovereign defaults and economic stagnation persist.
13. Nevertheless, with one or two exceptions, the health of the global economy is considerably better than during the depths of the 2008/09 credit crunch. Once the eurozone crisis passes its peak and demand for safe haven instruments slackens, the markets should see a rebalancing of yields and a rise in longer term rates towards levels more in keeping with a positive inflation environment.

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## London Borough of Bromley

Report No.HHR11003

PART I – PUBLIC

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**Decision Maker:** EXECUTIVE

**Date:** 19<sup>th</sup> October 2011

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

**TITLE:** ORGANISATION REDESIGN

**Contact Officer:** Charles Obazuaye, Assistant Chief Executive (HR)  
Tel: (020) 8313 4355 email: charles.obazuaye@bromley.gov.uk

**Chief Officer:** Assistant Chief Executive (HR)

**Ward:** N/A

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1. Reason for Report

1.1 This report highlights the key corporate departmental changes being introduced by the Chief Executive designed to realign the organisational structure with what the Council is trying to achieve.

1.2 Highlights include:

- Realignment of like for like functions/teams to improve financial and managerial performance, thus yielding cashable and non-cashable savings;
- Specific business requirements to bring together adult social care, children social care services, education and operational housing functions, in a new department;
- Reduction in managerial posts, in line with the Corporate Operating Principle aimed at establishing the optimal ratio of managers to staff;
- Cultural realignment, ie: complementary staff engagement and empowerment initiatives aimed at improving the working environment in which staff can contribute to the challenges and opportunities facing the Council.

1.3 This report does not address any proposed departmental and/or divisional restructuring happening concurrently as part of the on-going cost cutting exercises or any other business reasons. Individual Chief Officers will manage their departmental/divisional restructurings in the usual way, as set out in the council's Managing Change Procedure.

1.4 Therefore, this report focuses on the corporate departmental arrangement, mainly at 1<sup>st</sup> and 2<sup>nd</sup> tier levels, although a separate review of other managerial tiers in the organisation is being carried out concurrently. This is consistent with the determination to reduce the number of managers in the organisation and devolve decision making processes to frontline staff.

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## **2. RECOMMENDATION(S)**

**2.1 The Executive is asked to:**

**2.1.1 Note the proposed corporate departmental changes.**

**2.1.2 Note that, subject to appropriate individual and Trade Union and staff side consultations, the Chief Executive will manage any staff redundancies and/or staff redeployments in accordance with the Council's HR procedures and the Officer Scheme of Delegation.**

**2.1.3 Note and endorse the cultural realignment initiatives designed to support and complement the corporate structural changes.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated Cost/No Cost/N/A
  2. On-going costs: N/A/Non-recurring cost/Recurring Cost
  3. Budget Head/Performance Centre: £87m (approximately)
  4. Total current budget for this Head:
  5. Source of Funding:
- 

### Staff

1. Number of staff (current and additional): 2,420 FTE
  2. If from existing staff resources, number of staff hours:
- 

### Legal

- 1) Legal Requirement: Non-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 Financial Context: Pressure for change

The report is set in the context of the unprecedented financial pressures facing the Council and the country in general. It is generally accepted that the organisation has a lean corporate and departmental structure compared with many local authorities. As previously reported, a total of £3 million savings were achieved from the recent review of management and corporate overheads to support the Council's budget.

3.1.2 However, the Council still faces significant budget pressures over the next three to four years as the national and global economies continue to experience significant difficulties and poor growths. The Council needs to find savings of (approximately) £30 million over the next two years. Consequently the Chief Executive, in consultation with Members, has given consideration to redesign and realign the overall corporate departmental structure within the wider policy/finance realignment context. The new structure is designed to realise the changes in operating processes and working relationship we so urgently require, as well as achieve the budget savings required in 2012/13 and beyond. To that end, a further £3 million savings from staffing changes across the organisation will be achieved.

3.2 **Structural functionalism**, ie: the right organisational structure for the efficient delivery of Bromley Council's strategic business priorities. In line with the corporate Operating Principles and against the background of cost pressures and significant reductions being applied to funding in the public sector, now is the time to look ahead to identify what is needed for the future financial challenges and realign the corporate structural arrangement accordingly. Of course, designing the right structure during periods of economic austerity and business pressures is very challenging. Organisations often find themselves caught between a rock and a hard place in trying to address cost pressures and retaining the right organisational structure – without creating a workforce that appears the wrong shape due to skills shortage or de-motivated or disengaged employees! The challenge lies in building an organisation that is resilient and ready for the current and future challenges. Hence the focus of the new structure is three-fold, namely:

- As far as possible, group together like for like services/teams at a departmental or corporate level;
- Reinforce the focus on devolved decision making and staff empowerment;
- Achieve cashable/non-cashable efficiencies from rationalising management posts and centralising business support functions (as far as possible).

3.3 The new structure, in summary form, will consolidate the organisation into four main departments, namely:

- A new department bringing together education, children social care, adult social care, commissioning and the operational aspects of housing;
- Environment department comprising transport and highways, street scene and green space, trading standards and public protection;



- Resources department, comprising the newly amalgamated Resources and Legal, Democratic & Customer Services departments. A key focus of this department is the centralisation of key business support services;
- Strategic Regeneration and Development, comprising planning and the strategic elements of property, leisure and culture, including libraries, Adult Education College and strategic housing.

3.4 In addition, the Chief Executive's office will retain the following corporate teams, namely audit, HR, communications and the organisation improvement team. The Chief Executive will also assume line and performance management responsibility for Public Health currently being transferred to the local authority under the Section 75 Agreement – pending a formal statutory transfer in 2013. The new structure chart is attached to the report (Appendix A).

3.5 As far as the new department is concerned, it will effectively replace the departments of Children & Young People Services and Adult and Community Services. The position of the two Chief Officers who are directly affected by this arrangement is being addressed individually, albeit within the established HR procedures. Therefore, the recruitment and selection process to appoint a new Chief Officer to lead the new department will commence shortly, with a view to having someone in post before the new Financial Year.

3.6 In the meantime, the Chief Executive has agreed the following interim arrangements, namely:

- The Chief Executive and the Director of Children & Young People Services, supported by the Assistant Chief Executive, will lead the transitional and transformational processes of bringing the two departments together. The key task is to develop and commence the process of embedding the key building blocks (and in particular quick wins) for the new department to succeed. Quick financial wins from possible amalgamation of existing duplicate business support functions and processes are key transitional deliverables. Staff and Member confidence in the new arrangement/department is also a key feature of the transitional and transformational processes. To that end, the Chief Executive and the Director of Children & Young People will work with managers and staff across the two departments, as well as up-date and engage key Members and, in particular, the two relevant Portfolio Members, in delivering the key building blocks and the success criteria for the new department;
- ACS and CYP will continue as they are for now, pending the formation of the new department. Following the recent departure of the Director of Adult & Community Services, Ann Watts, Assistant Director, Performance & Strategy, will provide the departmental co-ordinating lead role and David Roberts, Assistant Director, Care Services, is now the relevant Statutory Officer – pursuant to the Local Authority Social Services Act 1970;
- In readiness for the new department, the Director of Children & Young People has begun the process of restructuring the department and the Chief Executive has commissioned work to develop a new approach to Children and Adult Commissioning.

- 3.7 Apart from the two Chief officers who are directly affected by the new arrangement, up to 8 posts at Assistant Director and/or Head of Service levels are directly or indirectly affected subject, of course, to individual staff and Trade Union consultations. Lead Members will also be consulted on the impact of the proposed redundancies on the managerial capacity/capability of the organisation to deliver Member priorities.
- 3.8 **Cultural Change** – In general terms people (staff) make structure works, ie: the effectiveness of any organisational structure is linked to its workforce. However, staff do not operate in a vacuum but within a cultural environment. Therefore, getting the culture right is equally imperative. It is of significance that the new structure is designed to achieve the Corporate Operating Principles and the strong emphasis on the role of staff in delivering Building a Better Bromley. Now is the time to properly embed these principles and the under-pinning values and beliefs (Respect, Empower, Ambition and Learn – REAL values) in how we organise work and manage our greatest asset (staff) across the organisation. To that end a Statement of Commitment to Bromley Staff (Appendix B) has been approved by the Chief Executive and his management team, following extensive consultations with managers and staff and their departmental representatives on how to take forward the Staff Engagement Survey outcomes. This is an enormously anxious and emotional time for all staff and managers in the organisation. The Statement is, therefore, a timely reminder that the Council will not abandon its core values and beliefs even in hard times. It reinforces the importance of good management and staff empowerment. The key chords from the Statement are as follows:
- Emphasise the importance of good communication and engagement with staff;
  - Recognise and reward exceptional performers in a timely and less prescriptive manner;
  - Promote and champion innovation and new ways of working;
  - Autonomy/staff empowerment – give adequate discretion and permission to staff, particularly at the frontline to deliver excellent/responsive service.

#### 4. POLICY IMPLICATIONS

- 4.1 The new structure is consistent with the Corporate Operating Principles and the Council's financial strategy. The decision to bring together children social care services, adult social care services, commissioning and education is consistent with the practice elsewhere across the country, including a number of London boroughs.
- 4.2 Lead members' perspective on the new structure will be proactively sought during the transitional period, partly to reassure Members that the Council's managerial capacity to deliver Member priorities is not compromised.
- 4.3 The appointment of the new Chief Officer for the new department is a Member function. Arrangements for the Member Panel and the recruitment and selection paperwork will be put in place as soon as possible.

## **5. FINANCIAL IMPLICATIONS**

5.1 These are covered elsewhere in the report. Suffice to say that finance is one of the key drivers influencing the future shape of the organisation. As already stated, the Council needs to find £30 million savings over the next two years, as well as address the financial implications of the pace of academy conversions in Bromley. Against these financial parameters, one of the key aims of the new corporate department arrangement is to rationalise management structures and other overheads and achieve further savings required for 2012/13 and beyond.

## **6. LEGAL IMPLICATIONS**

6.1 No direct legal implication save for the HR/employment law considerations below.

## **7. PERSONNEL IMPLICATIONS**

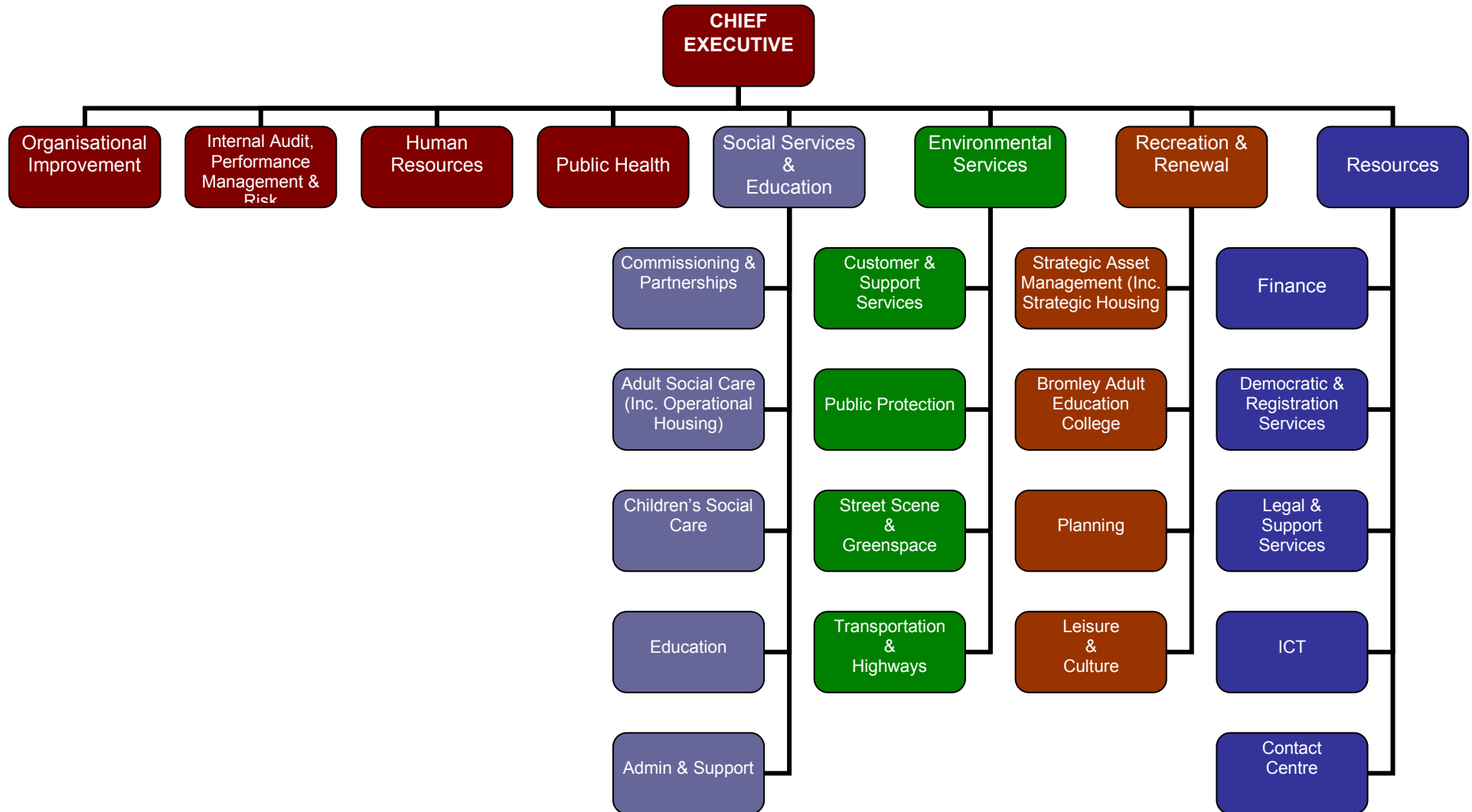
7.1 The two Chief Officers who are directly affected are aware of their positions and necessary steps have been taken to address their concerns. Any redundancies and/or redeployments at the Assistant Director level will be addressed sensitively, in consultation with the affected individuals and their representatives. The Council has a good record of mitigating the impact of forced redundancies and successful redeployment of displaced staff, although this is getting harder because of the numbers involved.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	

# London Borough of Bromley

## APPENDIX A

### PROPOSED ORGANISATIONAL STRUCTURE



www.bromley.gov.uk

## The **Bromley** commitment to staff



In support of **Building a Better Bromley** (BBB) the Council's corporate operating principles set out our approach to creating a flexible, responsive organisation that can embrace new ways of working with partners and staff to maintain and improve services to our community. As part of this we are committed to providing a working environment in which staff can contribute to the success of the Council. This staff commitment sets out the responsibility we all share in making this happen.

Our commitment is underpinned by our **REAL** values and the belief that:

- > People come to work to do a good job and make a difference
- > Everyone should be treated with respect and valued
- > Managers have the right to manage but should do so fairly
- > People have personal accountability for their own development, behaviour and actions
- > Communication should be open and ongoing

### We expect all employees to:

- Show commitment to achieving organisational (BBB) and service objectives
- Participate and contribute to finding more efficient ways of working and service delivery
- Actively participate in reviewing their own performance and development needs
- Recognise and value that everyone makes a different but important contribution

### We expect all managers to:

- Set objectives that are challenging but realistic to support our organisational (BBB) and service objectives
- Encourage effective upward and downward communication amongst their staff group including use of regular team meetings, email, intranet etc
- Ensure that all learning and development activities, including induction are designed to enhance the performance of staff
- Give regular feedback on performance and review the impact/value of any development activities undertaken
- Encourage a 'can do approach' and manage the outcomes positively – give recognition for achievements and handle mistakes constructively

### We expect all senior managers to:

- Lead and secure staff commitment to delivering organisational (BBB) and service objectives
- Keep colleagues informed about major developments and changes within the Council and consult them about plans or decisions that may affect them
- Ensure that learning and development activities, including induction support the achievement of organisational (BBB) and service objectives
- Ensure the appraisal process is used to improve performance and fully develop the potential of staff
- Promote and champion innovation and new ways of working

Building a Better Bromley | REAL Values | Commitment to staff



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Report No.  
RES11102

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** **Executive Council**

**Date:** 19<sup>th</sup> October 2011  
24<sup>th</sup> October 2011

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

**Title:** **SCHEME OF DELEGATION TO OFFICERS**

**Contact Officer:** Graham Walton, Democratic Services Manager  
Tel: 020 8402 8101 E-mail: graham.walton@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Resources

**Ward:** N/A

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1. Reason for report

- 1.1 Following the recent resignation of the Director of Adult and Community Services, Mr Terry Rich, it is necessary to make some minor changes to the Council's Scheme of Delegations to Officers, allocating the former Director's delegations to the four Assistant Directors in the Adult and Community Services Department as appropriate. Most of the delegations concerned are executive and are therefore made by the Leader of the Council. The opportunity has also been taken to make some other minor corrections.
- 1.2 It is also necessary to make a small change to the Council's Constitution to designate the Assistant Director, Care Services, to perform the statutory responsibilities of the Director of Social Services, and the Assistant Director, Strategy and Performance, to perform the remaining strategic chief officer functions.
- 

2. **RECOMMENDATION(S)**

- 2.1 **That the Executive notes the changes to executive delegations in relation to Adult and Community Services and other minor corrections received from the Leader of the Council, as set out in Appendix 1.**
- 2.2 **That Council notes the changes to executive delegations, and approves changes in respect of non-executive delegations in relation to Adult and Community Services and other minor corrections, as set out in Appendix 1.**
- 2.3 **That Council amends the Constitution (Article 12 – Officers) to designate the Assistant Director, Care Services to perform the statutory responsibilities of the Director of Social Services and the Assistant Director, Strategy and Performance, to perform the remaining strategic chief officer functions, as set out in Appendix 2.**

### Corporate Policy

1. Policy Status: Existing policy. The Council and the Leader maintain a scheme of delegations to officers to assist the efficient running of the Council's business.
  2. BBB Priority: Excellent Council.
- 

### 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 9 posts (8.22 fte) in the Democratic Services Team.
  2. If from existing staff resources, number of staff hours: Updating the Scheme of Delegations involves a minimal amount of officer time.
- 

### Legal

1. Legal Requirement: Statutory requirement. Local Government Act 1972 and successive legislation, including the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.
  2. Call-in: Call-in is not applicable.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The delegation of powers to officers is essential to the efficient operation of all Council services.
- 

### Ward Councillor Views

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



### 3. COMMENTARY

- 3.1 The Scheme of Delegation to Officers sets out the formal delegation of various powers to the Council's chief officers and their staff. The Scheme is normally updated for approval at the Council's annual meeting in May each year, although under the Local Government and Public Involvement in Health Act 2007 any executive powers delegated to officers are delegated not by the Council, but by the Leader of the Council, and it is open to the Leader to table changes to the executive scheme at any time. The executive/non-executive origin of each delegation in the scheme is reflected in a column which indicates whether each individual delegation derives from the Leader or from Council, or both.
- 3.2 The former Director of Adult and Community Services, Mr Terry Rich, left the Council's employment at the end of September. In view of this, it is necessary to change the delegations allocated to him in the Scheme to the four Assistant Chief Officers in the Adult and Community Services Department. These are the Assistant Directors for Care Services, Commissioning and Partnerships, Housing and Residential Services, and Strategy and Performance.
- 3.3 The opportunity has also been taken to correct an error in the Scheme relating to day to day management of maisonettes associated with shop premises (Adult and Community delegation (21)), which should be to the Director of Renewal and Recreation, rather than the Director of Resources. One delegation, relating to the Rent Officer Service (15), can be deleted as this is no longer a local authority function. Another issue has arisen in aligning the Council's Contracts Procedures to the current Scheme of Delegations, necessitating some changes in Part 2 of the Scheme.
- 3.4 The extracts from the Scheme of Delegation that are being altered are set out in Appendix 1, with changes in *italics*. No additional delegations to officers are proposed in this report.
- 3.5 With the resignation of the former Director of Adult and Community Services, it is necessary for the Council to appoint an officer to carry out the statutory responsibilities of the Director of Social Services. It is proposed that this will now be the Assistant Director, Care Services, with the Assistant Director, Strategy and Performance performing the remaining strategic management roles of the former Director. The amended wording is set out in Appendix 2.

<b>Non-Applicable Sections:</b>	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Scheme of Delegation to Officers received at Council on 18 <sup>th</sup> May 2011

**SCHEME OF EXECUTIVE AND NON-EXECUTIVE  
DELEGATION TO OFFICERS - PROPOSED CHANGES**

**CONTENTS (Page 1)**

Change to *Assistant Directors of Adult and Community Services*

**PROPER OFFICERS (Page 2)**

Local Government Act 1972 Section	Purpose	Proper Officer
Section 22, Para. 17	Authentication of orders and notices, etc under the Housing Act	For such matters as he is authorised to deal with by the Council's Scheme of Delegation to Officers the <i>Assistant Director, Housing and Residential Services</i> , otherwise the Director of Resources.

**PART I (Page 4)**

**GENERAL CONDITIONS GOVERNING DELEGATION OF FUNCTIONS TO CHIEF OFFICERS**

	Responsibility delegated from
9. For the purposes of these General Conditions and the general and specific authorities to act to which they apply, the expression "Chief Officer" shall mean:- The Chief Executive, the Director of Resources, the Director of Children and Young People Services, the Director of Environmental Services, the Director of Renewal and Recreation, the <i>Assistant Directors</i> of Adult and Community Services, the Assistant Chief Executive, Human Resources, the Finance Director and the Chief Planner.	Council

**Part II (Page 7)**

**A – GENERAL AUTHORITIES**

	Responsibility delegated from
1. (iv) Incur expenditure and accept tenders for items provided for in the approved revenue estimates or approved capital programme, <i>in accordance with the Council's Contract Procedure Rules. (Delete: "... save where the value of the expenditure would exceed £500k where the written approval of the relevant Portfolio Holder shall be obtained or where the value exceeds £1m where the approval of the Executive or council shall be obtained.")</i>	Council/Leader

<p>(v) Select quotations and tenders for works, services and/or goods within approved budgetary provision on all contracts <i>in accordance with the Council's Contract procedure rules.</i>          (Delete: "...save where the value exceeds £500k where the written approval of the relevant Portfolio Holder shall be obtained or where the value exceeds £1m where the approval of the Executive or Council shall be obtained.")</p>	<p>Council/Leader</p>
<p>(vi) Change "<i>Director of Resources</i>" to "<i>Director of Finance</i>"</p>	<p>Leader</p>
<p>(xiv) Enter into contracts with any voluntary sector organisation (VSO) for the provision of services by way of a service level agreement (SLA) without the necessity of competition, provided that:</p> <p>(1) the Chief Officer is satisfied that the VSO is able to provide a satisfactory quality of service and that the sums payable under the SLA represent best value;</p> <p>(2) the relevant Portfolio Holder is notified of any new SLAs being entered into;</p> <p>(3) any <i>approval</i>, extensions or renewals of such SLAs comply with the provisions of rule 13.1 of the Contract Procedure Rules.</p> <p>Delete "<i>(4) the approval of the relevant Portfolio Holder is obtained where the value of the SLA exceeds £500k or the approval of the Executive or Council is obtained where the value exceeds £1m.</i>"</p>	<p>Council/Leader</p>
<p>4. To the <i>Assistant Director, Commissioning and Partnerships</i> Authority to:-</p> <p>Negotiate schedules of rates and other contractual provisions with registered residential and nursing home providers and/or care service providers to facilitate adult client choice within community care legislation. Clients should be directed to providers on such Approved Lists although the Director may agree to placement with a non approved provider provided that</p> <p>(i) the clients' choice is appropriate to their needs and</p> <p>(ii) the client meets the relevant eligibility criteria</p> <p>(iii) the costs fall within the rates accepted by the Council for accommodation and/or care for clients with their specific eligibility or a third party has entered into a binding contract with the provider and Council to meet any difference</p> <p>(iv) as far as possible inflationary increases in such rates should be negotiated at the outset.</p>	<p>Leader</p>

**B. AUTHORITIES RELATED TO THE FUNCTIONS OF INDIVIDUAL PORTFOLIO HOLDERS AND COMMITTEES (Page 13)**

**KEY REFERENCES TO OFFICERS**

All	-	Chief Officers
CE	-	Chief Executive
DR	-	Director of Resources
DCYPS	-	Director of Children and Young People Services
DES	-	Director of Environmental Services
DRR	-	Director of Renewal and Recreation
ACE-HR	-	Assistant Chief Executive, Human Resources
CP	-	Chief Planner
FD	-	Finance Director
ADCS	-	<i>Assistant Director, Care Services</i>
ADCP	-	<i>Assistant Director, Commissioning &amp; Partnerships</i>
ADHR	-	<i>Assistant Director, Housing &amp; Residential Services</i>
ADSP	-	<i>Assistant Director, Strategy &amp; Performance</i>

**PUBLIC PROTECTION AND SAFETY PORTFOLIO/  
RELEVANT REGULATORY COMMITTEE(S) (Page 28)**

Officer(s) Authorised	Authority to:-	Responsibility delegated from
<i>ADHR</i> (15)	Manage caravan sites owned by the Council	Leader
<i>ADHR/ADSP/DES</i> (16)	Carry out the Council's functions under S.16 of the Local Government (Miscellaneous Provisions) Act 1976 and authorise officers to serve notices under S.16 of the Act.	Council

**RESOURCES PORTFOLIO/  
RELEVANT REGULATORY COMMITTEE(S) (Page 51)**

Officer(s) Authorised	Authority to:-	Responsibility delegated from
<i>ADHR</i> (34)	Approve Housing Act advances in accordance with the scheme and criteria approved by the Executive.	Leader
<i>ADHR</i> (40)	Authority to approve maturity loans applications.	Leader

**ADULT & COMMUNITY PORTFOLIO/  
RELEVANT REGULATORY COMMITTEE(S) (Page 61)**

Officer(s) Authorised	Authority to:-	Responsibility delegated from
<i>ADCS</i> (1)	Ensure that the powers and duties to provide for the social care of elderly people, people with a disability and/or chronic sicknesses are met in accordance with statutory requirements and Council policy.	Council/Leader
<i>ADCS</i> (2)	Exercise the statutory functions (including under the Mental Health Acts and Mental Capacity Act 2005) to safeguard the welfare of people suffering from a mental illness.	Leader
<i>ADSP</i> (3)	Arrange burials and cremations in cases where no other suitable arrangements have been made.	Leader
<i>ADHR</i> (4)	Consider the conditions and housing needs of the Borough.	Leader
<i>ADHR</i> (5)	Assess and arrange rehousing for homeless applicants in accordance with statutory requirements and Council policy.	Leader
<i>ADHR</i> (6)	Nominate applicants to Housing Associations.	Leader
<i>ADHR</i> (7)	Monitor the performance of Housing Associations and arrange for collection and production of statistical information.	Leader
<i>ADHR</i> (8)	Consult with and provide advice to Housing Associations and other housing organisations on the housing needs of the Borough.	Leader
<i>ADHR</i> (9)	Manage and provide temporary accommodation for homeless people and in cases of emergencies.	Leader
<i>ADHR</i> (10)	Agree the terms and conditions for block booking arrangements for temporary accommodation.	Leader
<i>ADHR</i> (11)	Manage the Council funded development programme in line with Council policy.	Leader
<i>ADCS</i> (12)	Undertake the general supervision and management of social work support services provided under the Local Authority Social Services Act 1970 (and any other enactment) not generally covered elsewhere in this scheme of delegation.	Leader

ADSP	(13)	Ensure that reasonable costs are recovered for certain services in line with statutory regulations and Council policy.	Leader
ADCS	(14)	Discharge the Council's transport functions in accordance with statutory requirements.	Council/Leader
DELETE	(15)	<i>Be "proper officer" in respect of the Rent Officer service.</i>	<i>Council</i>
ADHR	(15)	Dispose of small plots of land which are surplus to requirements and which do not exceed 200 square metres in area, subject to consultation with local Ward Members.	Leader
ADSP	(16)	Waive or abate charges and to take further action in relation to recovery of charges.	Leader
ADCP	(17)	Approve applications for joint financing of less than £50,000.	Leader
ADHR	(18)	Authority to allocate Housing Association Programme funds in accordance with the criteria contained in Social Services and Housing Committee Minute 232(g) (21 <sup>st</sup> July 1997).	Leader
FD	(19)	Determine and pay claims for "well maintained" payments following directions given by the Secretary of State for the Environment.	Leader
FD	(20)	Negotiate with owners and accept tenancies of properties in compulsory purchase orders awaiting confirmation by the Secretary of State and from which immediate rehousing is considered necessary.	Leader
DRR	(21)	Deal with the day-to-day management of all maisonettes associated with shop premises.	Leader
FD	(22)	Authorise payment of disturbance claims.	
ADHR/ADCS	(23)	Approve all renovation, disabled facilities and minor works grants and grants relating to water supplies in accordance with the schemes approved by the Executive Portfolio Holder.	Leader
ADHR/ADCS	(24)	Require and enforce repayment of renovation grants in accordance with the practice of the Executive. Approve the waiving of repayments where financial hardship to the owner would arise.	Leader

<i>ADHR</i>	(25)	Carry out the Council's functions relating to private sector housing in connection with unfitness, disrepair, provision of amenity, means of escape in the case of fire, overcrowding, management and control.	Leader
<i>ADHR</i>	(26)	Institute enforcement action and, subject to the Director of Resources being satisfied with the evidence in each case, legal proceedings, in respect of (25) above.	Leader
<i>ADHR</i>	(27)	Authorise the carrying out of work in default in appropriate cases of non-compliance.	Leader
<i>DES/CP</i>	(28)	Arrange for the demolition of properties for redevelopment purposes.	Leader
<i>FD</i>	(29)	Determine the amounts of rent rebates to be allowed under approved scheme.	Leader
<i>ADHR</i>	(30)	Authorise the approval of discretionary disabled facilities grants in exceptional circumstances.	Leader
<i>ADCS</i>	(31)	Authority to approve Social Workers' warrant cards.	Leader





# Agenda Item 17

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